



Variations to Orders Spot Check – June 2025

KPMG carried out a spot check of Curo's controls for managing variations to works orders, following the introduction of strengthened processes after five new contractors began delivering non-emergency works in November 2024. The review considered the approval and monitoring of variations, compliance with delegated authority limits, supporting records and whether root causes were being identified and addressed.

The review achieved a **93% compliance rating at a standard level of risk**. As this was a spot check rather than a full internal audit, KPMG did not provide a formal assurance rating. KPMG found that the strengthened arrangements had contributed to a significant reduction in variations, with only 29 recorded between mid-January and mid-April 2025. Areas of good practice included delegated system limits for raising orders, the introduction of more than 3,500 agreed Schedule of Rate codes to support consistent costing, and a requirement for variations to be approved through Curo's system.

The main areas for improvement related to approval arrangements, audit trails, monitoring and consistency of costing. KPMG found that the process needed clearer guidance on who could approve variations and the circumstances in which different approval routes could be used. The system did not provide a sufficiently clear audit trail of the reasons for approving or rejecting variations, limiting Curo's ability to analyse root causes and identify recurring issues. Testing also identified one incorrectly processed works recall and minor system costing discrepancies, while evidence of ongoing monitoring of variations was not consistently retained.

Curo agreed eight management actions – five medium and three low priority, with no high-priority findings. These included developing clearer guidance for variations and completion processes, formalising approval roles and delegated authority levels, introducing quality assurance and quarterly compliance monitoring, addressing system costing issues, reviewing the approach to roofing and scaffolding works, and strengthening monthly monitoring and reporting of variations.