

Final Internal Audit Report

Libraries: Compliance Checks

August 2024

Distribution: Corporate Director, SCRER
 Head of Culture, Leisure & Libraries
 Library Buildings & Systems Manager
 Library Operations Manager
 Director, Culture & Community Safety
 Corporate Director, SCRER
 Director of Finance & Deputy S151 Officer
 Corporate Director, Resources & S151 Officer (Final only)

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

[Confidentiality and Disclosure Clause](#)

This report ("Report") was prepared by Forvis 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.

The Report was prepared solely for the use and benefit of London Borough of Croydon and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

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	4

Detailed Report

3. Actions and Key Findings/Rationale	5
4. Priority 3 issues	15

Appendices

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

1. Introduction

- 1.1. Croydon Council operates 13 libraries throughout the Borough, which are managed by the Culture, Leisure and Libraries division of the Sustainable Communities, Regeneration and Economic Recovery (SCRER) directorate. The libraries provide an array of services, including their core book loan offering, as well as events, digital services, and internet access.
- 1.2. While the core book loan service provided by Croydon Libraries is free of charge for residents, there are a number of paid services available at the libraries, including printing/copying and room hire. In addition, fines are payable for late return of books. As of March 2024, the Libraries exclusively accepted cash for in-person payments. Prior to 2020 there was a weekly cash collection & banking procedure, which involved a cash collection service counting and collecting cash from the libraries. This was not reinstated following re-opening of the services after Covid-19 restrictions despite efforts from the library management team.
- 1.3. Stock management processes were mostly carried out by the central Libraries team, although branches were responsible for receipting stock: library branch staff were responsible for scanning newly delivered stock into the system, and identifying any discrepancies between the invoices and what was delivered.
- 1.4. The libraries did not have fixed staff in each branch, with many staff rotating between different libraries depending on the day. In addition, libraries had varying opening times: while Central Library was open five days a week (Mon-Weds, Fri-Sat), some libraries were only open two days a week. There was an ongoing project in the Council to consider consolidating the library buildings, with the objective of having fewer sites, but which are open on more days.
- 1.5. There has been an ongoing project to install card payment devices in libraries, however this was not in place at the time of the audit. The project to install card payment devices was part of the overall project to deploy new self-service kiosks. The kiosks were deployed in November 2022, with the expectation that the payment devices would be live by Spring 2023. However, there have been a series of delays with the card payment provider (Pay360) relating to the device software. This has been chased repeatedly by the Libraries' team and the kiosk supplier, who are reliant on the device manufacturer. Several faulty devices were back with the manufacturer (at the time of audit) for either rectification or replacement. It was expected that card payment facilities would be operational during Spring 2024.
- 1.6. Onsite testing at a sample of three libraries, Selsdon Library, Thornton Heath Library, and Central Library was carried out. All relevant documents required to complete the review were obtained.

- 1.7. This internal audit report is outside the scope of Freedom of Information Act as it contains information that could compromise security (e.g. cash collections / handling).
- 1.8. This audit was undertaken as part of the agreed Internal Audit Plan for 2023/24. The objectives, approach and scope are contained in the Audit Terms of Reference at Appendix 1.

2. Key Issues

- 2.1 The key issues identified are as below:

Priority 1 Issues

Cash was being collected by the Library Operations Manager and a courier driver from the Council. A security company was not being used to collect cash as referenced in the *Financial Procedures Croydon Libraries* document.

Review of the most recent Cash Collection Sheet for Thornton Heath Library, Selsdon Library and Central Library found that for Thornton Heath (£1,239.57) and Selsdon (£994.78) no collection had taken place since October 2023 and that for Central library (£8,882.86) cash was last collected in May 2023. **(Issue 4)**

Priority 2 Issues

Examination of daily Z readings, Till Daily Sign In Sheets/Till Journal Rolls and Monthly Income Analysis sheets across three libraries found several instances in which these had not been properly signed on certain dates or were not in use. **(Issue 1)**

Examination of the Refunds and Waivers sheets at Thornton Heath Library found that four of the six waivers on the refunds and waivers sheets for February 2024 were signed by only one individual (total £17.80). For Selsdon, three of the nine waivers between 1 and 25 March 2024 were only signed by one individual (total £9.00). For Central library, 13 of the 28 waivers between 1 and 25 March 2024 were only signed by one individual (total £42.00). **(Issue 2)**

Review of a sample of three Income and Analysis for Thornton Heath, Selsdon and Central Library found that Income and Analysis sheets had not yet been completed for Central Library for December 2023 and February 2024 and were signed by only one individual for Selsdon and Thornton Heath Libraries. **(Issue 3)**

Review of the fire alarm sheets to log the weekly fire alarm tests found that for Thornton Heath Library, for the weeks commencing 11 March and 18 March, that there was no fire alarm test recorded on the fire alarm sheet.

Examination of the Health and Safety Risk Assessments, that were stored on the Council's SharePoint, found that Selsdon Library did not have up to date H&S risk assessments (the majority of which were last completed in May, June, July, and August 2022). Selsdon did not have a risk assessment in place for Lone Working. **(Issue 5)**

Priority 3 issues are included under item 4 below.

3. Actions and Key Findings/Rationale

Control Area 2. Cash Counting, Collection & Banking Procedures

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 1
2	<p>Staff have been reminded as to the finance procedures</p> <ul style="list-style-type: none"> • Must sign on to journal roll or till daily signing in sheet • All finance documents must be signed by 2 members of staff including Z readings, income analysis and monthly money sheets. Library Operations Manager (LOM) to check this is being done on a regular basis during routine visits. • Senior supervisors to check relevant paperwork on monthly basis to ensure correct processes are being followed. 	<p>Expected Control</p> <p>The Council's Library cash counting, cash collection and banking procedures are set out in the <i>Financial Procedure Croydon Libraries</i> document.</p> <p>This requires that all financial records must be counter-signed. The daily totals must always be checked by a second member of staff who counter-signs/initials the Z reading print out (which summarises all of the payments made in a day until the till was closed) and kiosk receipt – initials of both staff to be entered on the electronic income sheet. Any discrepancies in cash taken in the till (as compared with the Z-reading) should be entered as Overs/Unders on the Income Analysis sheet.</p> <p>All staff must initial the till journal roll at the start of each day or when they come on duty; Central Library staff must initial the till journal roll of the floor level where they are working. Where the till has no till journal roll staff must use the Till Daily Signing in Sheet.</p> <p>Finding/issue</p> <p>Z readings for a sample of five days that the libraries were open were reviewed and found that two of the Z readings for Thornton Heath Library had been signed by only one individual (16 March 2023 and 18 March 2023).</p>

		<p>A review of the Till Daily Sign In Sheet or Till Journal Roll for each library found the following:</p> <ul style="list-style-type: none"> • For Thornton Heath, during the months of December 2023, January and February 2024, there were two occasions where only one member of staff had signed the Till Daily Sign in Sheet (Mon 26 February and Wed 28th February) and one occasion where the Till Daily Sign in Sheet was not signed (Sat 13 January). • For Selsdon, the Library Operations Manager advised that no one had signed the till journal roll for the week commencing 18 March, and Internal Audit did not have sight of the journal roll. • For Central, the Library Officer advised that that till sign in sheets were not used nor were till journal rolls signed by staff. Instead, staff attendance was recorded on a daily timetable sheet. <p>The same two members of staff who sign the Z readings are also required to initial the Monthly Income Analysis Spreadsheet each day, where the income for each day of the month is recorded. The Monthly Income Analysis sheets for March 2024 for the three libraries were reviewed to confirm whether these had been initialled for the same five days as was tested for the Z readings. The following was found:</p> <ul style="list-style-type: none"> • For Thornton Heath library there were three days (16, 18 and 20 March 2024) where only one initial was present on the spreadsheets. • For Central Library no initials were present for any days in the month of March. • For Selsdon there was one day (23 March 2024) for which there were no initials.
<p>Responsible Officer</p>	<p>Deadline</p>	
<p>Library Operations Manager</p>	<p>31 July 2024</p>	<p>Risk</p> <p>Where Z readings are not checked by a second individual there is a risk of inaccuracies in the daily cash total, or that discrepancies in cash taken at the till and cash recorded are not identified.</p>

		<p>Where the Till Daily Sign in Sheet or Till Journal Roll is not signed at the beginning of each day by the individuals working on those tills, there is a risk that no record of those responsible for taking and recording the cash for the day is kept, which may result in instances of fraud or error not being identifiable to the individual responsible.</p> <p>Where the spreadsheet is not initialled by two individuals there is a risk that segregation of duties is not maintained during the cash counting and recording of income process which may lead to incorrect income may be recorded on the Monthly Income Analysis Spreadsheet.</p>
--	--	--

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 2
2	<p>Staff have been reminded as to the waivers and refund procedures</p> <p>The form for recording waivers has been updated to include short codes for the more frequent reasons for waivers.</p> <p>Staff now email in when a waiver is required for totals above £10. This enables Library Service Manager (LSM), LOM or Library Buildings & Systems Manager (LBSM) to record in accordance with scheme of delegation.</p> <p>LOM to check this is being done on a regular basis during routine visits.</p>	<p>Expected Control</p> <p>The Council's Library refund and waivers procedure is set out in the <i>Financial Procedure Croydon Libraries</i> document.</p> <p>Any refunds and waivers need to be authorised in line with the scheme of delegation that is specified in the <i>Financial Procedure Croydon Libraries document</i>, whereby any amounts below £10 can be approved by Senior Library Supervisors, amounts above £10 need approval from the Library Service Manager, Operations Manager or Library Buildings & Systems Manager and any amounts above £50 need approval from the Head of Service. A record must be entered on the Waivers and Refunds Record Sheet as to why a refund was made. The refund/waiver receipt must be signed by the member of staff and countersigned by the senior staff member on duty at the site. The reason for the refund must be recorded on the back of the receipt and attached to the Z reading at the end of the day.</p> <p>Finding/Issue</p> <p>A review of the Refunds and Waivers sheets for a sample month at Thornton Heath, Selsdon and Central Libraries was conducted to confirm that any refunds and waivers on the sheets had been signed by two individuals including a member of staff in line with the approval levels stated in the <i>Financial Procedure Croydon Libraries</i> document. It was found that:</p> <ul style="list-style-type: none"> For Thornton Heath, the refund and waivers sheets for February 2024 were reviewed as the March sheets were still in use by the Library. Four of the six waivers on the refunds and waives sheets for February 2024 had only been signed by one individual (totalling £17.80). It was noted that one case on 17 March 2024 where £12.80 was waived and this was only authorised by one

		<p>individual. The Library Officer advised that this had not been signed by the Library Service Manager, Operations Manager or Library Buildings and Systems Manager. The officer explained that this was common for this type of waiver where children books had been put on an adult card. We noted that there was insufficient detail provided in the “Reason waived/refunded” column where the reason provided was “Children’s”.</p> <ul style="list-style-type: none"> • For Selsdon, three of the nine waivers between 1 and 25 March 2024 had only been signed by one individual (totalling £9.00). • For Central library, 13 of the 28 waivers between 1 and 25 March had only been signed by one individual (totalling £42.00). Additionally, on 9 March 2024 there was a waiver of £16.00 that was authorised by one individual where it was required to also be signed by signed by Library Service Manager, Operations Manager or Library Buildings and Systems Manager. <p>Across the three libraries in the periods reviewed it was noted that one case where a refund had been issued and library staff reported that refunds across the service are rare. This occurred on 11 March 2024 at Thornton Heath. Although it was confirmed that the refund receipt was stapled to the Z reading and the reason for the refund was detailed on the receipt it was noted only one signature was detailed on the Waivers and Refund Sheet and on the refund receipt.</p>
Responsible Officer	Deadline	Risk
Library Operations Manager	31 July 2024	Where refunds are not appropriately authorised in line with the <i>Financial Procedures Croydon Libraries</i> document there is a risk of financial loss due to fraudulent/incorrect refunds.

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 3
2	<p>Staff have been reminded as to the finance procedures</p> <p>All finance documents must be signed by 2 members of staff including Z readings, income analysis and monthly money sheets. LOM to check this is being done on a regular basis during routine visits. Senior supervisors to check all relevant paperwork on monthly basis.</p>	<p>Expected Control</p> <p>The <i>Financial Procedure Croydon Libraries Document</i> states that all cash for the month (branches) or week (Central) should be counted and then double checked by another member of staff. Both should then sign the Income Analysis form with the monthly/weekly total.</p> <p>Finding/Issue</p> <p>Review of a sample of three Income and Analysis forms (for December 2023, January 2024 and February 2024) for Thornton Heath, Selsdon and Central Library to confirm that these had been signed by two members of staff found the following:</p> <ul style="list-style-type: none"> Income and Analysis sheets had not yet been completed for Central Library for December 2023 and February 2024. Additionally, the October 2023 Income and analysis sheet for Central Library was only signed by one individual. The December 2023, January 2024 and February 2024 Income and Analysis sheets for Selsdon were signed by only one individual. The December 2023, January 2024 and February 2024 Income and Analysis sheets for Thornton were signed by only one individual. <p>Risk</p> <p>Where the Monthly Income Analysis Forms are not signed by two individuals there is a risk that segregation of duties is not maintained during the cash counting and recording of income process which may result in income being recorded inaccurately.</p>
Responsible Officer	Deadline	
Library Operations Manager	31 July 2024	

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 4
1	<p>LOM made collections from 6 branches including Central in April 2024.</p> <p>Collections to be arranged from the remaining 7 libraries.</p> <p>Financial procedures will be updated to reflect that collections are made on an ad hoc basis.</p> <p>Card payments have been introduced in June 2024 so it is anticipated that the amount of cash held on all sites will drastically reduce thus lowering the risk in storing and collecting monies. The balance of cash and card payments will be monitored by the Library Operations Manager to effectively manage risk and identify any additional controls needed.</p> <p>Opportunities of contracting a cash collection service will be explored again with central</p>	<p>Expected Control</p> <p>The <i>Financial Procedures Croydon Libraries document</i> details that the Council collects cash monthly from branches and weekly from Central Library via a security company who provide security bags.</p> <p>Finding/Issue</p> <p>The Library Operations Manager advised that, it had not been possible to reinstate cash collections from a security company, instead it is collected by the Library Operations Manager and a courier driver from the Council in a van. This was supposed to occur monthly for branches and weekly for central library, however the Library Operations Manager explained that there had not been any cash collections since October 2023. The Library Operations Manager advised that this is due to resource issues in the Council which meant that cash could not be collected more regularly as there are 13 libraries and limited capacity from the management team and courier to undertake collections.</p> <p>Review of the most recent Cash Collection Sheet for Thornton Heath, Selsdon and Central Libraries found for all three sheets that these had been signed by the individual handing over the cash and the individual collecting the cash. However, it was noted that:</p> <ul style="list-style-type: none"> • Thornton Heath and Selsdon that no collection had taken place since October 2023; • For Selsdon bags for May 23, June 23, July 23, and September 23 were collected (totalling £994.78);

	<p>services and registrars who maintain a cash collection service for their area.</p>	<ul style="list-style-type: none"> For Thronton Heath multiple bags had been combined into one which was collected in October 2023 (totalling £1,239.57) and the cash collection sheet did not outline which months cash had been collected. <p>For Central Library cash was last collected in May 2023 and this included multiple bags, i.e. for December 2022, November 2022, January 2023, February 2023, March 2023, and April 2023 (totalling £8,882.86).</p> <p>Risk</p> <p>Where the Council collects its own cash there is a risk that cash is not collected securely which may result in a greater risk of theft/financial loss.</p> <p>Where cash is not collected monthly for branches or weekly for Central Library there is a risk that significant amounts of cash are transported in each collection which may be at greater risk of theft and / or harm to the individual transporting the cash between sites. Additionally, where cash is not regularly collected from safes there is a risk that the safe's insurance threshold may be exceeded and if large amounts of cash remain on site there is a risk of greater financial loss from theft.</p>
<p>Responsible Officer</p>	<p>Deadline</p>	
<p>Library Operations Manager</p>	<p>31 July 2024</p>	

Control Area 3. Health & Safety/Safeguarding Controls

Priority	Action Proposed by Management	Detailed Finding/Rationale - Issue 5
2	<p>The lack of fire alarm testing has been flagged with the Council’s Facilities Management Help Desk.</p> <p>Supervisors have been asked to keep a check that the weekly tests are being done and to report any which are not to facilities and libraries management</p> <p>A check is being done on Risk Assessments to ensure all branches have all those which are appropriate to their branch and that they are up to date. The annual appraisal process for supervisors and senior supervisors will now also include a check that risk assessments are up to date.</p>	<p>Expected Control</p> <p>The British Standard B5839 states that all fire alarm systems in commercial premises need to be tested weekly to ensure that there has not been any major failure and that the fire alarm system is in working order.</p> <p>Libraries maintain a fire alarm sheet that record the weekly fire alarm tests. These are required to be dated and signed by the Facilities Management team.</p> <p>Libraries are required to have Health and Safety risk assessments that are updated annually.</p> <p>Issue/Finding</p> <p>A review of the fire alarm sheets to log the weekly fire alarm tests at Thornton Heath, Selsdon and Central Libraries found that for Thornton Heath Library, for the weeks commencing 11 March 2024 and 18 March 2024, there had been no fire alarm tests recorded on the fire alarm sheet.</p> <p>Review of the Health and Safety Risk Assessments that are stored on the Council's SharePoint for each library found that Selsdon Library did not have up to date H&S Risk assessments. Of the 22 H&S Risk Assessments for Selsdon Library, all were last completed in May, June, July, and August 2022 (i.e. over 18 months prior to the internal audit fieldwork being carried out). Additionally, Selsdon Library did not have a risk assessment on file for Lone Working, which is required for each site.</p> <p>Risk</p>

Responsible Officer	Deadline	
Library Buildings & Systems Manager	31 July 2024	<p>Where fire alarm tests are not carried out and recorded, there is a risk that faults/issues with the fire alarm system are not picked which may result in health and safety issues in the event of a fire. Additionally there is a risk of non-compliance with health and safety regulations.</p> <p>Where up to date Health and Safety Risk Assessments are not held there is a risk that risks associated with the health and wellbeing of staff and customers have not been identified or mitigated appropriately.</p>

4. Priority 3 Issues

Agreed action	Findings
<p><u>Control Area 1: Legislative, Organisational and Management Requirements</u></p> <p><u>Action proposed by management:</u></p> <p>Financial Procedures Croydon Libraries requires an update. The date of origin has been added to the document alongside the approvals obtained. Dates of amendments have been added.</p> <p>Going forward amendment dates will continue to be added along with an indication as to the reasons for the amendments.</p> <p>A further amendment is required to change the method of collecting cash (as approved by Internal Audit & Governance) and to add the procedures for recording card payments.</p> <p>The procedures will be reviewed by the LOM and approved by the Library and Archives Services Manager annually and following any changes to the services concerned to ensure they remain up to date.</p>	<p>Expected Control</p> <p>The Council has up to date policies and documented procedures in place around the management of libraries, including cash counting, cash collection, banking, and stock management procedures. The date of last review, date of next review and author/owner of the documents is detailed on the document.</p> <p>Issue/Finding</p> <p>The Council had a <i>Financial Procedure Croydon Libraries</i> (dated January 2022) document that outlined staff responsibilities with regards to the Library Service as well as the financial procedures to be followed with regards to the counting, collection, and banking of cash.</p> <p>The Library Operations Manager advised that the document was written in 2018 by their predecessor following guidance from Croydon’s finance team / auditor. Minor amendments have been made during the last 5 years, one when Croydon got a new library management system and another when some tills were bought which do not have journal rolls. These did not affect the main procedures. There was no detailed review cycle or date of next review on the document. Additionally, there was no detail of who approved the document or who the document owner is. The Library Operations Manager stated that they were unaware of who approved the original procedure document.</p>

Agreed action	Findings
<p><u>Responsible Officer:</u> LOM</p> <p><u>Deadline:</u> 31 July 2024 for amendments with review October 2024 then annually.</p>	<p>The procedure references cash being collected by a security company who provide security bags; however, this is not how cash was being collected at the time of audit, instead cash was being collected by Council employees.</p> <p>Risk</p> <p>Where policy and procedure documents are not dated and do not detail the date of last review/approval, date of next review or author of the document it is not clear what the most up to date version of the document is or who the owner of the document is. This may lead to officers following outdated procedures when counting cash, collecting cash, and conducting general management of the libraries which may lead to the cash being collected and banked in an unapproved and inconsistent manner.</p>
<p><u>Control Area 3: Stock Management Procedures</u></p> <p><u>Action proposed by management:</u></p> <p>‘Symphony - Adding items’ document is being updated as suggested and will be circulated to all staff (missing job title details also corrected).</p>	<p>Expected Control</p> <p>The Council's ‘SYMPHONY - Adding Items’ procedure document outlines the procedure for dealing with the delivery of new stock. When a delivery is received, an officer is required to check the contents against the invoice/delivery note. It states that the officer needs to email the invoice numbers to Kate Clark (whose job title is not given) and the Library Buildings and Systems Manager once the check is completed.</p> <p>The date of last review, date of next review and author/owner of the documents is detailed on the document.</p> <p>Issue/Finding</p> <p>The ‘SYMPHONY – Adding Items’ procedure was not clear as to whether names of the individuals performing the check of the contents against the</p>

Agreed action	Findings
<p><u>Responsible Officer:</u> Library Buildings & Systems Manager</p> <p><u>Deadline:</u> 31 July 2024</p>	<p>invoice were required to be recorded. Review of the procedure document noted that there was no date on the document, no review cycle or date of next review and no information on who the author was.</p> <p>Review of the invoices for any recent deliveries at Selsdon, Thornton Heath and Central Libraries for March 2024 identified for four invoices for Thornton Heath Library, one invoice for Central Library and two invoices for Selsdon Library that the invoices had been reviewed against the goods received to confirm goods received were correct. This was recorded as tick marks on the invoice and was signed by the respective individuals who had sent the emails to Kate Clark.</p> <p>It was noted in one case for Thornton Heath (INV No. 7004882) that the date was not recorded on the invoice of when the email was sent to Kate Clark and the Library Buildings and Systems Manager with details about the invoice and goods received.</p> <p>Risk</p> <p>Where it is not detailed in the procedure document that a goods received check is required to be recorded there is a risk that staff do not check the invoice against the contents of the goods received and incorrect or faulty goods are received.</p> <p>Where policy and procedure documents are not dated and do not detail the date of last review/approval, date of next review, it is not clear what the most up to date version of the document is. This may lead to officers following outdated procedures.</p>

AUDIT TERMS OF REFERENCE

Libraries: Compliance Checks

1. INTRODUCTION

- 1.1 Croydon Council operates 13 libraries throughout the Borough, which are managed by the Culture, Leisure and Libraries division of the Sustainable Communities, Regeneration and Economic Recovery (SCRER) directorate. The libraries provide an array of services, including their core book loan offering, as well as event space, digital services, and internet access.
- 1.2 While the core book loan service provided by Croydon Libraries is free of charge for residents, there are a number of paid services available at the libraries, including printing/copying and room hire. In addition, fines are payable for late return of books. As of March 2024, the Libraries exclusively accept cash for in-person payments. There is a weekly cash collection & banking procedure, which involves a cash collection service counting and collecting cash from the libraries.
- 1.3 Stock management processes are mostly carried out by the central Libraries team, although branches are responsible for receipting stock: they are responsible for scanning newly delivered stock into the system, and identifying any discrepancies between the invoices and what was delivered.
- 1.4 The libraries do not have fixed staff, with many staff rotating between different libraries depending on the day. In addition, libraries have varying opening times: while Central Library is open five days a week (Mon-Weds, Fri-Sat), some libraries are only open two days a week. There is an ongoing project in the Council to consolidate the libraries/community hubs, with the objective of having fewer sites, but which are open on more days.
- 1.5 This audit is part of the agreed Internal Audit Plan for 2023/24.

2 OBJECTIVES AND METHOD

- 2.1 The overall audit objective is to provide an objective independent opinion on the adequacy and effectiveness of controls / processes.
- 2.2 The audit will for each controls / process being considered:
 - Walkthrough the processes to consider the key controls;
 - Conduct sample testing of the identified key controls; and
 - Report on these accordingly.

3. SCOPE





- 3.1 This audit, focused on Libraries was undertaken as part of the 2023/24 Internal Audit Plan. The specific scope included the following areas and recommendations):

Control Areas/Risks	Issues Raised		
	Priority 1 (High)	Priority 2 (Medium)	Priority 3 (Low)
Legislative, Organisational & Management Requirements	0	0	1
Cash Counting, Collection & Banking Procedures	1	3	0
Stock Management Procedures	0	0	1
Health & Safety/Safeguarding Concerns	0	1	0
Central Oversight/Reporting	0	0	0
Total	1	4	2

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.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: 30 Old Bailey, London, EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.