

# London Borough of Croydon

## Internal Audit Report

### 1<sup>st</sup> April 2021 to 30 September 2021

#### Confidentiality and Disclosure Clause

This report ("Report") was prepared by Mazars LLP at the request of London Borough of Croydon and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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**Please refer to the Statement of Responsibility in Appendix 6 of this report for further information about responsibilities, limitations and confidentiality.**

## 1. Internal Audit Performance

- 1.1 As previously reported to General Purposes and Audit Committee, there has been significant disruption to the delivery of internal audit services as a result of the Covid-19 pandemic and government restrictions. These delays in completing the 2019/20 internal audit plan and commencing the 2020/21 internal audit plan both impacted on the delivery of the 2021/22 internal audit plan, with work in completing the 2020/21 audit plan still ongoing. Despite the pause in conducting internal audits, follow up work continued with good performance in this area.
- 1.2 The 2021/22 internal audit plan was approved by the General Purposes and Audit Committee on 4 March 2021 and work in delivering the internal audit plan is now well underway.
- 1.3 Due to changes in government requirements, including the School's Financial Value Standard (SFVS), the standard audit test programme used for school audits was revised for 2021/22, with the revised programme being presented to the School's Forum in July 2021. This delayed the commencement of school audits, although the first two school audits have now been completed.
- 1.4 The table below details the performance for the 2021/22 internal audit plan against the Council's targets.

Performance Objective	Annual Target	Year to Date Target	Year to Date Actual	Performance
% of planned 2021/22 plan days delivered	100%	40%	32%	▼
Number of 2021/22 planned days delivered	999	400	323	▼
% of 2021/22 planned draft reports issued	100%	20%	10%	▼
Number of 2021/22 planned draft reports issued	71	14	7	▼
% of draft reports issued within 2 weeks of exit meeting	85%	85%	100%	▲
% of qualified staff engaged on audit	40%	40%	41%	▲

## 2. Audit Assurance

- 2.1 Internal Audit provides four levels of assurance as follows:

<b>Full</b>	The systems of internal control are sound and achieve all systems objectives and that all controls are being consistently applied.
<b>Substantial</b>	The systems of internal control are basically sound, there are weaknesses that put some of the systems objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.

<b>Limited</b>	Weaknesses in the systems of internal control are such as to put the systems objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
<b>No</b>	The system of internal control is generally weak leaving the system open to significant error or abuse and /or significant non-compliance with basic controls leaves the system open to error or abuse.

2.2 The table below lists the internal audits for which final reports were issued from 1 April to 30 September 2021. Details of the key issues arising from these reports are shown in Appendix 1.

Internal Audit Title	Assurance Level	Planned Year	Previously Reported to GPAC √ / X
<b>Non-School Internal Audits</b>			
Community Care Payments	Limited	2019/20	X
Creditors (inc P2P)	Limited	2019/20	√
Main Accounting System	Limited	2019/20	X
Financial Assessments – Charging Policy	Limited	2019/20	√
Freedom of Information and Subject Access Requests	Limited	2019/20	√
Agency Staff – Tenure and Monitoring	Substantial	2019/20	√
SLWP / Veolia	Substantial	2019/20	X
Staff Expenses – Compliance checks	No	2020/21	√
Payments to Schools	Limited	2020/21	√
Overtime Payments	Limited	2020/21	√
Clinical Governance	Limited	2020/21	√
Disabled Facilities Grants	Limited	2020/21	X
Public Health: Contracts Management (Sexual Health)	Limited	2020/21	√
Temporary Accommodation: Standards in Private Sector	Limited	2020/21	√
Overtime Payments – Parking Services	Limited	2020/21	√
SEN Transport - Safeguarding	Limited	2020/21	√
New Supplier Set up	Limited	2020/21	X

Internal Audit Title	Assurance Level	Planned Year	Previously Reported to GPAC √ / X
Cyber Security	Limited	2020/21	√
Corporate Estate: Building Compliance	Substantial	2020/21	√
CCTV Procurement	Full	2020/21	X
Council Tax	Full	2020/21	√
<b>School Internal Audits</b>			
Thornton Heath Nursery School	Limited	2020/21	√
Thomas More Catholic School	Limited	2020/21	√
Selsdon Primary School	Substantial	2019/20	√
Purley Oaks Primary School	Substantial	2020/21	√
Smitham Primary School	Substantial	2020/21	√
St Giles	Substantial	2020/21	√
St Nicholas	Substantial	2020/21	√
Red Gates	Substantial	2020/21	√

### 3. Follow-up audits – effective resolution of recommendations/issues

- 3.1 During 2021/22 in response to the Council's follow-up requirements, Internal Audit has continued following-up the status of the implementation of agreed actions for audits carried out during 2017/18, 2018/19, 2019/20 and 2020/21.
- 3.2 Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully resolved according to the action plans agreed with the service managers. The Council's target for internal audit recommendations/issues to be resolved at the time of the follow-up audit is 80% for all priority 2 & 3 recommendations/issues and 90% for priority 1 recommendations/issues.

Performance Objective	Target	Performance (to date)			
		2017/18	2018/19	2019/20	2020/21
Percentage of priority one actions implemented at the time of the follow up audit	90%	100%	96%	81%	64%
Percentage of all actions implemented at the time of the follow up audit	80%	94%	92%	87%	73%

- 3.3 The results of those for 2017/18, 2018/19, 2019/20 and 2020/21 audits that have been followed up are included in Appendixes 2, 3, 4 and 5 respectively.

- 3.4 Appendix 2 shows the incomplete 2017/18 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 94% of the total recommendations/issues were found to have been implemented and 100% of the priority 1 recommendations/issues which have been followed up have been implemented.
- 3.5 Appendix 3 shows the incomplete 2018/19 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 92% of the total recommendations/issues were found to have been implemented and 96% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Air Quality Strategy, Implementation and Review	Limited	<p>A priority 1 issue was identified as there was a lack of evidence that the Air Quality Action Plan actions were being regularly monitored.</p> <p><b>Response September 2021:</b></p> <p>Prior to COVID-19 we had quarterly steering group meetings and the action plan table was distributed prior to the meeting for quarterly updates. Due to lack of staff we were unable to continue with the meetings and also had to prioritise other work. The meetings have now been set up for 2021. One meeting has already been held and a pollution support officer is now attending to take minutes. The Director will also be sending out the action plan table to ensure other teams make their responses within a certain timescales. We will be investigating using MS Teams to make comments on the action plan table without having to go through the plan for comments.</p>
Asbestos Management	Limited	<p>A priority 1 issue was identified as there were some 7,762 housing assets, assets for which there was no identifier of whether asbestos was either identified, strongly presumed, presumed or was not found. Discussion established that this number included assets such as roads; however, examination of the listing noted that there were also general rent dwellings, service tenancies and garages included</p> <p><b>Update October 2021:</b></p> <p>No, there has been no work on the contract yet. I need to finalise some queries with our procurement team and the lawyers (Compliance Manager)</p>

- 3.6 Appendix 4 shows the 2019/20 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 90% of the total recommendations/issues were found to have been implemented and 87% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
SEND	Limited	<p>A priority 1 issue was raised as 79 out of 302 (26%) EHC plans issued in 2019/20 were not completed and issued within the statutory 20 week period.</p> <p><b>Response provided August 2021:</b></p> <p>Reviewed through data monitoring. Staffing pressures continue within 0-11 and assistants teams – this has resulted in inconsistent improvement. Appointments underway to bring back to full staffing.</p> <p><b>Updated response received October and being reviewed.</b></p>
Lettings Allocations and Assessments	Limited	<p>A priority 1 issue was raised as the application forms (on line and in hardcopy) in use were not compliant with the Data Protection Act 2018 or the General Data Protection Regulation.</p>

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Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
		<p><u>Response provided December: 2020:</u></p> <p>No handover or discussion. I will speak to digital and information services as well as interim operational manager to find out where we are with this and update with my findings and hopefully sign off.</p>
Occupational Therapy	Limited	<p>A priority 1 issue was raised as the apportionment of costs, including any over or underspends, for the Adult Community Occupational Therapy Service between the Croydon Clinical Commission Group and the Council was not formally agreed.</p> <p><u>Response provided September 2021:</u></p> <p>Section 75 agreement to be done by the end of October 2021 and agreed with CHS (assuming NHS approval mechanisms within the time frame).</p> <p>A priority 1 issue was raised as the 'Waiting List Report' as at 18 September 2019 detailed that there were 197 waiting clients, 180 of whom had been on the waiting list more than 3 months.</p> <p><u>Response provided October 2021:</u></p> <p>An additional £120k secured from staffing budget to be used for locum and permanent recruitment. Recruitment documents in to SCP and will be heard on the 18<sup>th</sup>, thereafter recruitment to start</p>
Wheelchair Service – Community Equipment Service	Limited	<p>A priority 1 issue was raised as the follow up of the recommendations raised in the 2017 ad hoc report identified that the recommendation relating to the BACs files being open to amendment had still not been implemented, meaning that any of the BACs payments during the last 2 years may have been manipulated. As about £1m of payments is made per month, this is a significant issue.</p> <p><u>Updated response October 2021:</u></p> <p>The profile change has now been implemented by the treasurer.</p> <p>Meeting has taken place with the Bankline technical team to discuss set up. A template of information required for upload in Bankline has been agreed and forwarded to CPIO (Sage provider). CPIO will set up the bulk upload template and the team will then complete testing. We anticipate that this likely to go live early November.</p> <p>In the meantime the audit risk is being mitigated by additional checks to each payment line on Bankline before it is approved. This means any amendment to the payment file will be identified.</p>
Fairfield Hall Delivery (BxB Management)	No	<p>A priority 1 issue was raised as the licence for access to carry out works in respect of property at Fairfield, College Green issued to BXB did not include specific contract conditions relating to quality or deadline for delivery.</p>
Freedom of Information and Subject Access Requests	Limited	<p>A priority 1 issue was raised as FOI requests were not being responded to within the 20 working day statutory timeframe, with the percentage of FOI requests responded to with 20 days varying between 49% in November 2019 and 83% in December 2019.</p> <p><u>Response received October 2021:</u></p> <p>Following a number of changes within the organisation, the medium which facilitated this action and the report, Power BI, can no longer be maintained. As a result, the Head of Service dashboard is not functional in the manner previously described and intended.</p> <p>However, in its place, to contribute to greater visibility and assist in improving compliance, weekly reports containing details of outstanding cases are sent to areas in receipt of a high volume of these requests, and are also provided to others as solicited.</p> <p>We are also exploring options with the Business Intelligence and Performance team to produce a report capable of providing the level of detail previously given, and with a similar ease of accessibility.</p>
Staff Debt	Limited	<p>A priority 1 issue was raised as it was identified that no recovery actions had been made for 37 (out of the 70) salary overpayments despite these being over a year old. The total outstanding balance of salary overpayments was £180,038.48.</p> <p><u>Update October 2021:</u></p> <p>A business case was put forward via the recruitment control process for additional resources to be brought into payroll to clear the backlog of overpayments, the cost of which to be offset against the debt raised.</p>

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Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
		The resources are now in place and work has commenced w/c 21 September 2021. It is expected that work will be completed by end January 2022, with the aim of invoices starting to be raised during November 2021.
Enforcement Agents - Procurement	No	<p>A priority 1 issue was raised as an individual scoresheet and the record of moderation are missing for the tender evaluation of January 2018.</p> <p>Contemporaneous records of the reasons and reasoning for the allocation of scores in moderation for both lots of the tender evaluations of August 2019 could not be provided. Attempts have also been made to recreate the reasons and reasoning at a later date</p> <p><u>Response May 2021:</u></p> <p>The live procurement trial was successfully completed, and now the implementation is being rolled out. The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p><b>Response June 2021:</b></p> <p>There is no further update at this stage. The remaining actions are scheduled for Q1 / Q2 for this year, although this is subject to available resource.</p> <p>Pending this, we are undertaking additional management action.</p> <p>A priority 1 issue was raised as a number of formal agreements extending the arrangements with the service providers could not be provided.</p> <p><u>Response May 2021:</u></p> <p>The commissioning framework and procurement handbooks have not yet been reviewed. This is in our project pipeline for Q1/Q2 of 2021/22.</p> <p>Pending this, we are undertaking additional management action.</p> <p><b>Update June 2021:</b></p> <p>There is no further update at this stage. The remaining actions are scheduled for Q1 / Q2 for this year, although this is subject to available resource.</p>

3.7 Appendix 5 shows the 2020/21 follow-up audits undertaken to date and the number of recommendations/issues raised and implemented. 73% of the total recommendations/issues were found to have been implemented and 64% of the priority 1 recommendations/issues which have been followed up have been implemented. The outstanding priority 1 recommendations/issues are detailed below:

Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
Staff Expenses – Compliance Checks	No	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested.</li> </ul> <p><u>Response September 2021:</u></p> <p>An initial meeting took place to discuss the generic application update on 7 September 2021.</p> <p>Following that meeting it was agreed that the compulsory car user allowance form needed to be updated and to seek input from internal audit on what details should be retained on file.</p> <p>Input from internal audit, insurance and anti-fraud has now been received. A further meeting is planned for 4 October to further discuss plans for the compulsory car user update.</p> <ul style="list-style-type: none"> <li>Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised.</li> </ul> <p><u>Response September 2021:</u></p>

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Audit Title	Assurance Level	Summary of recommendations/issues arising in priority 1 recommendations/issues
		<p>The annual reminder was published on the intranet on 24 August 2021. In addition, this was included in the August Managers Briefing</p> <p><u>Audit comment</u></p> <p>Examination of a small sample of claims in September 21 identified that claims were still being approved that were not appropriate. This was raised with ELT on 28 September 21, where ELT agreed and requested compliance reports.</p> <p>This is therefore assessed as in progress, while the compliance reporting is being implemented.</p> <ul style="list-style-type: none"> <li>Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred.</li> </ul> <p><u>Response September 2021:</u></p> <p>The annual reminder was published on the intranet on 24 August 2021. -Changes to expense claims   Croydon Intranet</p> <p>In addition, this was included in the August Managers Briefing</p> <p><u>Audit comment</u></p> <p>Examination of a small sample of claims in September 21 identified that claims were still being approved that were not appropriate. This was raised with ELT on 28 September 21, where ELT agreed and requested compliance reports.</p> <p>This is therefore assessed as in progress, while the compliance reporting is being implemented.</p>
Clinical Governance	Limited	<p>A priority 1 issue was raised as there was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</p> <p><u>Response August 2021:</u></p> <p>Workshop being organised to coordinate pulling together all the relevant information to produce a clinical governance policy. Stakeholders include: Commissioners, Public Health, Designated Safeguarding leads, SWL CCG.</p>

## Appendix 1: Summary from finalised audits of Key (Priority 1) issues

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
<b>Non-School Internal Audits</b>			
2019/20	Community Care Payments	Limited (Five priority 1, one priority 2 and two priority 3 issues)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Funding approval for nine of the sample of 16 nursing and residential clients and direct payment clients tested was after the placements had commenced.</li> <li>Commitment forms were raised more than seven days after the placements commenced for 12 of the sample of 18 nursing and residential clients and direct payment clients tested.</li> <li>Following authorisation of the commitment forms, delays in inputting the payment details onto SWIFT were identified for nine of the sample of 18 nursing and residential clients and direct payment clients.</li> <li>Testing of the ad hoc payments process, used for payments other than those on the regular SWIFT payment runs, found that: <ul style="list-style-type: none"> <li>There was no escalation process if either of the normal approvers was not available;</li> <li>A list of the ad hoc payments processed was not held, and</li> <li>The ad hoc payments did not contain reference/s to the initial payment request that was late / went wrong.</li> </ul> </li> <li>The payment files created by SWIFT, which contain the payee bank account details, were open to amendment.</li> </ul>
2019/20	Creditors	Limited (Four priority 1, seven priority 2 and one priority 3 issue)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Examination of the documentation retained for a sample of 17 transactions identified that for five of these the order was raised either after delivery or after the invoice date.</li> <li>Examination of the documentation retained for a sample of 17 transactions identified that for four of these the goods or services received check preceded actual delivery.</li> <li>Examination of the documentation retained for a sample of 17 transactions identified that five of the invoices included client names (including children in care) thus potentially breaching the Data Protection Act 2018.</li> <li>As at 28 September 2020 the Council had invoices totalling £25,757,492 on hold, of which £7,220,978 related to previous financial years (i.e. 2019/20 and prior) with oldest invoice on hold dating 8 May 2014.</li> </ul>
2019/20	Main Accounting System	Limited (One priority 1 and one priority 2 issues)	A priority 1 issue was raised as examination of the records held for a sample of 10 virements was unable to evidence approval for 6 of these, and approval for 3 was uncertain as the required 'Request For Virement Form' had not been used.
2019/20	Financial Assessments – Charging Policy	Limited (Two priority 1 and three priority 2 issues)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Five of the sample of ten financial assessments sampled had not been completed in a timely manner.</li> <li>Five of the sample of ten financial assessments sampled were only requested after care had commenced and three, although requested prior to care commencing, were only completed after the care had commenced.</li> </ul>
2019/20	Freedom of Information (FOI)	Limited	A priority 1 issue was raised as FOI requests were not being responded to within the 20 working day statutory timeframe, with the

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	and Subject Access Requests (SARs)	(One priority 1 issue and 2 priority 3 issues)	percentage of FOI requests responded to with 20 days varying between 49% in November 2019 and 83% in December 2019.
2020/21	Staff Expenses – Compliance checks	No (Four priority 1 and one priority 2 issue)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>Compulsory Car User Forms were not located for 11 of the sample of 15 staff on the car allowance scheme tested.</li> <li>Testing of a sample of 30 approved expense claims found that nine of these should not have been approved (seven where appropriate supporting documentation was not provided, one for a parking fine and one for membership) and that nine of these had been incorrectly categorised.</li> <li>Analysis of a report of expenses claimed identified 12 instances where overpayment had occurred as a result of duplicate expense claims.</li> <li>Analysis of a report of expenses claimed identified that 240 expense items were authorised outside of the 90 days eligibility timeframe as defined by Expenses Management Policy. Furthermore, the required director written approval was not available for 14 out the sample of 15 (out of a total of 105) expense items submitted more than 60 days (and less than 90 days) after the expense being incurred.</li> </ul>
2020/21	Payments to Schools	Limited (one priority 1, one priority 2 and three priority 3 issues)	A priority 1 issue was raised as, although statutory guidance issued by the Secretary of State requires that School deficits are cleared in 3 years and do not continue indefinitely, four (out of six) of the licensed deficits in 2020/21 were agreed for schools which did not plan for their deficits to be eliminated within 3 years as required.
2020/21	Overtime Payments	Limited	Limited Assurance with no priority 1 issues.
2020/21	Clinical Governance	Limited (Two priority 1 and four priority 2 issues)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>There was no evidence of an overall clinical governance policy being in place for the Council and consequently the clinical governance framework and systems in place were unclear.</li> <li>Examination of the contracts for a sample of three contractors providing clinical services (from the list provided of 15 outsourced clinical services) confirmed that reference to clinical governance arrangements and monitoring was to varying degrees. In addition, all three of the contracts had expired.</li> </ul>
2020/21	Disabled Facilities Grants	Limited (One priority 1 and 3 priority 2 issues)	A priority 1 issue was raised as the Council's DFG application form, which asks for personal information from the applicant, does not include privacy information or any consent.
2020/21	Public Health: Contracts Management (Sexual Health)	Limited Four priority 1 and two priority 2 issues)	<p>Priority 1 issues were raised as:</p> <ul style="list-style-type: none"> <li>The copy of the Section 75 Agreement with Croydon Health Services (CHS) to provide an integrated sexual health service was not signed and had expired on 31 March 2021.</li> <li>The Lead Commissioner – Public Health &amp; Prevention confirmed that signed electronic copies of contracts with the 45 GP surgeries and pharmacies to provide support within the community were not held.</li> <li>Evidence of monitoring against the performance indicators in integrated sexual health service was limited to minutes of S75 Partnership Board meetings held in June and September 2020 and an e-mail dated September 2020 titled 'S75 &amp; KPI reporting' which only provided monthly 'kit' requests and did not fully reflect the key service outcomes within the contract. No evidence of monitoring of the chlamydia screening, LARC or ESH contracts was provided.</li> <li>Management confirmed that there was monitoring of the budget and service usage, but while we were provided with details of summary sexual health charges for both Croydon and 'Out of</li> </ul>

Year	Internal Audit Title	Assurance Level & Number of Issues	Summary of Key Issues Raised
			Area' providers for 2020/21, this did not include any budget details. A Sexual Health tracker is also maintained, to help monitor services (i.e. LARC, ESH and Chlamydia services) provided by and payments made to the GP surgeries and pharmacies.
2020/21	Temporary Accommodation: Standards in Private Sector	Limited Two priority 1 and four priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Electrical, gas and energy certificates were not located for some of the sample of Croybond properties and most of the sample of Croylease properties checked.</li> <li>Decent Homes Inspection' reports were not available for eight of the sample of 15 property records checked.</li> </ul>
2020/21	Overtime Payments – Parking Services	Limited (Three priority 1 and three priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>Parking Services staff eligibility for overtime was being determined based on the number of penalty charges notices (PCNs) issued, in breach of statutory guidance.</li> <li>The Enforcement Manager had authorised 101 hours of overtime for his brother in March 2020.</li> <li>Analysis of the overtime paid forms between 1 January and 31 August 2020 identified 10 Parking Services staff who had on average worked more than 48 hours a week for the period. This was not in line with the Staff Handbook, which requires that staff only work more than 48 hours a week for a limited period of time and on an exceptional basis.</li> </ul>
2020/21	SEN Transport - Safeguarding	Limited Two priority 1 and two priority 2 issues)	Priority 1 issues were raised as: <ul style="list-style-type: none"> <li>The 'Application Form: Home to School Travel Assistance (for ages 5-16)' although obtaining consent to process the personal data of the parent/carer and child did not also obtain consent for the processing of the personal data of the emergency contact</li> <li>Examination of a sample of ten contracts found that seven had not been evidenced as signed or dated, two contracts were signed but had not been dated and one contract could not be located on SharePoint.</li> </ul>
2020/21	New Supplier Set up	Limited (One priority 1, four priority 2 and one priority 3 issue)	A priority 1 issue was raised as instances were identified where iProcurement access had been granted without both the relevant Director authorisation and the Buying Team's approval
2020/21	Cyber Security	Limited (One priority 1, six priority 2 and two priority 3 issues)	A priority 1 issue was raised as the Council has not undertaken recent penetration testing across the network and infrastructures. Such testing is commonly undertaken by the Council's peers at least annually and more frequently if significant changes are proposed to the IT environment.
<b>School Audits</b>			
2020/21	Thornton Heath Nursery School	Limited (Two priority 1, ten priority 2 and two priority 3 recommendations)	Priority 1 recommendations were raised as : <ul style="list-style-type: none"> <li>The Governing Body did not hold the minimum required three meetings (face to face or on-line) during the 2019/20 school year.</li> <li>Sample testing of 13 transactions found that none of the invoices had been appropriately approved for payment by an identified officer.</li> </ul>
2020/21	Thomas More Catholic School	Limited (One priority 1, eight priority 2 and five priority 3 recommendations)	A priority 1 recommendation was raised as the School did not have a plan to eliminate its deficit within three years as required by the Croydon Scheme for Financing Schools.

## Appendix 2 - Follow-up of 2017-18 audits (incomplete follow up only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2017/18	Admitted Bodies	Resources	Substantial (5 <sup>th</sup> follow up in progress)	4	3	75%
<b>Recommendations and implementation from internal audits that have had responses</b>				421	396	94%
<b>Priority 1 Recommendations from internal audits that have had responses</b>				47	47	100%

## Appendix 3 - Follow-up of 2018/19 audits (Incomplete only)

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2018/19	Energy Recharges	Resources	No (1 <sup>st</sup> follow up in progress)	7	-	-
2018/19	Air Quality Strategy, Implementation and Review	Place	Limited (3 <sup>rd</sup> follow up in progress)	8	4	50%
					One priority 1 issue not yet resolved	
2018/19	Asbestos Management (Beyond the Corporate Campus)	Place	Limited (7 <sup>th</sup> follow up in progress)	12	9	75%
					One priority 1 issue not yet resolved	
2018/19	School Deficits and Surpluses (Conversion to Academy)	CYP&E	Substantial (3 <sup>rd</sup> follow up in progress)	4	3	75%
2018/19	Mortuary	Assistant Chief Executive	Substantial (6 <sup>th</sup> follow up in progress)	4	3	75%
2018/19	New Legal Services Model	Resources	Substantial (3 <sup>rd</sup> follow up in progress)	7	5	71%
2018/19	Council Investment and Operational Properties – Income Maximisation	Resources	Substantial (4 <sup>th</sup> follow up in progress)	4	3	75%
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>357</b>	<b>328</b>	<b>92%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>49</b>	<b>47</b>	<b>96%</b>

## Appendix 4 - Follow-up of 2019/20 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2019/20	Creditors – Procure to Pay	Resources	Limited (2 <sup>nd</sup> follow up in progress)	12	3	25%
2019/20	Housing Rent (Reduced Scope)	CYP&E	Limited (No further follow up)	3	3	100%
2019/20	Main Accounting System	Resources	Limited (1 <sup>st</sup> follow up in progress)	1	-	-
2019/20	Staff Debt	Resources	Limited (2 <sup>nd</sup> follow up in progress)	8	6	75%
				One priority 1 issue not yet resolved		
2019/20	Age Assessment Judicial Review	Housing	Limited (No further follow up in)	6	6	100%
2019/20	Alternative School provisioning	CYP&E	Limited (No further follow up)	6	6	100%
2019/20	Partnership Governance – Children and Families	CYP&E	Limited (1 <sup>st</sup> follow up in progress No priority 1 issues)	5	-	-
2019/20	SEND Special Educational Needs and Disability	CYP&E	Limited (2 <sup>nd</sup> follow up in progress)	2	1	50%
				One priority 1 issue not yet resolved		
2019/20	Financial Assessments – Charging Policy	ASC&H	Limited (No further follow up)	5	5	100%
2019/20	Lettings Allocations and Assessments	Housing	Limited (3 <sup>rd</sup> follow up in progress)	3	1	33%
				One priority 1 issue not yet resolved		
2019/20	Placements in Private Housing Accommodation	Housing	Limited (2 <sup>nd</sup> follow up in progress)	4	2	50%
2019/20	Adult Social Care (ASC) Waiting Lists	ASC&H	Limited (No further follow up)	4	4	100%
2019/20	Care Market Failure	ASC&H	Limited (No further follow up)	10	10	100%
2019/20	Financial Planning and Forecasting Adult's Services	ASC&H	Limited (No further follow up)	5	4	80%
2019/20	Occupational Therapy	ASC&H	Limited (6 <sup>th</sup> follow up in progress)	4	2	50%
				Two priority 1 issues not yet resolved		
2019/20	Bringing Services in-house – Parks Services	Place	Limited (No further follow up)	8	8	100%
2019/20	External Funding	Place	Limited (No further follow up)	3	3	100%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Food Safety – Data Quality	Place	Limited (No further follow up)	5	4	80%
2019/20	Parks Health and Safety	Place	Limited (3 <sup>rd</sup> follow up in progress)	8	8	100%
2019/20	Brick by Brick Governance	Resources	Limited (No further follow up)	2	2	100%
2019/20	Wheelchair Service – Community Equipment Service	ASC&H	Limited (4 <sup>th</sup> follow up in progress)	3	2	67%
				One priority 1 issue not yet resolved		
2019/20	Fairfield Hall Delivery (BxB Management)	Place	Limited (1 <sup>st</sup> follow up in progress) 2 issues resolved at final report stage	3	2	66%
2019/20	Freedom of Information and Subject Access Requests	Assistant Chief Executive	Limited (2 <sup>nd</sup> follow up in progress)	3	0	0%
				One priority 1 issue not yet resolved		
2019/20	Enforcement Agents - Procurement	Resources	Limited (3 <sup>rd</sup> follow up in progress)	6	3	50%
				Two priority 1 issues not yet resolved		
2019/20	Business Rates	Resources	Substantial (No further follow up)	1	1	100%
2019/20	Debtors	Resources	Substantial (1 <sup>st</sup> follow up in progress)	10	-	-
2019/20	Housing Benefit	Resources	Substantial (No further follow up)	2	2	100%
2019/20	Pensions	Resources	Substantial (No further follow up)	2	2	100%
2019/20	Pay and Display Meter Maintenance	Place	Substantial (No further follow up)	4	4	100%
2019/20	Section 17 payments	HWA	Substantial (No further follow up)	5	5	100%
2019/20	Sheltered Accommodation (Extra Care Service)	HWA	Substantial (No further follow up)	3	3	100%
2019/20	Growth Zone – Performance Manager	Place	Substantial (No further follow up)	4	4	100%
2019/20	Highways Contract Management	Place	Substantial (No further follow up)	4	4	100%
2019/20	Debt Recovery In-house	Resources	Substantial (No further follow up)	1	1	100%
2019/20	Enforcement Agents	Resources	Substantial (2 <sup>nd</sup> follow up in progress)	3	1	33%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2019/20	Risk Management	Resources	Substantial (No further follow up)	4	4	100%
2019/20	Staff Code of Conduct	Assistant Chief Executive	Substantial (No further follow up)	5	4	80%
2019/20	IT Policies Review	Assistant Chief Executive	Substantial (1 <sup>st</sup> follow up in progress)	5	-	-
2019/20	Uniform IT Application	Assistant Chief Executive	Substantial (5 <sup>th</sup> follow up in progress)	4	2	50%
2019/20	Northgate iWorld Application	Assistant Chief Executive	Substantial (No further follow up)	1	1	100%
2019/20	Microsoft Direct Access Operating System	Assistant Chief Executive	Substantial (No further follow up)	4	4	100%
2019/20	Peoples ICT Application	Assistant Chief Executive	Substantial (1 <sup>st</sup> follow up in progress)	7	-	-
<b>Non-School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>157</b>	<b>125</b>	<b>80%</b>
<b>Non-School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>38</b>	<b>25</b>	<b>66%</b>
<b>School Internal Audits</b>						
2019/20	Winterbourne Nursery and Infant School	CYP&E	No (No further follow up)	22	22	100%
2019/20	Beulah Junior School	CYP&E	Limited (No further follow up)	14	13	93%
2019/20	Kenley Primary School	CYP&E	Limited (No further follow up)	11	10	91%
2019/20	Margaret Roper Catholic Primary School	CYP&E	Limited (No further follow up)	11	10	91%
2019/20	Minster Infant School	CYP&E	Limited (No further follow up)	16	13	81%
2019/20	Norbury Manor Primary School	CYP&E	Limited (No further follow up)	13	13	100%
2019/20	St Joseph's Federation	CYP&E	Limited (No further follow up)	14	13	93%
2019/20	Virgo Fidelis Convent Senior School	CYP&E	Limited (No further follow up)	19	19	100%
2019/20	Crosfield Nursery and Selhurst Early Years	CYP&E	Substantial (No further follow up)	8	7	87%
2019/20	All Saints C of E Primary School	CYP&E	Substantial (No further follow up)	12	12	100%
2019/20	Elmwood Infant School	CYP&E	Substantial (No further follow up)	6	6	100%
2019/20	Heavers Farm School	CYP&E	Substantial (No further follow up)	13	13	100%
2019/20	Selsdon Primary School	CYP&E	Substantial (1 <sup>st</sup> follow up in progress)	3	-	-

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>School Internal Audits Sub Total:</b>						
Recommendations and implementation from internal audits that have had responses				159	151	95%
<b>School Internal Audits Sub Total:</b>						
Priority 1 Recommendations from internal audits that have had responses				31	31	100%
Recommendations and implementation from internal audits that have had responses				316	276	87%
Priority 1 Recommendations from internal audits that have had responses				69	56	81%

## Appendix 5 - Follow-up of 2020/21 audits

Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
<b>Non School Internal Audits</b>						
2020/21	Main Accounting System	Resources	Limited (1 <sup>st</sup> follow up in progress)	2	-	-
2020/21	Overtime payments	Resources	Limited (2 <sup>nd</sup> follow up in progress)	5	3	60%
2020/21	Staff Expenses – Compliance Checks	Resources	No (3 <sup>rd</sup> follow up in progress)	5	2	40%
				3 priority 1 issues not yet resolved		
2020/21	Clinical Governance	ASC&H	Limited (2 <sup>nd</sup> follow up in progress)	6	1	17%
				1 priority 1 issue not yet resolved		
2020/21	Public Health – Contract Management – Sexual Health Services	ASC&H	Limited (1 <sup>st</sup> follow up in progress)	7	-	-
2020/21	Temporary Accommodation – Standards in Private Sector (Update provided and being reviewed)	Housing	Limited (1 <sup>st</sup> follow up in progress)	6	-	-
2020/21	Overtime Payments – Parking Services	Place	Limited (No further follow up)	6	5	83%
2020-21	SEN Transport – Safeguarding (Update provided and being reviewed)	Place	Limited (1 <sup>st</sup> follow up in progress) (3 issues resolved at final report stage)	4	3	75%
2020/21	Cyber Security	Assistant Chief Executive	Limited (1 <sup>st</sup> follow up in progress)	9	-	-
<b>Non-School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>22</b>	<b>11</b>	<b>50%</b>
<b>Non-School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>9</b>	<b>5</b>	<b>55%</b>
<b>School Internal Audits</b>						
Financial Year	Audit Followed up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2020/21	Tunstall Nursery School	CYP&E	Substantial (No further follow up)	3	3	100%
2020/21	Thornton Heath Nursery School (Update provided and being reviewed)	CYP&E	No (1 <sup>st</sup> follow up in progress)	14	-	-
2020/21	Forestdale Primary School	CYP&E	Substantial (No further follow up)	11	11	100%

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Financial Year	Audit Followed-up	Department	Assurance Level & Status	Total Raised	Implemented	
					Total	Percentage
2020/21	Greenvale Primary School	CYP&E	Substantial (No further follow up)	10	8	80%
2020/21	Purley Oaks Primary School	CYP&E	Substantial (No further follow up)	9	9	100%
2020/21	Smitham Primary School	CYP&E	Substantial	5	4	80%
2020/21	Winterbourne Nursery and Infants School	CYP&E	(No further follow up)	5	5	100%
2020/21	Archbishop Tenison's CofE High School	CYP&E	Limited (No further follow up)	11	10	91%
2020/21	Thomas More Catholic High School	CYP&E	Limited (2 <sup>nd</sup> follow up in progress)	14	5	36%
				1 priority 1 recommendation not yet implemented		
2020/21	St Giles	CYP&E	Substantial (No further follow up)	3	3	100%
2020/21	St Nicholas (Update provided and being reviewed)	CYP&E	Substantial (2 <sup>nd</sup> follow up in progress)	7	3	43%
2020/21	Red Gates	CYP&E	Substantial (No further follow up)	5	5	100%
<b>School Internal Audits Sub Total: Recommendations and implementation from internal audits that have had responses</b>				<b>83</b>	<b>66</b>	<b>79%</b>
<b>School Internal Audits Sub Total: Priority 1 Recommendations from internal audits that have had responses</b>				<b>2</b>	<b>2</b>	<b>100%</b>
<b>Recommendations and implementation from internal audits that have had responses</b>				<b>105</b>	<b>77</b>	<b>73%</b>
<b>Priority 1 Recommendations from internal audits that have had responses</b>				<b>11</b>	<b>7</b>	<b>64%</b>

## Appendix 6 - Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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