

Final Internal Audit Report

Fees and Charges

October 2022

Distribution: Corporate Director of Resources and S151 Officer
Interim Director of Finance and Deputy S151 Officer
Interim Head of Corporate Finance
Senior Project Manager

Assurance Level	Issues Identified	
Limited Assurance	Priority 1	2
	Priority 2	4
	Priority 3	0

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 5 of this report for further information about responsibilities, limitations and confidentiality.

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2. Proposed Charges in 2021-22 approved by Cabinet was not applied (Issue 5)
3. Terms of Reference
4. Definitions for Audit Opinions and Identified Issues
5. Statement of Responsibility

1. Introduction

- 1.1 Discretionary fees and charges are one of the key income-generating options available to local authorities. Section 93 of the 2003 Local Government Act allows authorities to charge for services that they have a power (but not a duty) to provide.
- 1.2 While the income that can be generated from these charges is restricted to the cost of providing these services, there is no restriction on how the costs are calculated. Although fees and charges cannot be used to make a profit, these could provide the opportunity to invest in infrastructure, as all aspects of service provision can be included in the cost.
- 1.3 Actively setting fees and charges for services enables London Borough of Croydon (the 'Council') to deliver its 'Croydon Renewal' priorities by generating revenue to pay for services, adjusting levels of fees and charges to ensure equality of access, managing demand, and providing services that otherwise would not be affordable given the Council's means.
- 1.4 A review of fees and charges was undertaken across the Council as part of the annual budget setting process in 2020. Areas included waste management, libraries and highways (including on street parking).
- 1.5 The fieldwork for this review was completed remotely and we have been able to obtain all relevant documents required to complete the scope of this review.
- 1.6 This audit is being undertaken as part of the agreed Internal Audit Plan for 2021/22. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 1 Issues

Fees and charges were not reviewed during 2019/20 and 2020/21 (**Issue 4**).

Testing a sample of 152 fees and charges (out of 970) confirmed that proposed charges for 2021-22 had not been applied for 45 of these on the Council's website. (**Issue 6**).

Priority 2 Issues

There was a lack of an overarching policy or procedure notes relating to fees and charges (**Issue 1**).

Internal Audit was unable to confirm whether 15 of the sample of 21 fees and charges (out of 970 fees and charges) were supported by an adequate information base for cost attribution because the named Lead Officers did not respond to Internal Audit's requests for evidence (**Issue 2**).

Fees and Charges 2021-22

Although requested, we were not provided with evidence of an action plan in response to the findings from the LG Futures benchmarking of fees and charges against other London local authorities (**Issue 3**).

There was incomplete information in the master data listing for fees and charges (**Issue 5**).

There were no priority 3 issues identified.

3. Actions and Key Findings/Rationale

Audit Area: Management and Organisational Requirements

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 1
2	Agreed. An overarching policy paper will be drafted for approval by Finance, Risk and Assurance ICB by March 23 (depending on meeting schedule or soon after). This will then be formally approved by CMT and Mayor and Cabinet (July 2023)	<p>In order to help ensure the achievement of desired outcomes and also the continuity and consistency of practices, appropriate policy and procedural documentation should be in place.</p> <p>The Council's Financial Regulations, dated June 2020, detail that '<i>fees and charges are reviewed annually as minimum and changes reflected through the budget planning process</i>'. However, there was an absence of any overarching policy or procedure notes to provide an overview of the process, required timelines, roles and responsibilities, etc. for annually reviewing these fees and charges.</p> <p>Where there are no policies and/or procedure in place relating to fees and charges, there is a risk of staff not properly understanding and complying with required practices. This is supported by the fact that fees and charges were not reviewed during two out of the last three years (refer to issue 4).</p>
Responsible Officer	Deadline	
Interim Director of Finance and Deputy S151 Officer	July 2023	

Audit Area: Setting of Fees and Charges

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 2				
2	Finance Business Partners supported by Service Heads will provide a revenue / expenditure spreadsheet for past three years for all services by 28 Oct 22 to inform Fees and Charges review.	<p>Discretionary fees and charges should be set with the general aim to cover the cost of the service or, where legally possible, may be charged on a commercial basis. These charges should reflect the full cost of provision, unless covered by subsidies/concessions designed to meet corporate priorities or where there are contrary policies or legal reasons.</p> <p>Internal Audit was unable to confirm whether 15 of the sample of 21 fees and charges (out of 970 fees and charges) were supported by an adequate information base for cost attribution because the named Lead Officers did not respond to Internal Audit’s requests for evidence (refer to appendix 1). The remaining six cases were satisfactory with no exceptions.</p> <p>Absence of the required evidence increases the risk that key factors were not properly considered when setting fees and charges. This may lead to inadequate fees and charges being established.</p>				
<table border="1"> <thead> <tr> <th data-bbox="192 719 490 790">Responsible Officer</th> <th data-bbox="490 719 792 790">Deadline</th> </tr> </thead> <tbody> <tr> <td data-bbox="192 790 490 882">Service Finance Business Partners</td> <td data-bbox="490 790 792 882">28 October 2022</td> </tr> </tbody> </table>		Responsible Officer	Deadline	Service Finance Business Partners	28 October 2022	
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Service Finance Business Partners	28 October 2022					

Audit Area: Setting of Fees and Charges

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 3				
2	Agree that benchmarking exercises can be useful. We will replicate the LG Inform exercise for 2021/22 using internal resources to inform next steps. The source data will be the RO returns sent in by all Local Authorities.	<p>Benchmarking of fees and charges can be useful in comparing the Council's cost of providing services with other local authorities. The Council engaged external consultants – LG Futures for benchmarking its fees and charges against other London local authorities and a report was issued to the Council's senior management on 2 February 2021.</p> <p>We requested evidence of any actions taken based on the results of this benchmarking exercise, particularly where the Council's fees and charges had high variances compared to other local authorities. However, the audit request for evidence of next steps (such as formulation of an action plan) was not responded to by the management.</p> <p>Benchmarking exercises can be of little use unless these are used to help inform decisions and improve any areas of concern. Not capitalising on the results of benchmarking exercise can make it difficult to achieve the desired benefits from the exercise and address potential areas of concern.</p>				
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Senior Project Manager	31 March 2023					

Audit Area: Review of Charges

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 4				
1	<p>Fees and Charges were reviewed for period 2022/23. The Governance arrangements for ensuring an annual review, going forward, have been made more robust with the PMO tasked to support and overseen by the Finance, Audit & Assurance ICB.</p>	<p>The regular review of fees and charges is essential to help identify any significant changes which might materially affect the current charges and cost recovery. The Council's Financial Regulation June 2020 details that Corporate Directors are responsible for ensuring its fees and charges are reviewed annually as minimum and changes reflected through the budget planning process.</p> <p>The records for the last three years were tested to confirm that an annual review of fees and charges had been conducted. It was established that a corporate annual review of fees and charges was not conducted in 2019/20 and 2020/21, although a review was undertaken in 2021/22.</p> <p>Where annual (as a minimum) reviews of fees and charges are not undertaken, there is an increased risk of inappropriate charges being applied and charges not capturing the full cost of providing the service. These risks may have an adverse financial impact to the Council.</p>				
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Audit Area: Cost Recovery

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 5																																																										
2	Corporate Directors will henceforth be responsible for ensuring that all services within their remit provide timely and complete responses to the Fees and Charges review. It is proposed that this will be an iterative exercise with an initial proposal supported by evidence (e.g. revenue / expenditure) by 30-Nov. 22 and a further refined proposal to be submitted alongside the budget (tba).	<p>A Finance Consultant was engaged to capture the data for all fees and charges from all departments across the Council during quarter four of 2020-21. The approach sought to collect full information about each fee and charge and compiled this into a master data spreadsheet. In addition to the proposed 2021-22 charges, the information included the name of the responsible officer, the amount of the charge for each of the last two financial years, the volumes of sales, the budget and, if any, the charging and credit policies.</p> <p>Management however, failed to provide some of the required information to the Finance Consultant and this was reported to Executive Leadership Meeting (ELT) meeting in March 2021. Gaps in this data were still noted as being in place at the time of internal audit, which were as follows:</p> <table border="1"> <thead> <tr> <th>Column</th> <th>Header</th> <th>Issue</th> <th>Number of issues (out of 970)</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>C</td> <td>Cost Centre</td> <td>Multiple Cost Centre</td> <td>8</td> <td>Cost code not indicated for charges involved multiple cost centre.</td> </tr> <tr> <td>C</td> <td>Cost Centre</td> <td>Blank</td> <td>57</td> <td>No cost codes.</td> </tr> <tr> <td>G</td> <td>Charging Policy</td> <td>Blank</td> <td>31</td> <td>No information on how charges were derived (i.e., full cost recovery, subsidised, market price).</td> </tr> <tr> <td>I</td> <td>2020/21 Unit Charge</td> <td>Blank / '-'</td> <td>86</td> <td>No information on the amount of the charges.</td> </tr> <tr> <td>J</td> <td>VAT Applicable?</td> <td>Blank / "TBC"</td> <td>179</td> <td>No confirmation if VAT was applicable to the charges.</td> </tr> <tr> <td>N</td> <td>Planned Reason for Increase / No Increase</td> <td>Blank</td> <td>79</td> <td>Justification on increase to proposed price or remaining at the 20/21 price was not provided.</td> </tr> <tr> <td>K</td> <td>2021/22 Forecast Annual Volume</td> <td>Blank / 'Demand Led'</td> <td>906</td> <td>Forecast on sales volume was not provided.</td> </tr> <tr> <td>L</td> <td>2020/21 Forecast Annual Revenue (£)</td> <td>Blank / '-' / '0'</td> <td>299</td> <td>Forecast on sales revenue was not provided.</td> </tr> <tr> <td>S</td> <td>Credit Policy</td> <td>Blank</td> <td>252</td> <td>No information on payment policy (i.e., payment in advance, penalty, payment on the spot).</td> </tr> <tr> <td>V</td> <td>Finance Lead</td> <td>Blank</td> <td>394</td> <td>No finance lead.</td> </tr> </tbody> </table>				Column	Header	Issue	Number of issues (out of 970)	Remark	C	Cost Centre	Multiple Cost Centre	8	Cost code not indicated for charges involved multiple cost centre.	C	Cost Centre	Blank	57	No cost codes.	G	Charging Policy	Blank	31	No information on how charges were derived (i.e., full cost recovery, subsidised, market price).	I	2020/21 Unit Charge	Blank / '-'	86	No information on the amount of the charges.	J	VAT Applicable?	Blank / "TBC"	179	No confirmation if VAT was applicable to the charges.	N	Planned Reason for Increase / No Increase	Blank	79	Justification on increase to proposed price or remaining at the 20/21 price was not provided.	K	2021/22 Forecast Annual Volume	Blank / 'Demand Led'	906	Forecast on sales volume was not provided.	L	2020/21 Forecast Annual Revenue (£)	Blank / '-' / '0'	299	Forecast on sales revenue was not provided.	S	Credit Policy	Blank	252	No information on payment policy (i.e., payment in advance, penalty, payment on the spot).	V	Finance Lead	Blank	394	No finance lead.
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Fees and Charges 2021-22

	Iteration 2: tba	Income from fees and charges represents an important source of funding to the Council. Without a comprehensive list of fees and charges, there is an increased risk that the impact on income from fees and charges will not be properly taken into consideration during the budget setting process, making it difficult to make well informed financial decisions.
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Audit Area: Cost Recovery

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 6				
1	<p>Corporate Directors to confirm implementation of agreed Fees and Charges within a month of approval by Cabinet to Chair of Finance, Risk and assurance ICB.</p> <p>Post approval test to be applied by Service Finance Teams when monitoring budgets.</p>	<p>The Cabinet paper, dated 17 May 2021, for Fees and Charges 2021-22 detailed that ‘<i>work is being undertaken to reconfigure the way fees and charges are presented on the Council’s website so that they are presented in user-friendly way that ensures they are easy to find in relation to each area of business and that enables customers to progress transactions easily.</i>’</p> <p>The proposed fees and charges for 2021-22 were approved by the Cabinet on 17 May 2021. Testing of a sample of 152 fees and charges (of the 970 fees and charges approved) identified that the proposed changes had still not been applied to 45 of these fees and charges published on Croydon’s website (refer to appendix 2) at the time of audit (in April 2022).</p> <p>Where charges are not applied in line with approved fees and charges’ schedules, there is increased risk that incorrect amounts are still being charged to customers, leading to an adverse financial impact on the Council.</p>				
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Responsible Officer	Deadline					
Corporate Directors	1 April 2023					

Unresponsive audit requests relating to cost attribution testing (Issue 2)

No	Department	Service	Cost Centre	Fee or Charge Description	Lead Officer Name	Charging Policy	2020/21 UNIT CHARGE (£)	2021-22 Proposed Charges (£)
1	Resources	Legal & Democratic Services	C14389	Full Electoral Register Data - Stat Fee	Seth Alker	Statutory	468.00	£472.50
2	Resources	Legal & Democratic Services	C14389	Full Electoral Register - Printed Stat Fee	Seth Alker	Statutory	1,390.00	£1,405
3	Resources	Finance	C13759	REVENUE SECTION - Business Rate Summons	Catherine Black	Full cost recovery	207.50	207.50
4	Resources	Finance	C13786	REVENUE SECTION - Sale & Disposal	Catherine Black	Statutory	110.00	110.00
5	Resources	Land Charges	C13825	LOCAL LAND CHARGES - Common Land and Village Greens Search - Now forms part of the Con29 O (Optional) from 1 Oct 2007	Stuart Henderson-Smith	Full cost recovery	30.00	30.00
6	Resources	Address Management	C13825	Street Naming and Numbering - Basic fee including first unit of development	Stuart Henderson-Smith	Full cost recovery	250.00	260.00
7	HWA	Registrars	C13773	Space 17 insertion	Kevin Pilkington	Statutory	40.00	40
8	HWA	Registrars	C13773	Offsite Wedding Fees - weekday	Kevin Pilkington	Market price	410.00	416
9	Place	Planning	C15358	ADOPTED DEVELOPMENT PLAN DOCUMENTS (Large) E.G. UNITARY DEVELOPMENT PLAN, Conservation area appraisals. ALL DOCUMENTS ARE AVAILABLE ON CROYDON COUNCIL'S WEBSITE. THESE FEES ARE FOR PRINTING, POSTAGE AND PACKAGING OF A SPECIFIC DOCUMENT	Steve Dennington	Full cost recovery	100.00	100.00

Fees and Charges 2021-22

No	Department	Service	Cost Centre	Fee or Charge Description	Lead Officer Name	Charging Policy	2020/21 UNIT CHARGE (£)	2021-22 Proposed Charges (£)
10	Place	Planning	C15358	PRE APPLICATION MEETING SERVICE FEES - Service Level C *	Nicola Townsend	Full cost recovery	2,000.00	2,000.00
11	Place	Building Control	C15331	Full Plans Application INSPECTION FEES TYPE 1 Erection or extension of a detached or attached building which consists of a garage or car port or both, having a floor area not exceeding 40m ² in total and intended to be used in common with an existing building and which is not an 'exempt building'.	Richard Patterson	Market price	462.00	462
12	Place	Building Control	C15331	(CERTAIN SMALL BUILDING & DOMESTIC EXTENSION) FULL PLANS APPLICATION PLAN FEE TYPE 6 Any other combination of Extension and/or Loft Conversion which does not exceed 100m ² including means of access and work in connection with that extension.	Richard Patterson	Market price	2,580.00	2580
13	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Netball - Per Hour - Without dressing accommodation	Owen Giddings	Market price	12.70	14.61
14	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Local Clubs - Per individual match	Owen Giddings	Full cost recovery	45.05	51.81
15	Children, Families and Education	School Admissions Appeal Service	C11029	Appeal service for Council own admission authority schools. Fee per appeal	Denise Bushay	Full cost recovery	95.00	350 (and 170 if it does not go to an Appeal hearing)

Proposed Charges in 2021-22 approved by Cabinet was not applied (Issue 5).

No	Department	Service	Cost Centre	Fee or Charge Description	2020-21 Charges (£)	2021-22 Proposed Charges (£)	Charges in Website (£)	Variance	Audit Notes
1	Resources	Legal & Democratic Services	C14389	Edited Electoral Register - Street Index	15.00	30.00	15.00	(15.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charges
2	Resources	Legal & Democratic Services	C14389	Edited Electoral Register - Ward maps £25	15.00	30.00	15.00	(15.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charges
3	HWA	Registrars	C13773	Offsite Wedding Fees - weekday	410.00	416.00	490.00	74.00	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
4	HWA	Registrars	C13773	Offsite Wedding Fees - Saturday	535.00	543.00	642.40	99.40	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
5	HWA	Registrars	C13773	Offsite Wedding Fees - Sunday & Bank Holiday	590.00	599.00	709.60	110.60	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
6	HWA	Registrars	C13773	Offsite Wedding Fees - Easter Sunday, New Years Day	650.00	660.00	782.80	122.80	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
7	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Mon-Thurs Arnhem Room	225.00	228.00	225.00	(3.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
8	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Mon-Thurs Clocktower Room	255.00	259.00	301.60	42.60	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
9	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Fri Arnhem Room	255.00	299.00	255.00	(44.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
10	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Fri - Clocktower Room	280.00	284.00	331.60	47.60	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
11	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Sat - Arnhem	280.00	284.00	280.00	(4.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge

Fees and Charges 2021-22

No	Department	Service	Cost Centre	Fee or Charge Description	2020-21 Charges (£)	2021-22 Proposed Charges (£)	Charges in Website (£)	Variance	Audit Notes
12	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Sat Clocktower	335.00	340.00	398.80	58.80	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
13	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Sunday Arnhem	340.00	345.00	340.00	(5.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
14	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Sunday Clocktower	390.00	400.00	470.80	70.80	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
15	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Easter Sunday, New Years Day Arnhem	440.00	447.00	440.00	(7.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
16	HWA	Registrars	C13773	Marriage Ceremony in Town Hall Easter Sunday, New Years Day Clocktower	500.00	508.00	600.40	92.40	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
17	HWA	Registrars	C13773	Booking fee to hold time and date for ceremony in diary for Town Hall	35.00	36.00	35.00	(1.00)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
18	HWA	Registrars	C13773	Converting Civil Partnership into marriage	35.00	35.00	45.00	10.00	21/22 proposed charges NOT applied. Charges applied vary and more than 21/22 proposed charges.
19	HWA	Bereavement Services	C13781	CREMATION FEES - Adult service at or before 10.00am OR any other time of day up to 4.00pm Mon to Fri and not requiring a ceremony or use of Organ (i.e. No Service)	683.00	693.00	692.00	(1.00)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
20	HWA	Bereavement Services	C13781	CREMATION FEES - Adult service after 10.00am. up to and including 4.00pm (Mon to Fri)	883.00	896.00	894.00	(2.00)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
21	HWA	Bereavement Services	C13781	CREMATION FEES - Saturday morning cremation fee	1,208.00	1,226.00	1,220.00	(6.00)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
22	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Fishing - Per Rod - Adults (per day)	5.55	6.38	6.00	(0.38)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
23	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Fishing - Per Rod - 60+ Season Ticket	26.45	30.42	30.00	(0.42)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.

Fees and Charges 2021-22

No	Department	Service	Cost Centre	Fee or Charge Description	2020-21 Charges (£)	2021-22 Proposed Charges (£)	Charges in Website (£)	Variance	Audit Notes
24	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Netball - Per Hour - Without dressing accommodation	12.70	14.61	11.40	(3.21)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
25	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Netball - Per Hour - Block booking per game (Min 10 games)	10.15	11.67	9.10	(2.57)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
26	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Netball - Per Hour - Little League (per 3 hour period)	18.55	21.33	16.60	(4.73)	21/22 proposed charges NOT applied. Charges applied vary and less than 21/22 proposed charges.
27	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Local Clubs - Per individual match	45.05	51.81	45.05	(6.76)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
28	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Local Clubs - Block booking per game (minimum 10 games)	39.40	45.31	39.40	(5.91)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
29	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Local Clubs - Shower facilities	20.80	23.92	20.80	(3.12)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
30	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Other Clubs - Per individual match	61.50	70.73	61.50	(9.22)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
31	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Other Clubs - Block booking per game (minimum 10 games)	57.40	66.01	57.40	(8.61)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
32	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Seniors - Other Clubs - Shower facilities	20.80	23.92	20.70	(3.22)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
33	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Per individual match	19.95	22.94	19.95	(2.99)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
34	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Block booking per game (minimum 10 games)	18.05	20.76	18.05	(2.71)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
35	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Shower facilities	10.25	11.79	10.25	(1.54)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
36	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Juniors (under 17) - Local Clubs - Mini Soccer 7-a-side	12.10	13.92	12.10	(1.82)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge

Fees and Charges 2021-22

No	Department	Service	Cost Centre	Fee or Charge Description	2020-21 Charges (£)	2021-22 Proposed Charges (£)	Charges in Website (£)	Variance	Audit Notes
37	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Football Juniors (under 17) - Other Clubs - Mini Soccer 7-a-side	17.90	20.59	17.90	(2.69)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
38	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Little League Football - Per pitch (3 hours)	31.80	36.57	31.80	(4.77)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
39	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Local Clubs - Per individual match	62.65	68.90	62.65	(6.25)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
40	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Local Clubs - Block booking per game (minimum 10 games)	53.25	58.55	53.25	(5.30)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
41	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Local Clubs - Shower facilities	19.50	21.45	19.50	(1.95)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
42	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Other Clubs - Per individual match	77.00	84.70	77.00	(7.70)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
43	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Other Clubs - Block booking per game (minimum 10 games)	64.90	71.35	64.90	(6.45)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
44	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Seniors - Other Clubs - Shower facilities	19.50	21.45	19.50	(1.95)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge
45	Place	Sports & Greenspaces	C15217	SPORTS CHARGES - Cricket Juniors - per match	15.30	16.80	15.30	(1.50)	21/22 proposed charges NOT applied. Charges applied still based on 20/21 charge

AUDIT TERMS OF REFERENCE

Fees and Charges – 2021/22

1. INTRODUCTION & BACKGROUND

- 1.1 Discretionary fees and charges are one of the key income-generating options available to local authorities. Section 93 of the 2003 Local Government Act allows authorities to charge for services that they have a power (but not a duty) to provide.
- 1.2 While the income that can be generated from these charges is restricted to the cost of providing these services, there is no restriction on how the costs are calculated. Although fees and charges cannot be used to make a profit, these could provide the opportunity to invest in infrastructure, as all aspects of service provision can be included in the cost.
- 1.3 Actively setting fees and charges for services enables the Council to deliver its 'Croydon Renewal' priorities by generating revenue to pay for services, adjusting levels of fees and charges to ensure equality of access, managing demand, and providing services that otherwise would not be affordable given the Council's means.
- 1.4 A review of fees and charges was undertaken across the Council as part of the annual budget setting process in 2020. Areas included waste management, libraries and highways (including on street parking).
- 1.5 This audit was undertaken as part of the agreed Internal Audit Plan for 2021/22.

2. AUDIT OBJECTIVES AND METHODOLOGY

- 2.1 The overall audit objective was to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 For each controls / process being considered, we undertook the following:
 - Walked through the processes to consider the key controls;
 - Conducted sample testing of the identified key controls, and
 - Reported on these accordingly.

3. SCOPE





3.1 The audit included the following areas (and number of issues identified):

Audit Area	Identified Issues		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Management and Organisational Requirements	0	1	0
Setting of Fees & Charges	0	2	0
Review of Charges	1	0	0
Cost Recovery	1	1	0
Totals	2	4	0

Definitions for Audit Opinions and Identified Issues

In order to assist management in using our reports:

We categorise our **audit assurance opinion** according to our overall assessment of the risk management system, effectiveness of the controls in place and the level of compliance with these controls and the action being taken to remedy significant findings or weaknesses.

	Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are constantly applied.
	Substantial Assurance	While there is basically a sound system of control to achieve the system objectives, there are weaknesses in the design or level of non-compliance of the controls which may put this achievement at risk.
	Limited Assurance	There are significant weaknesses in key areas of system controls and non-compliance that puts achieving the system objectives at risk.
	No Assurance	Controls are non-existent or extremely weak, leaving the system open to the high risk of error, abuse and reputational damage.

Priorities assigned to identified issues are based on the following criteria:

Priority 1 (High)	Fundamental control weaknesses that require immediate attention by management to action and mitigate significant exposure to risk.
Priority 2 (Medium)	Control weakness that still represent an exposure to risk and need to be addressed within a reasonable period.
Priority 3 (Low)	Although control weaknesses are considered to be relatively minor and low risk, still provides an opportunity for improvement. May also apply to areas considered to be of best practice that can improve for example the value for money of the review area.

Statement of Responsibility

We take responsibility to the London Borough of Croydon for this report which is prepared on the basis of the limitations set out below.

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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