

Final Internal Audit Report

Norbury Manor Primary School

March 2023

Distribution: Head Teacher
Chair of Governors
Finance, Procurement & HR Manager
Corporate Director of Education & Youth Engagement Interim
(Final only)
Director of Education
Interim Head of Finance - Education
Corporate Director of Resources & S151 Officer

Assurance Level	Recommendations Made	
Limited Assurance	Priority 1	3
	Priority 2	8
	Priority 3	3

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

Contents
Page

Executive Summary

1. Introduction	3
2. Key Issues	3

Detailed Report

3. Actions and Key Findings/Rationale	5
4. Priority 3 Recommendations	20

Appendices

1. Terms of Reference
2. Definitions for Audit Opinions and Recommendations
3. Statement of Responsibility

Executive Summary

1. Introduction

- 1.1 Norbury Manor Primary School (the 'School') is a Primary School and at the time of this audit there were 404 pupils attending. The School had an expenditure budget of £2,498,425 for 2021/22.
- 1.2 The fieldwork for this review was completed remotely. We have been able to obtain all relevant documents required to complete the review.
- 1.3 The audit was undertaken as part of the agreed Internal Audit Plan for 2021/22 based on a risk assessment. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

Priority 1 Issues

Examination of the School's Single Central Record established that DBS checks for a number of contractors and lettings/school clubs were last updated more than three years ago. Additionally, DBS checks for five Governors were not completed within 21 days of appointment. **(Issue 4)**

Sample testing of 15 purchases confirmed that authorisation of invoices and goods/services received were evidenced via the same one stamp. Additionally, as the stamp did not include or was not accompanied by a signature or initial, it was not evident who completed the checks or whether these were appropriately authorised. **(Issue 7)**

Internal Audit was informed by the Head Teacher and Finance Manager that the purchasing card was held by the Finance Manager who also completed the bank reconciliations for this card. **(Issue 8)**

Priority 2 Issues

Internal audit reviewed minutes from six full Governing Body (FGB) meetings (held between July 2021 to April 2022) and four Finance Pay and Bidding (FPB) Committee meetings (held between June 2021 to March 2022). It was found that in five out of six FGB meetings and four out of four FPB meetings, the meeting minutes did not contain a physical or electronic signature. **(Issue 1)**

Internal Audit confirmed that the Finance, Bidding and Pay Committee met four times during the year; June 2021, October 2021, March 2022 and March 2022. This is not in line with the requirement to meet each half term (which is six times). **(Issue 2)**

A review of the paperwork for a sample of three new starters confirmed that contracts were signed after staff commenced employment at the school. **(Issue 3)**

Sample testing of three new starters confirmed that scans of right to work and proof of identity documents were neither dated nor signed. A reference for one of the new starters was obtained after their start date. **(Issue 5)**

Internal audit reviewed minutes of the full Governing Board meetings and confirmed that the School's Pay Policy was last reviewed in April 2021 and had not yet been reviewed again at the time of this audit in June 2022. **(Issue 6)**

Sample testing of five equipment loan forms requested for the year 2021/22 confirmed that none of the forms were dated or authorised. **(Issue 9)**

A review of the privacy notice for the School workforce confirmed that, although there was a link to additional information, the notice itself did not include all the recommended information, such as staff rights around the data held about them. A review of the websites linked also indicated that information such as how long the data will be stored for and staff right to complain to the Information Commission Officer was not evident. **(Issue 10)**

Sample testing of three lettings confirmed that letting forms were not signed by the Headteacher in all three cases. **(Issue 11)**

The priority 3 recommendations are included under item 4 below.

Acknowledgement

We would like to thank the following members of staff for their time and contribution to this audit:

- Head Teacher
- Finance, HR and Procurement Manager

3. Actions and Key Findings/Rationale

Audit Area: Governance and Leadership

Priority	Recommendation 1	Detailed Finding/Rationale		
2	Meeting minutes should be signed by the Chair at subsequent meetings, either physically or electronically.	<p>Expected Control</p> <p>The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 detail that <i>'The clerk to the governing body (or the person appointed to act as clerk for the purpose of the meeting in accordance with regulation 10 (3)) must ensure that minutes of the proceedings of a meeting of the governing body are drawn up and signed (subject to the approval of the governing body) by the chair at the next meeting.'</i></p> <p>Finding</p> <p>Internal audit reviewed minutes from six full Governing Body (FGB) meetings (held between July 2021 to April 2022) and four Finance Pay and Bidding (FPB) Committee meetings (held between June 2021 to March 2022). It was found that in five out of six FGB meetings and four out of four FPB meetings, the meeting minutes did not contain a physical or electronic signature.</p> <p>The Head Teacher advised that meeting minutes were unsigned due to Covid-19 and an electronic signature was not suggested to the School by Octavo (which is an educational consultant that provides various services to schools in Croydon).</p> <p>Risk</p> <p>Where minutes are not signed as required, it can be difficult to place reliance upon these and refer to them in future for decision making.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
We will ensure we have an electronic signature in place for governor minutes. The chair now has an electronic signature.		Agreed	Head Teacher / Finance, Procurement & HR Manager	Already in place

Priority	Recommendation 2	Detailed Finding/Rationale		
2	The Finance, Bidding and Pay Committee should meet in line with the frequency stated in their terms of reference or update the terms of reference to reflect current practices.	<p>Expected Control</p> <p>The School's Finance, Bidding and Pay Committee's terms of reference details that the committee should meet each half term; <i>'Committees will meet each half term, ideally at least 3 weeks before the full Board meeting but at minimum at least 1 week before the full Board meeting.'</i></p> <p>Finding</p> <p>Internal Audit confirmed that the Finance, Bidding and Pay Committee met four times during the year; June 2021, October 2021, March 2022 and March 2022. This is not in line with the requirement to meet each half term (which is six times).</p> <p>Risk</p> <p>Where the School's Finance, Bidding and Pay Committee does not meet in line with the stipulated frequency, it will be difficult for the committee to ensure that all its responsibilities are being met, potentially leading to operational issues.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
There are no rules in maintained schools about how often subcommittee members should meet. There is a law that states the full governing body must meet at least three times a year of which was are doing. Schools are not required to have subcommittee and from your notes above our subcommittee meet more than what is required for the full governing body meetings.		Disagree	Head Teacher	March 2023
Audit comment				

As stated in the recommendation, The Finance, Bidding and Pay Committee should meet in line with the frequency stated in their terms of reference (ToR). If the frequency of meetings is to be different to the number stated in the School's Finance, Bidding and Pay Committee ToR, then the ToR should be updated to reflect this.

Audit Area: Payroll

Priority	Recommendation 3	Detailed Finding/Rationale		
2	The School should ensure paperwork during the recruitment process is read, understood, and signed prior to new starters starting the position.	<p>Expected Control</p> <p>Offer letters/ contracts should be signed between the School and new starters before the start of employment at the School.</p> <p>Finding</p> <p>Sample testing of three new starters confirmed that in all three cases, employment contracts were signed after the start date, as follows:</p> <ul style="list-style-type: none"> • Sample 1, start date 04/10/2021, contract signed 06/10/2021 • Sample 2, start date 20/09/2021, contract signed 22/09/2021 • Sample 3, start date 15/11/2021, contract signed 04/03/2022 <p>Risk</p> <p>Where contracts are not signed before starting work, there is a risk that it remains unclear whether the terms of the contract have been agreed and the employee may not feel bound to work with the Council.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>Under the contract of employment guidance for teachers in England, it states that you must receive your contract after two months of starting your job. This means that only one sample has not met that date.</p> <p>From now on will ensure contracts are signed before staff start.</p>		Partially agree	Finance, Procurement & HR Manager	Already in place

Priority	Recommendation 4	Detailed Finding/Rationale		
1	The School should take measures to help ensure that future DBS renewal checks are completed in a timely manner. Additionally, DBS checks for new Governors should be completed in line with the stipulate timeframe of first 21 days.	<p>Expected Control</p> <p>Except where the 'DBS Update Service' is in place, all DBS checks (for staff and governors) should be periodically renewed once every three years. Additionally, under the School Governance (Constitution and Federations) (England) (Amendment) Regulations 2016 'Where a governor is elected or appointed on or after 1st April 2016 and does not hold an enhanced criminal record certificate, the governing body must apply for such a certificate in respect of that governor within 21 days after his or her appointment or election.</p> <p>Finding</p> <p>Examination of the School's Single Central Record established that DBS checks for a number of contractors and lettings/school clubs were last updated more than three years ago, as follows:</p> <ul style="list-style-type: none"> • <u>Contractors</u>: DBS for six contractors (five from Principles and one from OpenAir Systems) expired between 26/09/2019 and 18/09/2021. • <u>Lettings and school clubs</u>: DBS checks for five employees were last performed between 25/11/2017 and 16/05/2019, which is more than three years ago. <p>Additionally, we noted three Governors started between 18 January 2018 and 16 December 2021, however, their DBS checks were completed between six weeks to 15 months after their start dates. Furthermore, two Governors started on 28 April 2019, but their DBS checks on file were dated January and June of 2015 respectively.</p> <p>Risk</p> <p>Where DBS checks are not reviewed and renewed in a timely manner, this can potentially expose children to risk.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline

<p>Next Step: To purchase software that will support with keeping the /SCR updated.</p> <p>To ensure DBS checks for new governors are completed within 21 days.</p> <p>To review our clerking arrangements (Octavo) and ensure value for money.</p>	<p>Agreed</p>	<p>Finance, Procurement & HR Manager / Deputy Head Teacher</p>	<p>March 2023</p> <p>Review and possible select a different company for clerking at the end of the contract (31st March)</p> <p>New system will be installed by the end of March 2023</p>
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Priority	Recommendation 5	Detailed Finding/Rationale		
2	The School should ensure that copies of pre-employment documents seen are signed, dated, and annotated as 'original seen'.	<p>Expected Control</p> <p>Government requirements on completing right to work checks detail that, '<i>Make and keep copies of the documents and the date you made the check</i>' when completing right to work checks.</p> <p>Finding</p> <p>Sample testing of three new starters between 20/09/2021 and 15/11/2021 confirmed that, although scans of right to work and proof of identity documents were obtained, these were neither dated nor signed by an Officer at the School. Hence it could not be confirmed whether they were obtained prior to the start date and were acceptable.</p> <p>Risk</p> <p>Where it cannot be evidenced whether pre-employment checks were completed prior to staff commencing work, the School could be held liable for a fine.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>Passports are taken as a form of identity when a DBS check is done. Copies are taken at this time. All DBS checks were done and completed before the employees starts work. Evidence of DBS checks attached shows that pre employment was seen before the start of employment.</p> <p>Previous audits have never brought this to our attention.</p> <p>Next step: Will sign them for any new employees.</p>		Agreed	Finance, Procurement & HR Manager	Already in place

Priority	Recommendation 6	Detailed Finding/Rationale		
2	The School should ensure that the pay policy is reviewed at least annually.	<p>Expected Control</p> <p>Advice for maintained schools, academies and local authorities from the Department of Education (titled Implementing Your School’s Approach to Pay; September 2018, revised in March 2019) details that Schools should review their pay and appraisal policies annually to clarify their approach to making performance-based pay decisions and to set out the extent to which any uplift to the national framework will be taken into account when making any individual pay decisions.</p> <p>Finding</p> <p>Internal audit reviewed minutes of the full Governing Board meeting and confirmed that the School’s Pay Policy was last reviewed in April 2021 and had not been reviewed at the time of this audit in June 2022.</p> <p>Risk</p> <p>Where Pay Policy is not updated annually per advice from the Department for Education, it will be difficult to ensure that latest guidance is available for staff to follow, potentially resulting in inconsistent practices.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>The policy was tabled for the full governing body meeting but we ran out of time.</p> <p>NS: To ensure policies are discussed earlier on in the meetings.</p>		Agreed	Head Teacher	March 2023

Audit Area: Procurement

Priority	Recommendation 7	Detailed Finding/Rationale		
1	The School should ensure segregation of duties takes place when authorising and checking purchases and that 'checks' and 'authorisations' are able to identify the member of staff who completed these.	<p>Expected Control</p> <p>The School's Finance Procedures Manual; 'D13: Check goods and services on receipt' states: <i>The Finance Officer, Premises and Office team must check goods and services on receipt match the order which should be annotated accordingly. This should not undertake by the person who signed the order. Where GRN is not provided with the delivery, the original order request should be cross checked with the delivery.</i></p> <p>Additionally, 'D15: Approved staff should certify invoices for payment' states: <i>A member of staff, who did not sign the order or check receipt of goods, approved by the Governing Body should certify invoices for payment.</i></p> <p>Finding</p> <p>Sample testing of 15 purchases from 2021/22 confirmed that there was no evidence of invoices being certified for payment. Furthermore, although all invoices evidenced a goods/services received check as evidenced by a signed stamp, this was by the Finance Manager who the Head Teacher explained is responsible for raising purchase orders.</p> <p>Risk</p> <p>Lack of segregation of duties can lead to increased risk of fraud and error resulting in financial loss to the Council.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>At the stage where cheques are raised, bank signatories sign the purchase order to approve the final payment.</p> <p>Attached is an approval of purchase order signed off by headteacher and cheque run report also</p>		Partially agree	Finance, Procurement & HR Manager	March 2023

authorised by headteacher and deputy headteacher.

Audit comment

The above comments are acknowledged, however; segregation of duties should be applied according to the School’s Financial Procedures Manual. Furthermore, the payment process (i.e. raising of cheques) is separate to the procurement process and invoices should be certified for payment before the cheques are raised.

Audit Area: Bank Accounts

Priority	Recommendation 8	Detailed Finding/Rationale		
1	The School should ensure adequate segregation of duties for processes such as procurement card bank reconciliations.	<p>Expected Control</p> <p>The School's Purchase Policy details that, <i>'There must be clear segregation of duties between the Purchasing Card Holder incurring expenditure and the officer reconciling and authorising the monthly statement. At Norbury Manor the Finance and HR Officers reconciles the statement and notifies the Head Teacher and/or Business Leader of any issues.'</i> A signed agreement should also be in place to confirm that the member of staff agrees to the terms of use, which include that the card will only be used for school purposes.</p> <p>Finding</p> <p>Internal Audit was informed by the Head Teacher and Finance Manager that the purchasing card was held by the Finance Manager, who also completed the bank reconciliations for this card.</p> <p>Risk</p> <p>Absence of segregation of duties between the purchasing card holder and officer completing reconciliation can lead to self-review threat. This can make it difficult to identify fraud and error.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
Agreed		Agreed	Head Teacher	March 2023

Audit Area: Information Governance

Priority	Recommendation 9	Detailed Finding/Rationale		
2	The School should ensure that loan agreements are authorised by an appropriate officer.	<p>Expected Control</p> <p>According to the School’s Finance Procedures Manual; ‘M4: Property taken off site: ‘All assets removed from the school site are recorded in a register held by the Finance Officer and signed back on their return. It is the individual staff members responsibility to ensure they have signed out/ in any equipment and suitable security and insurance is in place for the period of use.’</p> <p>Finding</p> <p>Sample testing of five equipment loan forms requested for the year 2021/22 (all for Ipads) confirmed that none of the forms were dated or authorised.</p> <p>Risk</p> <p>Where use of school equipment is not adequately authorised, there is a risk that assets are not monitored accurately, which could lead to financial loss.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
<p>The iPad were signed by the teacher to say that they had taken the iPad but there were no confirmation signature.</p> <p>NS: SLT will authorise and date the forms.</p>		Agreed	Finance, Procurement & HR Manager / Head Teacher	March 2023

Priority	Recommendation 10	Detailed Finding/Rationale		
2	The School should develop a more comprehensive privacy notice for the workforce.	<p>Expected Control</p> <p>The Data Protection Act (2018) sets out in UK law the legal framework with which education settings and local authorities must comply when they process the personal data.</p> <p>Finding</p> <p>A review of the privacy notice for the school workforce confirmed that, although there was a link to additional information, the notice itself does not include all the recommended information, such as staff rights around the data held about them. A review of the websites linked also indicated that information such as how long the data will be stored for and staff's right to complain to the Information Commission Officer was not evident.</p> <p>Risk</p> <p>Lack of a comprehensive privacy notice with links to all the required information can potentially result in action by the ICO leading to a loss in reputation.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
We have read through the audit document and your notes below and have accepted the findings.		Agreed	Head Teacher	March 2023
Audit comment				
<p><i>The relevant sections of the GDPR are as follows:</i></p> <ul style="list-style-type: none"> <i>Individuals have the right to be informed about the collection and use of their personal data. This is a key transparency requirement under the UK GDPR.</i> <i>You must provide individuals with information including: your purposes for processing their personal data, your retention periods for that personal data, and who it will be shared with. We call this 'privacy information'.</i> <i>You must provide privacy information to individuals at the time you collect their personal data from them.</i> 				

The Records Management policy is too late for this as staff will have needed to provide data prior to having access to the policy. Therefore, the staff facing privacy notice needs to be amended in order to include the omitted details, i.e.:

- staff rights around the data held about them
- how long the data will be stored for
- staff's right to complain to the Information Commission Officer

Audit Area: Income

Priority	Recommendation 11	Detailed Finding/Rationale		
2	The School should ensure that, in line with the requirements of the Financial Policies & Procedures Manual, “ <i>all lettings must be authorised by the Headteacher.</i> ”	<p>Expected Control</p> <p>The Norbury Manor Primary School’s Letting Policy (November 2021) details that, ‘<i>All lettings must be authorised by the Headteacher within a framework determined by the Governing Body and should be recorded in a diary or register. Single use lettings and Long-term lettings are approved by the Headteacher.</i>’</p> <p>Finding</p> <p>Sample testing of three lettings from 2017 to 2022 confirmed that letting forms were not signed by the Headteacher in all three cases.</p> <ul style="list-style-type: none"> • Fountain Gate, signed by the School Business Manager (signed March 2017) • Christ Embassy Church, signed by Finance Manager (signed February 2022) • Greater Grace, signed by the School Business Manager (signed August 2019) <p>Risk</p> <p>Where lettings are not authorised by the appropriate officer, there is a risk that the authorisation and commitment processes are by-passed which could result in inappropriate lettings, potentially leading to financial loss.</p>		
Management Response		Agreed/Disagreed	Responsible Officer	Deadline
Moving forward Headteacher will sign off all lettings.		Agreed	Finance, Procurement & HR Manager	Immediately

4. Priority 3 Recommendations

Recommendation	Findings
<p>1) Budgetary Control & Monitoring</p> <p>The School should ensure that the School’s strategy is approved by the Governors.</p>	<p>Expected Control</p> <p>As per Q6 of the SFVS the School is required to have a realistic, sustainable, and flexible financial strategy in place for at least the next 3 to 5 years, based on realistic assumptions about future funding, pupil numbers and pressures. The strategy should be integrated with the School’s strategy for raising standards and attainment.</p> <p>Finding</p> <p>Internal Audit confirmed that the School has a financial strategy called ‘Journey to Mastery’, however, we were informed by the Head Teacher and Finance Manager that this was not approved by the Governors.</p> <p>Risk</p> <p>Where the School’s strategy is not approved by the Governors, there is a risk that it is not in line with governor expectations.</p>
<p>2) Payroll</p> <p>The School should ensure that changes in salary are put in writing and communicated to relevant staff in a timely manner.</p>	<p>Expected Control</p> <p>Changes in employee salaries should be documented and communicated in writing by the HR, where applicable.</p> <p>Finding</p> <p>Internal audit compared salary costs per the March 2022 Payroll Report with the salary listed within the contracts for a sample of five employees to confirm accuracy. One instance was observed (staff code: ASC) where the salary per employee’s contract was £21,030 while salary per March 2022 Payroll Report was £21,399 (a difference of £369). The School’s Finance Manager advised that this employee received a back dated pay increase (from April 2021 in March 2022) and this change was not documented as part of a revised contract.</p> <p>Risk</p>

Recommendation	Findings
	<p>Where changes in staff salaries are not documented and agreed with the employees in writing, this can result in complaints resulting in loss of reputation.</p>
<p>3) Information Governance</p> <p>The School should ensure that all members of staff who are assigned GDPR related training complete it in a timely manner.</p>	<p>Expected Control</p> <p>The school should ensure that its staff is up to date with UK GDPR requirements by providing regular trainings to them.</p> <p>Finding</p> <p>A review of the GDPR training log (May 2022) for education assigned users indicated eight instances (out of 52) where GDPR training was assigned but not completed by staff. Additionally, there was no evidence to confirm that these employees were reminded to complete the training. The School’s Finance Manager informed Internal Audit that the School did not follow up with staff regarding completion of annual training.</p> <p>Risk</p> <p>Where staff has not completed the required trainings related to GDPR, there is an increased risk of non-compliance with the regulation which can result in penalties and loss of reputation.</p>

AUDIT TERMS OF REFERENCE

Norbury Manor Primary School– 2021/22

1. INTRODUCTION & BACKGROUND

- 1.1 This audit was undertaken as part of the Internal Audit Plan for 2021/22, as agreed by the Council's Audit Committee.

2. AUDIT OBJECTIVES AND METHODOLOGY

- 2.1 To provide an independent and objective opinion on the degree to which the Council's internal control environment supports and promotes the achievement of the Council's objectives. The internal control environment comprises the policies, procedures and operations in place to:

- establish, and monitor the achievement of the service's objectives;
- identify, assess and manage the risks to achieving the services objectives;
- facilitate policy and decision making;
- ensure the economical, effective and efficient use of resources;
- ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- safeguard the service's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption; and
- ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

- 2.2 To confirm that management have controls in place to detect and vigorously, pursue, fraud, corruption, other irregularities, errors and poor value for money.

- 2.3 To confirm that appropriate management action has been taken to implement recommendations for change leading to improvement in performance and/ or control.

3. SCOPE

- 3.1 The audit included the following areas (and number of recommendations made):





Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Governance and Leadership	0	2	0
Budgetary Control & Monitoring	0	0	1
Payroll	1	3	1
Safeguarding	0	0	0

Audit Area	Recommendations Made		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Procurement	1	0	0
Bank Accounts	1	0	0
Information Governance	0	2	1
Health and Safety	0	0	0
Income	0	1	0
School Fund Accounting	0	0	0
Totals	3	8	3

Appendix 2**Definitions for Audit Opinions and Recommendations**

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 recommendations 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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