



NOTICE OF MEETING

Audit Committee

THURSDAY, 30TH JULY, 2009 at 19:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Rahman Khan (Chair), Diakides, Gorrie, Mallett (Vice-Chair), Mughal, Meehan, Butcher and Dobbie

AGENDA

1. APOLOGIES

To note any apologies for absence.

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item 12 below).

3. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgement of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

4. MINUTES (PAGES 1 - 10)

To confirm and sign the minutes of the Audit Committee held on the 2 June 2009.

5. DEPUTATIONS AND PETITIONS

6. GRANT THORNTON - AUDIT PROGRESS REPORT (PAGES 11 - 12)

Report of Grant Thornton.

7. AUDIT STRATEGY DOCUMENT FOR THE YEAR ENDING 31 MARCH 2009 (PAGES 13 - 26)

Report of Grant Thornton.

8. GRANT CLAIMS AND RETURNS PLANNING MEMORANDUM 2008-09 (PAGES 27 - 38)

Report of Grant Thornton.

9. REPORT ON INFORMATION TECHNOLOGY CONTROLS (PAGES 39 - 46)

Report of Grant Thornton.

10. ANNUAL AUDIT AND INSPECTION LETTER 2008/09 (PAGES 47 - 70)

Report of the Chief Executive and Chief Financial Officer to consider the Council's response to the issues set out in the Audit Commission's annual audit and inspection letter.

11. PROGRESS REPORT ON COUNTER FRAUD ACTIVITY RELATING TO HOUSING BENEFIT AND COUNCIL TAX BENEFIT - QUARTER 1 (PAGES 71 - 78)

Report of the Chief Financial Officer.

12. EXTERNAL INSPECTION HOUSING - PROGRESS REPORT (PAGES 79 - 140)

13. INTERNAL AUDIT PROGRESS REPORT - 2009/10 QUARTER 1 (PAGES 141 - 182)

Report of the Head of Audit and Risk Management to inform the Audit Committee of the work undertaken during the first quarter by the Internal Audit Service in completing the annual audit plan and any responsive fraud investigation work. In addition, the work of the Council's personnel division in supporting disciplinary action taken across all departments by respective council managers.

14. ANNUAL GOVERNANCE STATEMENT 2008/09 (PAGES 183 - 260)

Report of the Head of Audit and Risk Management to provide a final version of the statutory Annual Governance Statement, and supporting evidence matrix relating to 2008/09 for information.

15. RISK MANAGEMENT UPDATE (PAGES 261 - 266)

Report of the Head of Audit and Risk Management to inform the Audit Committee of the current position on risk management implementation across the Council and provide a revised risk management strategy for consideration and approval.

16. WHISTLEBLOWING - REPORT ON IMPLEMENTATION AND USE 2008/09 (PAGES 267 - 270)

Report of the Head of Audit and Risk Management to advise the Audit Committee of the operation and use of the Council's Whistleblowing policy.

17. DRAFT REPORT TO FULL COUNCIL ON THE WORK OF THE COMMITTEE IN 2008/09 (PAGES 271 - 282)

Report of the Head of Audit and Risk Management to advise the Audit Committee of the proposed report to Full Council in respect of the work undertaken by the Audit Committee during 2008/09.

18. NEW ITEMS OF URGENT BUSINESS

To consider any new items of urgent business admitted at item 2 above.

19. DATE OF NEXT MEETING

Thursday, 5 November 2009 at 19:30hrs.

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Head of Local Democracy and Member Services
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Helen Jones
Principal Committee Coordinator
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22 July 2009

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MINUTES OF THE AUDIT COMMITTEE
TUESDAY, 2 JUNE 2009

Councillors Rahman Khan (Chair), Diakides, Mallett (Vice-Chair), Meehan and Butcher

Apologies Councillor Gorrie

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRAC91.	APOLOGIES The Chair welcomed Cllrs Meehan and Butcher as new members of the Audit Committee. Apologies for absence were received from Cllr Gorrie.	
PRAC92.	URGENT BUSINESS There were no new items of urgent business.	
PRAC93.	DECLARATIONS OF INTEREST There were no declarations of interest.	
PRAC94.	MINUTES RESOLVED That the minutes of the Audit Committee held on 23 April 2009 be approved and signed by the Chair.	
PRAC95.	DEPUTATIONS AND PETITIONS There were no deputations or petitions.	
PRAC96.	GRANT THORNTON - AUDIT PROGRESS REPORT Grant Thornton presented their report on progress since the previous Audit Committee meeting. The Committee was advised that the International Financial Reporting Standards (IFRS) report had been drafted and would be presented to the Audit Committee once input had been received from officers. It was also reported that it was anticipated that Grant Thornton would receive the Council's accounts in advance of the deadline, and the Chief Financial Officer and his team were thanked for this positive achievement. The Chair thanked Grant Thornton for their report, and welcomed the news that no significant issues had been identified as a result of the interim audit of the accounts.	

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	<p>RESOLVED</p> <p>That the content of the report be noted.</p>	
<p>PRAC97.</p>	<p>DRAFT ANNUAL GOVERNANCE STATEMENT 2008/09</p> <p>The Head of Audit and Risk Management, Anne Woods, presented the report on the draft Annual Governance Statement (AGS) for 2008/09. The Committee was advised that it was a statutory requirement for the AGS to be published as part of the Council's statement of accounts and that it was the responsibility of the Audit Committee to review the draft document. Ms Woods reported on the way in which the AGS had been compiled by a core group of key officers and on the format of the AGS, which was prescribed by CIPFA. The Committee was advised that key changes in 2008/09 were the introduction of a local code of corporate governance and the implementation of recommendations from the previous year's AGS. Actions required to address any gaps in assurance or evidence were detailed in the matrix of supporting evidence appended to the report, as well as in the more detailed AGS action plan and other external action plans. Progress against all the action plans would be reported to the Audit Committee on a regular basis.</p> <p>Committee members expressed concern that the evidence required under the CIPFA guidance was documentary in nature, and did not include information on how procedures were implemented in practice. Whistle-blowing was raised as an example of an area where policy was in place, but the report did not clearly demonstrate that this had been acted on and the Committee emphasised that it was essential to have greater information on how policies such as this were used in practice. Ms Woods reported that in the previous year the external auditors had looked at the extent to which the documentary evidence could be relied upon for assurance and that, where it was found that there was a risk of policies not being followed, this was addressed by an action plan. It was also reported that the local code of corporate governance had been developed as a way of drawing together all the existing policies, in line with CIPFA and SOLACE guidance.</p> <p>Concern was expressed that the draft AGS did not fully reflect the position relating to internal control procedures in the course of the previous year, and suggested that as a result of the significant events of the year, further work on self-assessment and checking was necessary. Ms Woods reported that risk and data quality, which were key areas in this regard, were covered in both the internal and external audit plans for the forthcoming year. Committee members expressed particular concern regarding the wording under paragraph 4.7 of the draft AGS that "no significant issues were identified during 2008/09 by the Audit Committee". On this point, the Chair commented with example that the wordings were not correct. Following clarification by Ms Woods that this referred specifically to the work programme of the Audit Committee, it was agreed that this wording be amended.</p>	

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The Chair advised the Committee that he had requested the officers that additional reports on non-financial activities be reported to the Audit Committee to ensure that Committee members were able to monitor these effectively, i.e. external inspection reports action plan updates. Committee members also emphasised the importance of the Committee being able to ensure that relevant officers attended meetings of the Committee to account for any issues arising within their Service.

On the specific issue of treasury management, the Chief Financial Officer proposed that the wording of the AGS be amended to make clear that, as agreed at the previous meeting, the Audit Committee was to monitor the implementation of the recommendations arising from the national review.

In light of the serious issues identified in the previous year, the Committee suggested that the report should include specific deadlines and clear details of the issues identified and the specific actions that would be taken to address these, and the way in which this process would be reported to the Audit Committee. Ms Woods reported that details of the actions to be taken, timescales and updates on progress with the recommendations made by external bodies would be reported to the Committee on a regular basis. The Committee requested that this be reflected in the AGS and it was agreed that the draft would be amended to reflect this. The Committee emphasised the importance of identifying corrective actions and not just problems, and raised as an example a recent issue that had been identified relating to literacy, for which an action plan and follow up actions were needed to ensure that the issue was addressed fully.

The Committee requested assurance that external checks were carried out on the quality of the information being provided, to ensure that the position being reported was accurate. The Chief Financial Officer advised that this was part of the internal and external audit work on data quality, which examined whether information was true and reflective of the real situation and had been recognised as a key issue. Committee members noted that there was a wider issue of culture which needed to be addressed, which went beyond issues relating to data quality. In response to the advice of the Chief Financial Officer that some of these issues were addressed in the JAR action plan, the Committee requested that a sentence be added to the AGS to reflect the fact that issues relating to culture and practice on the ground were covered in the JAR action plan.

The Committee asked how checks were made to obtain assurance that the issues identified with culture and practice in certain Services weren't present throughout the Council. Ms Woods responded that with benefit claims, for example, work was sample-checked for quality assurance and full details were also provided in specific reports. The Committee emphasised that, while good data was important, it was essential to follow up and check on the implementation of policies to provide the full picture.

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The Chair asked the Chief Financial Officer whether assurance could be provided that, by fulfilling the requirements in producing the AGS, the Council's rating under the Comprehensive Area Assessment would improve from the present CPA 1 star rating. The Chief Financial Officer reported that the Council aspired to improve its rating, but that improvement could not be guaranteed by meeting the requirements of the producing the AGS, as the rating would be at the discretion of the assessors plus there are a number of other service areas that require improvement.

The Chair asked whether the Chief Financial Officer had applied his full responsibility and professional expertise in the preparation of the draft AGS, and the Chief Financial officer confirmed that this was the case. The Chair noted that no consultation had been carried out in the preparation of the report, and asked whether, as the AGS related to the quality of performance, officers were confident that the AGS could help to recover the Council's ratings position. Ms Woods clarified that the document had not been consulted on externally as it was a document to be produced by the Council, and reported that the Chief Financial Officer, Chief Executive and other Directors were all included in working to improve the Council's rating. The Chair asked whether officers were satisfied with the wording of the sections dealing with the governance framework and the review of its effectiveness, as standard wording for these areas were not provided by CIPFA. The Head of Audit and Risk Management and the Chief Financial Officer confirmed that they were satisfied with the wording of these sections.

The Chair asked whether Grant Thornton would assist the Council to improve their rating in the next assessment. The Chief Financial Officer confirmed that he would be working closely with Grant Thornton to ensure that the Council's systems were fully implemented and effective.

In response to a question from the Chair regarding the group of core officers working on the AGS and how improvements on the previous year would be made, Ms Woods confirmed that this group remained unchanged from the previous year and would be working to improve performance by reflecting on the issues raised as a result of inspections focusing on governance, and on the action plans proposed in the draft AGS and report.

The Chair asked about the Quality Outcomes Board, its terms of reference and why no reports of its discussions were presented to the Audit Committee. The Chief Financial Officer reported that the Quality Outcomes Board was an advisory board to reflect on issues arising from the JAR, and reported that key issues raised at the board are being communicated to all Members. It was reported that the advice provided by the Quality Outcomes Board would be considered and would then become part of the formal decision making process of the Council, in accordance with its terms of reference.

In response to a question from the Chair regarding the officer code of conduct, Ms Woods confirmed that all staff were required to formally

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acknowledge receipt of the code of conduct and that a record of this was held by the Council.

The Chair noted that, although the minutes of the previous meeting indicated that confirmation that everyone was aware of the key risks and responsibilities would be included in the AGS, this did not appear in the draft. It was agreed that the draft AGS would be amended to include this confirmation.

The Chair reported that it had been agreed with officers and also agreed at the last Committee meeting that the Audit Committee would receive regular reports on progress with recommendations arising from all reports and inspections carried out on the Council by external organisations. Committee members requested these progress reports be presented to the Committee on a 6-monthly basis, although the Chair strongly recommended that it should be quarterly instead of 6 monthly, because the assessments of the external auditors were largely dependant on the performances of the authority on the remit of those reports.

Referring to the sections on performance management arrangements (4a and 4c), risk management (5a, 5h and 6j) and assurance statements (7a) in the matrix of supporting evidence, the Chair requested that time limits be identified for each stage of these processes to ensure that all necessary actions were carried out. Committee members requested that each audit be reported to the Audit Committee once the appropriate Service had responded, and that the Committee should then receive 6 monthly updates on progress against the audit recommendations. The Committee also requested a 6 monthly progress report on the JAR action plan.

The Chair raised a question as to whether the role of the Head of Audit and Risk Management was aligned to the latest terms of reference of the Committee. It was agreed that the Chief Financial Officer would provide Committee Members with a briefing note on this.

The Committee requested information on the arrangements for the officers' register of interests. Ms Woods reported that the register was held by the Human Resources department, and she would seek clarification regarding the access arrangements to the register and report back to the Committee.

It was agreed that all the observations and suggested amendments arising from the discussion of the draft AGS would be incorporated into the draft.

Taking into account all the observations and concerns of the Committee, on a motion by the Chair it was:

RESOLVED

- i) That, having reviewed the supporting information, the draft

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	<p>AGS for 2008/09, which will be amended to reflect all the views and concerns of the Committee expressed during the discussion of the draft, be approved.</p> <p>ii) That the approval timescale and process for the draft AGS be noted.</p> <p>Cllr Butcher requested that his objection to the approval of the draft AGS be recorded, as he felt that the draft inadequately addressed the governance shortcomings raised in respect of safeguarding and treasury management during 2008/09.</p>	
<p>PRAC98.</p>	<p>THE REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT</p> <p>The Head of Audit and Risk Management presented a report on the review of the effectiveness of the system of internal audit. It was reported that, in line with the Accounts and Audit Regulations 2006, reciprocal peer group reviews had been established in order to monitor compliance with CIPFA standards and that the group of peers had been expanded this year to include more members across London councils. Ms Woods reported that Haringey had this year assessed and been assessed by the London Borough of Havering.</p> <p>The Committee asked what the outstanding action was under the heading of performance, quality and effectiveness and Ms Woods reported that this was the CIPFA recommendation that service users' assessment of the quality of the internal audit service be obtained. Ms Woods reported that this was in progress; a number of questions had been compiled for sending to senior managers, who would then submit their feedback as a further source of assurance regarding the effectiveness of the service.</p> <p>The Committee asked where the recommendation in the management action plan, "that the Head of Audit and Risk Management should arrange to review the quality, performance and effectiveness of the service as a whole" had arisen from. Ms Woods reported that among the list of 70-80 self-assessment questions set out by CIPFA was one asking whether the service had reviewed the quality and effectiveness of the service as a whole, which had not been completed. The Committee requested a note providing the details of the actions that would be taken to address this issue and how these would be followed up.</p> <p>In response to a question from the Committee regarding Regulation 6, it was confirmed that this did not differ from the existing CIPFA guidance.</p> <p>RESOLVED</p> <p>i) That the findings of the review of the effectiveness of the system of internal audit be noted.</p> <p>ii) That the action plan to address the identified areas for development be approved, and a that note be provided on the</p>	

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	<p>details of the actions that would be taken to address the issues raised and how these would be followed up.</p>	
PRAC99.	<p>INTERNAL AUDIT SERVICE - TERMS OF REFERENCE</p> <p>The Head of Audit and Risk Management presented a report on the changes to the terms of reference for the Internal Audit Service. In line with CIPFA guidance, the Committee received a report on the Internal Audit service terms of reference for approval on an annual basis. The Committee was advised that the only changes to the terms of reference from the previous year were updated references to the Council's Constitution.</p> <p>RESOLVED</p> <p>That the updated Terms of Reference for the Internal Audit Service be approved.</p>	
PRAC100	<p>ANNUAL AUDIT REPORT AND ASSURANCE STATEMENT 2008/09</p> <p>The Chair reported that he had corresponded with the Chief Financial Officer in advance of the meeting regarding this item, and it had been agreed that the Chief Financial Officer Comments section of the report would be amended to read: "The Chief Financial Officer notes the contents of this report and confirms that the key controls are in place to mitigate risks facing the Council and that they are being appropriately managed under section 151 of the Local Government Act 1972, to provide him with the assurance he has been using the audit, both internal and external, to mitigate risks facing the Council". The Chair noted that both the Council's internal and external auditors advised that they did not have responsibility for the management and monitoring of the Council's internal control systems, but assisted in providing assurance.</p> <p>The Head of Audit and Risk Management presented the annual audit report and assurance statement 2008/09, which formed part of the terms of reference of the Audit Committee and was required under the 2006 CIPFA Code of Practice. The Committee was advised that the form and general content of the report was recommended by CIPFA, but that the detailed assessment was completed by the Council. A summary of internal audit work over the past year was appended to the report.</p> <p>In response to a question from the Committee regarding the lack of information on the outcome of investigations in the report, Ms Woods reported that these were reported to the Committee on a quarterly basis as part of the Internal Audit Progress Report and that a monthly report was also circulated to Members. The Committee asked about the involvement of external agencies in investigations, and Ms Woods reported that cases were in general referred to the Housing Benefits Service by the Department for Work and Pensions, and that Housing Benefits then passed them on to Internal Audit for investigation. Full details were provided in the quarterly reports.</p>	

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	<p>Concern was expressed that the wording of paragraph 17.2 of the report, referring to other sources of assurance, gave the impression that no issues had been identified as a result of external inspections and it was agreed that this wording would be amended to clarify that this was not the case.</p> <p>It was noted that as a document referring back to the previous year, no new additions could be made to the key areas covered, but for future reports the Chair requested that child protection and safeguarding adults be added to the key areas of corporate governance, as the CAA assessment depended upon these key areas. The Chief Financial Officer noted the request of the Chair, but reported that the key areas listed in paragraph 19.4 of the report were not specific service headings, but areas that related to every service, and so both child protection and safeguarding adults were already included. It was reported that the new Director of the Children and Young People's Service would have examined all the key areas listed in the report, and applied these to all CYPS services, including child protection. The Chair requested that the areas of child protection and safeguarding adults be specifically mentioned in the paragraph on the key areas of corporate governance (paragraph 19.4), as these two areas were of particular importance.</p> <p>The Committee suggested that, if Directors were to report in person to the Audit Committee on a regular basis, Members could ask them for details of how they were addressing the key areas of corporate governance as listed in the report.</p> <p>The Committee suggested that paragraph 19.4 should include a reference to the main areas for action, which were listed in paragraph 19.7 below.</p> <p>RESOLVED</p> <p>That, with the additional wording under the Chief Financial Officer comments and the comments, concerns and observations made by the Committee, the content of the annual audit report and assurance statement for 2008/09 be noted.</p>	
<p>PRAC101</p>	<p>AUDIT COMMITTEE DRAFT WORK PLAN 2009/10</p> <p>The Head of Audit and Risk Management presented a report on the proposed annual work plan for the 2009/10 municipal year. The work plan included the standard quarterly items presented to the Committee, and also incorporated other pieces of work that were already planned during the course of the year. The report demonstrated the link between the work planned and the terms of reference of the Committee.</p> <p>The Chair expressed concern that the plan did not currently include the periodical update on progress with recommendations from all external audits and inspections, as requested by the Committee, and it was agreed that this would be added to the work plan.</p>	

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The Chair requested that, in addition to the planned work detailed in the work plan, the Committee must be advised by the Chief Financial Officer of any issues arising that the Committee needed to be aware of in the fulfilment of its duties.

Following the discussion earlier in the meeting regarding the draft AGS, it was requested that an update on this item be added to the Committee agenda for the 30 July meeting and added to the work plan.

The Committee requested that a central record should be kept of all the requests and recommendations made by the Audit Committee, giving details of the action requested, the officer responsible for the action and a deadline for completion, as this would facilitate the management and monitoring of actions requested by the Committee. This list should be monitored by the Committee on a quarterly basis to ensure that follow up action was being taken.

The Committee had resolved at a previous meeting that, where audit recommendations had not been implemented within the deadline set, the relevant Heads of Service would be required to attend the Committee meetings to explain the reasons for this. The Committee also discussed the possibility of requiring Heads of Service to attend on regular basis in order to answer questions from Committee members on audit issues such as priority 1 recommendations not being completed on time. Concern was expressed that implementing a regular programme of officers attending the Committee may be beyond the remit of the Audit Committee but it was felt that it would be useful for Members to be able to ask relevant officers questions regarding key areas of governance. It was suggested that, where a significant internal or external inspection report had been completed, the relevant officer should attend the Committee to address the issues raised by the report and also to answer questions from the Committee on other audit and governance arrangements within their Service. It was agreed that, as an update report on Environment was on the agenda for the next meeting, the Director of Urban Environment should attend. This would be in addition to any Heads of Service attending the Committee.

The Committee raised the issue of it not being possible for the Committee to approve the revised version of the AGS prior to submission due to the dates of the meetings. It was agreed that in future the dates would be arranged to ensure that the Committee could see the draft a second time to ensure that all the Committee's comments had been taken on board. A member of the Committee also raised an issue relating to the decisions made at the previous meeting, in response to which the Chair replied that he usually monitored the outcome of the decisions made, with the Chief Financial Officer.

RESOLVED

- i) That, with the additions and comments of the Committee members, the annual work plan for 2009/10 be approved.

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	<p>ii) That a central record should be kept of all the requests and recommendations made by the Audit Committee, giving details of the action requested, the officer responsible for the action and a deadline for completion.</p> <p>iii) Six monthly updates of the progress of all audits by various Audit agencies, including Ofsted, Social Service Audit, Care Quality Commission Inspection Reports, Health Care Commission and others be included in the work plan.</p>	
PRAC102	NEW ITEMS OF URGENT BUSINESS	
	There were no new items of urgent business.	
PRAC103	DATE OF NEXT MEETING	
	Thursday, 30 July 2009 at 7.30pm.	
	The meeting closed at 21:20hrs.	

COUNCILLOR GMMH RAHMAN KHAN
Chair



HARINGEY COUNCIL

AUDIT PROGRESS REPORT - 10 JULY 2009

Work	Progress
Use of resources and data quality 2008	Reported to February 2009 Audit Committee
Review of probity and propriety	Reported to February 2009 Audit Committee
Grants 2007-08	Reported to February 2009 Audit Committee
<p>Accounts planning workshop, interim accounts work and discussion of key issues</p> <p>Interim accounts audit</p> <p>Final accounts audit</p>	<p>Following attendance at our 2008-09 accounts training sessions in January, we held a number of liaison meetings to discuss key issues and plan for the 2008/09 audit.</p> <p>The interim audit took place from 23 March to 3 April 2009. There were no significant issues to report to the Audit Committee.</p> <p>The Council provided us with an initial version of the draft accounts in early June, which allowed us to perform early review and challenge in advance of formal approval of the draft accounts by the General Purposes Committee. We and the Council have found this process very useful.</p> <p>The final audit commenced on 6 July and, whilst in the early stages, is progressing well. We will report the results of the audit to Members in September 2009 as part of the Annual report to those charged with governance (ISA260).</p>
International Financial Reporting Standards (IFRS)	<p>In February 2009, we held a workshop to help the Council to prepare for putting arrangements in place, from April 2009, in time for full implementation of IFRS in 2010/11.</p> <p>We have recently completed our IFRS conversion report planner for the Council and are agreeing this with management. As reported verbally to the last Audit Committee, the Council has made a good start with its preparations for IFRS accounting. Our report highlights the areas of greatest likely impact for the Council and proposes a number of actions for the Council over the coming months.</p>

Work	Progress
Use of resources and data quality 2009	<p>Work is underway and will continue over the Summer.</p> <p>There has been recent attention around Parliamentary members expenses and allowances. As part of our use of resources work, we will be carrying out a high level review of the Council's arrangements for member expenses and allowances. We will also be considering senior officer allowances.</p> <p>The results of our use of resources work will be reported, with our VFM conclusion, in the Annual report to those charged with governance (September 2009).</p>
Treasury management	<p>The Audit Commission published results from its research on investments in Icelandic banks in March and recommended a number of actions for local authorities. The Audit Commission has recently issued a mandatory work programme, covering local government's response to these recommendations, for auditors to complete by October.</p> <p>We will carry out the mandatory work and assess the Council's response to these, and other internal and external treasury management recommendations, during the final accounts audit, and will re report the results of the audit to Members in September 2009 as part of the Annual report to those charged with governance (ISA260).</p>
2009/10 audit fees	<p>We agreed our indicative fees letter with the Council and presented this to the April Audit Committee meeting.</p> <p>Our full audit plan and updated audit fee will be presented to the Audit Committee in early 2010, following agreement with management.</p>

Grant Thornton UK LLP

10 July 2009



London Borough of Haringey
Audit Strategy Document
For the year ending 31 March 2009

June 2009

Our Ref PD/PH/LBH 2008-9
Your Ref

Gerald Almeroth
Chief Financial Officer
London Borough of Haringey
River Park House
225 High Road
London N22 8HQ

June 2009

Dear Gerald

**LONDON BOROUGH OF HARINGEY (THE COUNCIL) AUDIT STRATEGY DOCUMENT FOR THE YEAR
ENDING 31 MARCH 2009**

This Audit Strategy Document (ASD) has been prepared in order to highlight the key elements in the proposed strategy for the audit of London Borough of Haringey for the year ending 31 March 2009. The purpose of the document is further detailed in Section 1.

We look forward to the forthcoming audit and working with the Corporate Finance Team.

Yours sincerely

Grant Thornton UK LLP

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1 Engagement terms and objectives

ISAUK 260 requires communication of:

- relationships that have a bearing on the independence of the audit firm and the integrity and objectivity of the engagement team
- nature and scope of the audit work
- the form of reports expected

1.1 Engagement terms

Our overall audit plan dated May 2008 sets out our terms of reference as auditors and has been provided to the Audit Committee.

The purpose of this memorandum is to highlight the key elements in the proposed strategy for the audit of the Council for the year ending 31 March 2009.

The document is also used to report to management in order to meet the mandatory requirements of International Standard on Auditing (UK and Ireland) (ISAUK) 260.

1.2 Engagement objectives

Our engagement objectives are as follows:

- To audit the financial statements of the Council;
- To produce a concise and constructive report of key issues to the Audit Committee; and
- To draw to your attention any material weaknesses in internal control that come to our attention during our audit work.

1.3 Ethical standards

We have implemented policies and procedures to meet the requirements of the Auditing Practices Board's (APB) Ethical Standards.

We have considered our independence and objectivity in respect of the audit for the year ending 31 March 2009 and do not believe there are any matters which should be brought to the attention of the Audit Committee. Further details on our independence and robustness are set out in Appendix A.

1.4 Communication of adverse or unexpected findings

We will communicate any adverse or unexpected findings affecting the audit on a timely basis with the appropriate person within the Council. Such communication will be made either informally or via an audit progress memorandum where necessary.

The actual or potential resolution of significant audit and accounting issues will be discussed and agreed with the Council's management and documented for the Audit Committee's consideration.

1.5 Other matters

We set out further information in Appendix A covering:

- Roles and responsibilities of the Audit Committee;
- Audit quality assurance; and
- Communication with the Audit Committee.

2 Accounting and business risks

2.1 Potential accounting and business risks

Risk	Response
<p>The Council had £37m invested in the failed Icelandic Banks. LAAP bulletins 78 and 79 provide comprehensive guidance on the treatment of accounting for the impairment of financial assets arising from the Icelandic Banks. The Council will need to demonstrate compliance with this guidance and the letter issued by DCLG on 4 March 2009 on accounting for possible investment losses.</p>	<p>Through discussion with officers of the Council and review of audit working papers, we will review the Council's treatment of the investments held in Icelandic banks against the LAAP guidance. We will also carry out a review of the Council's action plan, including assessing progress on implementation, through the use of a mandatory work programme from the Audit Commission.</p>
<p>We note that due to the economic downturn, valuations of land and buildings have fallen during the period of audit, which suggests that there is an audit risk that land and buildings are overvalued.</p>	<p>We will review the Council's methodology for revaluing its land and buildings, including assessment of impairments, and assess the level of compliance against FRS11 and FRS 15 as appropriate.</p>
<p>The Council has introduced the SAP asset management module during 2008/09. The data migration process has revealed various errors within the previous Fixed Asset Register.</p>	<p>We will test the data migration from the previous fixed asset register to SAP as part of our Fixed Asset testing.</p>
<p>In its Annual Governance Statement (AGS), the Council is required to include description of significant internal control issues occurring during the year and information around plans for addressing these. In the first draft of its AGS, the Council has included information on safeguarding children and treasury management as part of its list of significant internal control issues.</p>	<p>We will review the Annual Governance Statement to ensure that it fully reflects the significant internal control issues identified at the Council during the year.</p>

There has been recent attention around Parliamentary members expenses and allowances and the Audit Commission has now encouraged auditors to review arrangements in local government. We will carry out a high level review of the Council's arrangements for member expenses and allowances. We will also be considering senior officer allowances.

Our 2007/08 accounts audit identified some areas where the Council could improve its arrangements for producing the accounts. Any issues that remain unresolved will be included within the 2008/09 Report to Those Charged with Governance. We made a number of recommendations in our ISA260 report, which management agreed to implement in time for production of the 2008/09 accounts. Progress against these recommendations are being reviewed during the audit.

3 Our audit approach

ISAIK 260 requires communication of:

- our concept of materiality and its application to the audit approach
- the way we propose to address the risk of material misstatements
- our assessment of and reliance on internal controls.

3.1 Audit strategy

We will be working closely with the Corporate Finance Team to ensure that we meet audit deadlines and conduct the audit efficiently, with the minimum of disruption to the Council's staff. Our audit will be planned on an individual task basis at the start of the audit, and timetables agreed with all staff involved.

In summary our audit strategy comprises:

- Updating our understanding of the Council through discussions with management and a review of the management accounts
- Reviewing the design and implementation of the internal financial control systems to the extent that they have a bearing on the financial statements
- Assessing the audit risk and, based on that assessment and the assessment of the design of the internal control system,

developing and implementing an appropriate audit strategy

- Testing the operating effectiveness of the internal financial controls, where appropriate
- Reviewing material disclosure issues in the financial statements
- Verifying all material income and expenditure and balance sheet accounts and performing a substantive analytical review of these accounts.

3.2 Our audit approach

Our audit approach is based on an assessment of the audit risk relevant to the individual financial statement assertions. Areas where the risk of material misstatement is more likely to occur are categorised as **critical**. It is in these areas that we focus much of our audit effort. Our work in other areas will typically be proportionately lower than for critical areas.

3.3 Critical areas

The critical assertions for the Council are deemed to be

Critical areas are those where the risk of material misstatement is more likely to occur.

Not critical areas are those that are material in size or by nature but where the susceptibility to material misstatement is lower.

	Completeness	Existence/ Occurrence	Valuation - Gross	Valuation - Net	Rights & Obligations	Cut-off	Presentation & Disclosure
Tangible Assets	X		X	X			
Investments			X	X			
Income and Debtors		X	X	X			X
Expenditure and Creditors	X	X	X				X

3.4 Audit automation using IDEA

We plan to utilise IDEA, a data interrogation software tool, at the start of the audit fieldwork to assist in the accuracy and completeness of our audit fieldwork. This will allow the audit team to take data directly from the Council's system and produce relevant information to be used in the audit process.

If we plan to perform tests of automated control procedures to reduce the scope of our substantive procedures, the operating effectiveness of general controls, that impact upon the operating effectiveness of automated key control procedures, will be evaluated.

3.5 Reliance on internal audit

We will liaise with internal audit throughout the audit as part of the managed audit approach.

3.7 Internal controls

We are required to evaluate the design of an entity's controls, including relevant control activities, over risks that could lead to material misstatement in the financial statements, and determine whether they have been implemented. Our emphasis is on identifying and obtaining an understanding of control activities that address the areas where we consider that material misstatements are more likely to occur.

3.6 Audit of IT and outsourced systems

Our audit approach assumes that audited bodies use a computer system for accounting applications that process a large number of transactions, which includes transactions processed by service bureaux or internally. Accordingly, our approach requires a review of internal controls in the Council's IT environment.

To comply with Auditing Standards we:

- focus on the key areas of understanding your business, and assessing the design of your internal control systems related to financial reporting, and
- Spend time with the senior management of the Council, in order to gather the additional information to document your systems, in particular in the area of governance.

IT and internal controls work has been performed as part of our interim audit visit. No significant issues have been identified as a result of this work which have impacted upon our audit strategy.

In the context of wider public concerns nationally, we will be considering arrangements in respect of members expenses and allowances during our final accounts audit.

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful.

ISA 320 Audit Materiality

Materiality is set at the planning stage to ensure that an appropriate level of audit work is conducted. It is also considered at the reporting stage in order to assess the impact of an item on the financial statements.

Any identified errors greater than 2% of materiality will be recorded on a schedule of potential misstatements, assessed individually and in aggregate, discussed with you and, if not adjusted, signed off by you as immaterial as part of your letter of representation to us.

An item of low value may be judged material by its nature (e.g. directors' emoluments), and an item of higher value may be judged not material, if it does not distort the presentation of the financial statements.

Our work cannot be relied upon necessarily to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might develop.

3.8 Materiality

An item would be considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer present fairly the financial position of the Council.

4 Administrative matters

4.1 Timetables and milestones

The following proposed timetable and deadlines have been set:

Event	Date
Interim review including internal controls review	March 2009
Approval of Accounts required by	30 June 2009
Commence fieldwork	6 July 2009
Manager visit to review work	ongoing
Clearance meeting to discuss our findings	w/c 17 August 2009
Partner to review work	28 August 2009
Meeting to discuss draft ISA260 report	3 Sept 2009
Report to General Purposes Committee	24 Sept 2009
Report to Audit Committee	October 2009

The audit process is underpinned by effective project management to ensure that we co-ordinate and apply our resources efficiently to meet your deadlines. It is therefore essential that we work closely with your team to achieve this timetable.

4.2 Engagement team

Our engagement team for the audit will include:

Name	Role	Contact details
Paul Dossett	Engagement Lead	T: 020 7728 3180 E: paul.dossett@gtuk.com
Paul Hughes	Client Service Manager	T: 020 7728 2256 E: paul.hughes@gtuk.com
Caroline Giltre	Audit Executive	T: 020 7728 2078 E: caroline.giltre@gtuk.com

4.3 Fees

Our fee estimate (excluding VAT) was disclosed to the Council in our overall audit plan, submitted to the Audit Committee in April 2008:

The proposed accounts audit fee is on the basis that:

- Draft statutory accounts are presented to us by 30 June 2009 for audit, subject only to routine audit adjustments;
- Supporting schedules for all figures in the accounts are ready prior to the commencement of the final accounts audit, as per our arrangements letter sent to the Council on 22 April 2009;
- All books and records, including those held electronically are made available to us;
- A trial balance together with reconciled control accounts are presented to us on the commencement of fieldwork date;
- Your staff are available to help us locate information and to provide explanations; and
- All deadlines agreed with us are met.

Our ability to deliver the services outlined to the agreed timetable and fee will depend upon these schedules being available/tasks being completed by the due dates in the agreed form and content. If there are any variances to the

above plan, we will discuss them with you and agree any additional fees before costs are incurred, wherever possible.

Any additional costs will be billed as soon as they are agreed with the Chief Financial Officer and these fees will be due when the fee notes are issued.

4.4 Information required

Lists of information to be prepared have been supplied to management within our arrangements letter sent to the Council on 22 April 2009.

A Quality assurance, independence, communication with the Audit Committee and roles and responsibilities

(i)

Audit quality assurance

Grant Thornton's audit practice is currently monitored by the Audit Inspection Unit, an arm of the Financial Reporting Council which has responsibility for monitoring the firm's public interest audit engagements. The audit practice is also monitored by the Quality Assurance Directorate of the ICAEW.

Furthermore, audits of councils are subject to the Audit Commission's quality review process. In addition from 2009, the audit of Local Government financial statements are subject to review by the Quality Assurance Directorate for the first time.

We would be happy to discuss further the firm's approach to quality assurance.

(ii)

Independence and robustness

To maintain our independence as auditors we ensure that:

- Audit partners and client service managers are rotated off the audit of audited bodies every five years;

- Grant Thornton, its partners and the audit team have no family, financial, employment, investment or business relationship with the Council; and
- Our fees paid by the Council do not represent an inappropriate proportion of total fee income for either the firm, office or individual partner.

At all times during the audit, we will maintain a robustly independent position in respect of key judgement areas.

(iii) Audit and non-audit services

Services supplied to Council during the year are set out below:

	£
Audit services	
Audit work under the Code of Audit Practice	471,120
Other services	
None	0

APPENDIX A

(iv) **Communication with the Audit Committee**
 We welcome communication with the Audit Committee and as part of the audit process we propose discussing with them the scope of the audit in advance of the commencement of our work. In addition we also propose to meet with the Committee following the conclusion of our procedures in order to communicate the matters arising.

We would also welcome the Audit Committee's input in relation to any areas of known concern within the Council.

Finally, we would be interested to hear if there are other matters that the Audit Committee would like us to address and to ensure we understand fully the Committee's expectations and requirements from the audit process.

In order to meet statutory deadlines, our ISA260 report will be presented, alongside the final set of accounts, at the General Purposes Committee on 24 September 2009.

(v) **Roles and responsibilities**
 Officers are responsible for the preparation of the financial statements which show a true and fair view of the Council's affairs and for making available to us all the information and explanations we consider necessary.

Legislation also requires that the Council maintains such books and records as will be sufficient to show the nature of all transactions and disclose, at any time, the financial position of Council.

The Council's management is responsible for:

- the identification, assessment, management and monitoring of risk
- developing, operating and monitoring the system of internal control
- providing assurance to Members that this has been done.

The Audit Committee is required to review the Council's internal financial controls. In addition, the Committee is required to review all other internal controls and approve the statements included in the annual report in relation to internal control and the management of risk.

The Audit Committee should receive reports from management as to the effectiveness of the systems they have established, as well as the conclusions of any testing conducted by internal audit.

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Grant Thornton

London Borough of Haringey

**Grant Claims And Returns Planning
Memorandum 2008-09**

July 2009

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Appendices

- A Summary of all claims and returns for the year ended 31 March 2009**

1 Background

- 1.1 In addition to our audit of the Council's financial statements and use of resources, we are required to certify grant claims and returns above predetermined thresholds.
- 1.2 In carrying out work in relation to grant claims and returns, Grant Thornton UK LLP acts as an agent of the Audit Commission, on behalf of the grant paying bodies. The work that the auditor is required to undertake is specified in a Certification Instruction, issued by the Audit Commission for each scheme, following discussion with the grant paying body. Although the auditor is required to cover all relevant Audit Commission tests the overall amount of work required on each claim will vary due to:
- the impact of approach and thresholds for certifying claims and returns (see the next section for details);
 - the size and complexity of the claim and the relevance of each test to transactions at the Council;
 - the history of the claim at the Council and whether there have previously been any significant issues or concerns;
 - the quality of working papers produced by the Council to support entries on the claim; and
 - the extent to which Internal Audit has been used to verify entries in the claim and the we are able to rely on the work undertaken.
- 1.3 As agents of the Audit Commission we are required to recover, in respect of each grant claim and return, a fee that covers the full cost of the relevant work undertaken. These rates are based on the hourly rates for certifying claims and returns set out in the Audit Commissions 'Work programme and scales of fees 2008-09 and indicative fee proposals for 2009-10 and 2010-11' for local government, housing, criminal justice and fire and rescue services.
- 1.4 We are required by the Audit Commission to charge 2008-09 fee scale rates on all Code audit and non-Code work relating to the financial year 2008-09. These rates are given in the table below.

Table 1: Fee scale rates

Grade of Staff	Rate per hour
Appointed Auditor	365
Manager	200
Audit Executive	130
Other Staff	100

2 Approach to certifying grant claims and returns

- 2.1 The approach to certifying grant claims and returns is set out below.
- For claims and returns below a de minimus amount set by the Audit Commission (currently £100,000), the Audit Commission will not make certification arrangements, regardless of any statutory certification requirements or any certification requirement set out in the grant terms and conditions.
 - As a condition of our appointment as an Audit Commission Auditor we are prohibited from certifying claims and returns below the de minimus amount.
 - For claims and returns between the de minimus amount and a threshold set by the Commission (currently £500,000), we are required to undertake limited tests to agree form entries to underlying records, but will not undertake any testing of the eligibility of expenditure or data.
 - For claims and returns over this threshold, we will assess the control environment over the preparation of the claim or return and make a decision as to whether or not to place reliance on this environment.
 - Where reliance is placed on the control environment, we will undertake limited tests to agree entries on the claim or return to the underlying records, but will not undertake any testing of the eligibility of expenditure for data. Where reliance is not placed on the control environment, we will undertake all tests in the certification instruction.
- 2.2 We will assess the degree of work to be undertaken on each claim and return due for certification in 2008-09 in accordance with this approach.
- 2.3 It should be noted that these arrangements, along with the overall number of claim and returns requiring certification, have continued to reduce in the number of claims and returns for which grant paying bodies require external auditor certification, as part of reducing the burden on local authorities.

3 Developing the managed audit

- 3.1 This plan currently assumes that we can place reliance on the work of Internal Audit in respect of the key financial systems of the Council, including the systems underpinning significant grant claims and returns.
- 3.2 As part of the managed audit approach we are keen to develop the extent to which we are able to place reliance on work carried out by Internal Audit on specific elements of systems and controls in relation to a number of claims for 2008-09 and beyond, in particular:
- housing subsidy; and
 - national non-domestic rates (NNDR).
- 3.3 To enable us to increase reliance on Internal Audit work we will need to agree the scope and timing of the work to be performed by Internal Audit on systems and controls in accordance with the requirements of individual certification instructions produced by the Audit Commission. We are willing to share the certification instructions with the Council when they are published.
- 3.4 Where we identify Internal Audit work on which we may be able to place reliance, we re-perform elements of Internal Audit's testing to confirm the accuracy of the results. This can reduce the amount of testing we are required to undertake with a corresponding reduction in the fees charged for the grant certification work.
- 3.5 We have discussed the possibility of relying upon the work of Internal Audit with regards to these specific claims and returns for 2008-09. However, given that 2008-09 Internal Audit Plan did not include specific work on grant claims and returns testing we will not be able to specifically rely upon Internal Audit work during the 2008-09 certification process.
- 3.6 For future years we can discuss the scope of such work within the Internal Audit Plan if the Council considers this to be appropriate. We would envisage involving Internal Audit on those claims and returns for which we identified inadequate control environments to be in place in prior years. In the case of these particular claims and returns the full Audit Commission tests would be required.

4 Relationship between grants certification and other work

- 4.1 The 2008-09 accounts audit is due to be completed and the audit opinion signed by 30 September 2009. This is before the certification deadline for some of the major claims and returns.
- 4.2 In order to gain assurance that the accounts are not materially misstated with respect to grant income and related expenditure, we perform analytical procedures and key tests from the certification instructions which are material to the Council's accounts as a part of our accounts audit work.
- 4.3 By the earlier of 30 September and the date on which the accounts are signed, we will complete sufficient work on the certification of these material claims and returns to conclude that there were no material misstatements to the accounts due to expenditure incurred or income received. We will complete the remaining tests, to cover the requirements of the certification instructions, prior to the certification deadlines.
- 4.4 As in 2007-08, we will undertake one integrated piece of work on benefits, covering claim certification, data quality and some elements relevant to the accounts opinion. The scope of this work is set out by the Audit Commission in the housing and council tax benefits certification instruction and HB COUNT workbooks. The housing and council tax benefit claim was required to be submitted to us by 31 May 2009 and we can confirm it was received on time.
- 4.5 We are required to complete enough work to inform our use of resources assessment by 14 August 2009, and our value for money conclusion and accounts opinion by 30 September 2009. All work on this claim, including any additional testing as a result of identifying errors in the initial sample, is required to be completed by the certification deadline of 30 November 2009.

5 Roles and responsibilities

- 5.1 The table below summarises the respective roles and responsibilities of the parties involved in the certification process.

Table 2: Roles and responsibilities

Party	Role and responsibility
Grant paying body	Set conditions of grant and deadline for submission for pre-certified and certified claims.
Audit Commission	Issues certification instructions for auditor work.
Council	Submits claims for certification to the Appointed Auditor within grant paying body submission deadlines.
Appointed Auditor	Certifies claims submitted in accordance with Audit Commission Instructions and within certification deadlines.

- 5.2 The Council's role can be further analysed areas as follows:
- the Chief Financial Officer is responsible for ensuring that supporting accounting records are sufficient to document the transactions for which claims are made. These records should be maintained in accordance with proper practices and kept up to date, including records of income and expenditure in relation to claims and returns;
 - the Council should ascertain the requirements of grant schemes at an early stage to allow those responsible for incurring eligible expenditure to assess whether it falls within the scheme rules and to advise those responsible for compiling claims and returns to confirm grant entitlement;
 - the Council should ensure all deadlines for interim and final claims are met to avoid sanctions and penalties from the grant paying bodies;
 - to comply with Audit Commission Certification Instructions, claims and returns should be supported by adequate working papers. The Council should have procedures in place to ensure that not only are the claims and returns prepared for external auditor certification but also that the documentation is in place to support the information declared;
 - grant-paying bodies usually require the Council's certificate to be given by an appropriate senior officer. This is typically the Chief Financial Officer or an officer authorised by written delegated powers; and
 - the Council should monitor arrangements with any third parties involved in the certification process.

6 Grants protocol for 2008-09 claims & returns

6.1 The following summarises the proposed protocol for the certification this year:

- The Council has identified all claims and returns and this information is incorporated into Appendix A to this grants plan.
- When each expected claim or return is completed, a scan of the signed original version should be emailed to the Audit Executive, Caroline Glitre at caroline.glitre@gtuk.com. The original claims and returns should be retained by the Council with one central named co-ordinator.
- If additional claims and returns are identified by either us or the Council they will be incorporated into the appendix in this grants plan.
- All claims and returns should be sent to us, even if below the de minimus limit so that we can confirm that no certification is required where necessary. We are required to report the value for these claims to the Audit Commission in our annual grants return.
- We will inform the Council's grants co-ordinator as to which claims and returns have been received, and also to highlight any which have not been received after a submission deadline. We will also provide a monthly update on the status of certifications.
- Our monthly correspondence will also include copies of the certification instructions for any new claims and returns received.
- Once claims and returns are received we will arrange staffing for the certification and will liaise with the named coordinator at the Council regarding dates for the certification work.
- We intend to certify all claims and returns in accordance within the deadlines set out by the Audit Commission. If we receive any claims after the Council's submission deadline, we will endeavour to certify them within the Audit Commission deadline but, where this is not possible, within the permitted three months from receipt.
- Once we have completed our on-site certification processes we will collect the original claim or return from the named coordinator.
- A copy of each certified claim or return will be sent to the named coordinator when the certification process is complete, along with a copy of a qualification letter if applicable.
- We will issue a bill at the end of each month (with the first bill being issued in July 2009), which will break down the overall fee on a claim by claim basis.
- We expect to complete the certification all of claims by late 2009. After this point we will issue a grants report highlighting any issues we feel should be brought to the Council's and Audit Committee's attention.
- We will then discuss with Internal Audit, the possibility of incorporating a number of claims and returns for 2009-10 into their 2010-11 Plan.

7 Claims history at London Borough of Haringey

7.1 The most significant claims in 2007-08 were:

- housing and council tax benefit;
- housing subsidy; and
- national non-domestic rates.

7.2 There are an estimated fourteen claims and returns to be submitted for 2008-09.

7.3 In our 2007-08 grants report the key points we reported to the Audit Committee were:

- Overall the Council improved their performance against key targets, with only 5 of the 17 claims and returns being qualified and 5 claims and returns amended (29%). In 2006/07 there were 6 amendments (33%) and 7 qualifications (39%) to the 18 claims and returns;
- The qualified claims were the Housing and Council Tax Benefit Scheme, the General Sure Start grant, the Housing Subsidy claim, the National Non Domestic Rates Return and the Teachers' Pensions return; and
- 88% of grants claims that required certification were submitted on time. This was an improvement on the prior year when performance against this target was at 83%.

7.4 The table below summarises performance against best practice targets.

Table 3: Performance against best practice targets

Performance Target	Best Practice Target	Performance in 2006-07	Performance in 2007-08
Claims submitted on time	100%	83%	88%
Claims amended	0%	33%	29%
Claims qualified	0%	39%	29%
Certified within Audit Commission deadline or 3 months from receipt	100%	67%	100%

8 Team and timing of work

- 8.1 The team will be led by Caroline Glitre and managed by Justin Collings who will review the certification work performed on all claims and returns, with the exception of the housing and council tax benefit and national non-domestic rate claims which will be reviewed by Richard Lawson. The Appointed Auditor, Paul Dossett, will be responsible for final review and certification of the claims and returns, supported by the Client Service Manager, Paul Hughes.
- 8.2 Our work will be undertaken between June and December 2009.
- 8.3 Appendix A sets out details of the deadlines for submission of the claims to us, certification deadlines and an estimate of the input required.
- 8.4 The estimated time for each certification is set out in the appendix to the plan and makes the following assumptions:
- the certification instructions for 2008-09 do not vary from 2007-08 to any significant degree, except where there are known adjustments;
 - the Council provides adequate working papers to support each entry in the grant claim/return;
 - the Council's staff are available to deal with our queries in a timely manner and provide such explanations and supporting evidence necessary to support entries; and
 - we have assumed that there will be no change in the scope of our work due to the control environments in place during the year.
- 8.5 Should these assumptions not prove to be correct once we commence our work then the budgeted number of days will be increased or decreased accordingly.

Appendix A Summary of all claims and returns for the year ended 31 March 2009

Claim	Authority Deadline	Certification Deadline	Certified in prior year	Prior year outcome	Estimated fee 08-09	Actual fee 07-08
Housing and council tax benefits scheme	31/5/09	30/11/09	Y	Amendment and Report	£29,500	£41,665
Pooling of Housing Capital Receipts	3/7/09	30/9/09	Y	Amendment	£4,600	£4,678
General sure start	30/5/09	31/10/09	Y	Report	£5,300	£5,263
Housing Subsidy	30/9/09	31/12/09	Y	Amendment and Report	£6,700	£6,685
HRA subsidy base data return	28/8/09	9/10/09	Y	-	£8,200	£8,238
Disabled Facilities	30/6/09	31/10/09	Y	-	£5,000	£5,528
National non-domestic rates return	26/6/09	25/9/09	Y	Amendment and Report*	£10,300	£10,305
Teachers' pensions return (x 2)	30/6/09	30/11/09	Y	Amendment and Report	£6,900	£6,940
New Deal for Communities	30/9/09	31/12/09	Y	-	£4,200	£4,233
Single Programme LDA - 5 separate claims	30/4/09	31/7/09	Y	Amendment (to one of the five claims)	£4,400	£4,393
Grants planning, administration and reporting	-	-	-	-	£4,500	£4,160

* The LA01 claim was amended after the 2008-09 grants report was issued as a result of subsequent certification work. We estimate that our fee for certification work in 2008-09 will be approximately £90,000 (£107,249 in 2007-08)



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London Borough of Haringey

Report on Information Technology Controls

July 2009

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3	Recommendations	3

Appendix

A	Action Plan
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1 Executive summary

1.1 Introduction

This review provides an independent assessment of the effectiveness of the design of the London Borough of Haringey's ('the Council's) general controls over information technology in areas that may impact on the financial statements. This report is intended primarily for use by the Council in developing its control framework over information technology provision in the future.

The review was conducted as part of our normal audit planning procedures, to arrive at an assessment of the risk that controls fail to prevent material error or fraud. This assessment is designed to establish the feasibility of placing reliance on internal controls to reach our opinion on the truth and fairness of the Council's Annual Financial Statements.

1.2 Conclusions

Overall, we have concluded that, in the areas examined, the risk management activities and controls are suitably designed. There are no significant findings arising from the audit. However, we have highlighted a small number of points for consideration by management that seek to enhance existing controls. These can be found at section three with an action plan to record management's response.

1.3 Responsibility of Management

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the Council.

Our work did not encompass a detailed review of all aspects of the system and controls, nor have we included all possible improvements in internal control that a more extensive examination might develop. However, we would be pleased to discuss any further work in this regard with the Council.

1.4 Use of this report

This report has been prepared solely for use by the Council and should not be used for any other purpose. We assume no responsibility to any other person.

1.5 Acknowledgments

We would like to record our appreciation for the positive co-operation and assistance provided to us by the IT department and other staff at the Council during the course of our audit.

Grant Thornton UK LLP

July 2009

2 Purpose and scope

2.1 The purpose of this report

The purpose of this report is to highlight the key issues arising from our IT audit work, performed in preparation for the audit of the financial statements of the London Borough of Haringey for the year ended 31 March 2009.

The document is also used to report to management to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) (ISAUK) 260.

2.2 The scope of our review

The review covered both administrative and operation controls over the Network and SAP application. The Human Resources, Payroll, Finance and Training and Events modules are currently deployed within SAP.

Other applications utilised by the Council include:

- I-Plan, I-Build, I-Gaz: property management system
- Framework-I: Children and Young people Services system
- OHMS: Housing Management system
- RadiusICON: Cash receipting system

We have not sought to review controls over these or other applications.

2.3 Objectives

The objective of the review was to assess the adequacy of the design of the Council's general controls over information systems under the following headings:

- Security Administration
 - establish effective security environment
 - manage internal user access
 - manage remote and third-party access
 - monitor access to IT systems
- Program Maintenance
 - establish effective maintenance environment
 - initiate change requests
 - design, develop and configure program changes
 - promote changes to production

- Program Execution
 - establish effective program execution environment
 - schedule batch programs
 - execute authorised programs
 - monitor execution of programs

- New System Implementation
 - establish effective new system implementation environment
 - initiate new system project
 - define system requirements and specifications
 - design, develop, configure and integrate system
 - implement and deploy system

3 Recommendations

All recommendations listed in the following table are of **low** priority and are designed to assist in the achievement of best practice.

3.1 Acknowledgement of Acceptable Use Policy by users
<p>The PCI Gap Analysis report states that staff are not required to acknowledge in writing acceptance of the security policy and procedures. Upon inquiry, we found that this was per HR's advice.</p> <p>Management should review the existing procedures for policy acknowledgements with a view to introducing a process whereby all existing and new staff are required to acknowledge, in writing, their understanding of the security policy and procedures.</p>

3.2 SAP password complexity
<p>There are currently no controls in place within SAP to prevent the use of common/predictable passwords. However, management is considering utilising the single sign-on facility for access to SAP.</p> <p>Alternatively, we recommend that the table containing common passwords prohibited from use (Table USR40), should be populated and updated on a regular basis. This would help in maintaining active password controls and limit the risk of unauthorised access into SAP.</p>

A Action Plan


Ref	Recommendation	Priority	Management Response	Responsible Officer	Action Date
3.1	<p>Management should review the existing procedures for policy acknowledgements with a view to introducing a process whereby all existing and new staff are required to acknowledge, in writing, their understanding of the security policy and procedures.</p>	Low	<p>All employees(that have received a new or amended contract) are required to sign a copy which has as an appendix including the T&C letter which by its wording includes reference to all policies and procedures (inc security).</p> <p>Management do not consider a separate signing of this policy & procedure is therefore required.</p> <p>The wording in the recent PCI Gap Analysis Audit could have been more helpful in this instance.</p>	Ian Andrews	None Required

Ref	Recommendation	Priority	Management Response	Responsible Officer	Action Date
3.2	<p>Management should review the SAP password settings and ensure that appropriate complexity settings are enabled, where possible utilising the single sign-on facility.</p> <p>Alternatively, we recommend that the table containing common passwords prohibited from use (Table USR40), should be populated and updated on a regular basis. This would help in maintaining active password control and limit the risk of unauthorised access into SAP.</p>	Low	<p>The long term solution is one of single sign on which is planned to be discussed as part of the forthcoming IT strategy roadmap.</p> <p>In the short term a review of access to all SAP systems is being undertaken by SAP FST including existing password controls and as part of this review table USR40 will be populated.</p> <p>This review will be in line with current IT network password controls.</p>	Ian Andrews	December 2009



Haringey Council

Agenda item:

Audit Committee		On 30 July 2009
Report Title: Annual Audit and Inspection Letter 2009		
Report of: Chief Executive and Chief Financial Officer		
Signed: 		
Contact Officer: Gerald Almeroth, Chief Financial Officer		
Wards(s) affected: All	Report for: Key decision	
<p>1. Purpose of the report</p> <p>1.1. To consider the Council's response to the issues set out in the Audit Commission's annual audit and inspection letter.</p>		
<p>2. Introduction by the Leader (for the Cabinet meeting 16 June 2009)</p> <p>2.1. This report makes clear the areas where the Council needs to focus its efforts during the coming year to address the shortcomings outlined in the JAR inspection at the end of 2008. We have already set in place a range of measures to address the failings made clear in both the Annual Audit and Inspection Letter and JAR. Our JAR action plan approved by partners has also been approved by Ofsted and sets out an ambitious but achievable action plan which we are determined to deliver against.</p> <p>2.2. Although the overall rating and direction of travel judgement are disappointing the report highlights that the council's performance in all other areas bar children and young people is 3 out of 4 and in culture is 4 out of 4. It is also encouraging to see that our use of resources score is 3 out of 4. Our Corporate assessment/ capacity to improve score of 3 out of 4 should also give confidence that through concerted effort of both the Council and partners our performance in Children and Young People can improve significantly over the coming year.</p>		

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. The annual audit and inspection letter is part of the formal process of external audit and inspection and provides an independent assessment of the Council's position in terms of progress in meeting its strategic objectives.

4. Recommendations

4.1. To note the audit and inspection letter.

4.2. To note the response and actions as set out in the report agreed by Cabinet on 16 June 2009.

5. Reason for recommendation

5.1. The recommendation provides a response to the issues raised and sets out clear actions in terms of improving the Council's performance in these matters.

6. Other options considered

6.1. The recommended actions are considered to be the best options for the Council to move forward.

7. Summary

7.1. The annual audit and inspection letter presents the external assessment of the Council. The Council is given an overall star rating of 1 with an assessment of not improving adequately. This is primarily derived from the inspection of Children's Services carried out in late 2008. The report also outlines how the Council is addressing the key issues raised by the external assessment process and these were agreed at Cabinet on 16 June 2009.

8. Head of Legal Services Comments

8.1. The report and the recommendations contained within it are in accordance with the statutory framework.

9. Equalities &Community Cohesion Comments

9.1. The audit and inspection process has a strong emphasis on equalities and diversity. The Council has been assessed as performing well in this respect.

10. Consultation

10.1. There is no consultation planned.

11. Service Financial Comments

- 11.1. The resource implications for implementing the actions in this report have been considered as part of the overall financial and business planning process and are included within the previously approved budget.

12. Use of appendices /Tables and photographs

- 12.1. Annual Audit and Inspection Letter 2009 – Audit Commission

13. Local Government (Access to Information) Act 1985

- 13.1. None

14. Background

- 14.1. The Annual Audit and Inspection Letter from the Audit Commission is an important external assessment of the Council's overall position.
- 14.2. The Annual Audit and Inspection Letter is compiled by the Council's relationship manager and the external auditor. It summarises the conclusions and significant issues arising out of the audit and inspection work for the Council in the preceding year and from the audit of the Council's accounts. It includes information from the Direction of Travel statement and from the Comprehensive Performance Assessment (CPA) scorecard.
- 14.3. Cabinet agreed the response and actions as set out in this report on 16 June 2009.

15. Annual Audit and Inspection Letter

- 15.1. The Annual Audit and Inspection Letter reports on the Council's overall CPA score, which reflects the serious problems identified with the Children's Service in November 2008 which (given the additional weighting in the overall scoring this service has) gives the Council an overall star rating of 1 with an assessment of the Council not improving adequately.
- 15.2. Within the CPA scorecard it is recognised that other services are performing well with 3 out of 4 for value for money, environmental services, adult social care, benefits and housing. While the Council is rated as performing strongly (4 out of 4) for libraries, leisure and recreation services.

15.3. The full CPA scores are:

Performance area	Rating
Overall performance	1 star
Financial management and value for money	3 out of 4 rating
Cultural services (libraries, leisure)	4 out of 4 rating
Environmental services	3 out of 4 rating
Adult social care	3 out of 4 rating
Housing	3 out of 4 rating
Benefits services	3 out of 4 rating
Children's services	1 out of 4 rating

15.4. In addition to the overall position the letter covers four separate service inspection areas that were reported in the last year.

15.5. The inspection of the Allocations and Lettings Service in October 2007 (reported in December 2008) where the Council was judged as providing a 'poor', no-star service having promising prospects for improvement. There is considerable focus in the Council on addressing the concerns highlighted in this inspection.

15.6. The inspection of adult social care services were judged to be 'good' on delivering outcomes with 'promising' capacity to improve. This is a two star service. While the assessment of the housing benefit service was that the Council achieved a score of 3 (out of 4).

15.7. Ofsted's annual performance assessment in December 2008 assesses the services for children and young people as being 1 (out of 4). The full scores are as follows:

Performance area	Rating
Enjoying and achieving, including student attainment	3
Making a positive contribution, including young people's participation in decision-making and reducing juvenile-offending rates	2
Achieving economic well-being, including staying-on rates and 16-19 achievement	2
Staying safe, covering child protection and safeguarding	1
Being healthy, including work on child health and teenage pregnancy	1
Capacity to improve	1
Overall effectiveness	1

15.8. Scoring a 1 on safeguarding means the overall score is 1.

- 15.9. The APA judged that in staying safe there has been a serious deterioration in performance and limited impact from services. The specially commissioned joint area review in November 2008 judged safeguarding services including performance management in this area to be inadequate. The APA judged that in enjoying and achieving and economic wellbeing, services were making a greater difference. Impact is evident in terms of: improved outcomes in the Foundation Stage; attainment that is continuing to improve at all key stages; a higher proportion of young people gaining qualifications by age 19; and there is better attendance in schools.
- 15.10. The Council is assessed as delivering value of money and has good financial standing. The Use of Resources score improved from a 2 to a 3 for financial reporting and maintained overall an assessment score of 3 out of 4.
- 15.11. In the area of accounts and governance the comments are generally positive and this is reflected in the important auditor opinions that the accounts for 2007/08 are unqualified and that the value for money conclusion is also unqualified.

Key actions needed

- 15.12. Four areas for key actions have been identified by the Audit Commission and set out below are the actions taken / planned to address these areas:

1. Address the main findings and recommendations made by Ofsted in the Special Joint Area Review.

- 15.13. The Council and its partner agencies have submitted an action plan to government responding to the specific points identified by OFSTED in the JAR but also setting out the framework for a journey that will take 3 years to progress from where the council currently is to being an exemplar. The action plan covers a number of key changes namely:
- closer working between social workers, police officers and health staff;
 - recruiting and developing top quality staff;
 - putting more resources into safeguarding;
 - improving systems and procedures;
 - strengthening the managerial and political supervision of the system, including setting up a Children's Trust, and;
 - a stronger, more robust Local Safeguarding Children Board with independent chairperson.

2. Accelerate the pace of improvement in environment (recycling) and Homelessness.

Recycling

15.14. The Council's Greenest Borough Strategy and Recycling Strategy sets out how we will improve recycling services and performance in the next two years. Key actions include:

- ensure the same high standard of recycling service across the borough, including;
- provision of the full mixed material recycling service (including plastic bottles and cardboard, as well as food and garden waste collections) to final 4000 kerbside properties remaining on the original kerbside service;
- provision of the mixed material recycling service to remaining private blocks of flats (all Council-managed estates were provided with services in 2008/09);
- provision of the mixed material recycling service to flats above shops;
- provision of food waste collections to 10 schools (all schools were provided with the mixed material recycling service in 2008/09);
- participation drive to increase participation in recycling services and the amount recycled, and ensure value for money is achieved from the services provided;
- deliver awareness raising campaigns to reduce waste, increase composting and reduce contamination;
- improve the range and amount of materials recycled or reused through the Reuse & Recycling Centres;
- promote and develop local re-use and waste reduction schemes;
- introduce on-street recycling bins for public places and review the network of bring banks in the borough, and;
- actively engage with local businesses by establishing an environmental information scheme.

Homelessness - Temporary Accommodation (TA)

15.15. In April 2008 there were 5,389 households in TA this has reduced to 4568 as at March 2009 moving towards a target of 2,600 2010/11. A steering group chaired by the Chief Executive oversees the work being undertaken to reduce the number of households in temporary accommodation. Actions include:

- produce a TA Procurement Strategy;
- set up an Registered Social Landlord RSL and Lettings Forum;
- complete an audit of Supported Housing;
- produce in consultation with stakeholders a multi-agency strategy and action plan for tackling rough sleeping in Haringey;
- set up and launch a rent deposit scheme for non-priority homeless;
- develop a Move-On strategy to free up TA, and;

- the London plan for the annual housing provision target for 2007/8 - 2016/17 is 660 - 970 for Haringey. 50% of all new homes should be for social housing.

3. Maintain its sustained focus on addressing staff sickness levels and recruiting key personnel.

15.16. The Council has been working hard to improve sickness absence rates over the last two years. Use is made of the best sickness reporting tools in London to help managers monitor and address sickness absence in the council. Regular meetings take place within directorates and at board level to monitor and challenge management action for addressing sickness. These will continue.

15.17. In the last two years sickness levels have reduced from 10.1 days in April 2007 to 8.5 days in January 2009. Current sickness levels are comparable or better than many other public sector employers. The figure on which the relationship manager made her assessment was 9.67 – based on December 2007 – so considerable progress has already been made.

15.18. The CBI absence and labour turnover survey 2008 identified the local government average sickness absence level at 9.2 days, and the average for public sector organisations with over 5000 staff as 9.7 days. Within London the London Councils sickness absence and turnover survey report 2008 showed average sickness level as 10 days, although this excluded schools staff. Haringey council current average excluding schools staff is 10.1 days.

15.19. There are no Haringey specific problems with recruitment or retention across the Council as a whole other than those nationally recognised. The turnover rate is 12.6% which is within the London boroughs rate of 13.7% (2007). The level of agency workers covering vacancies is currently at approx 10% of the workforce. This is better than many other London boroughs. A recent London Councils benchmarking survey of 13 boroughs (June 2008) showed the average agency level at 15.9%.

15.20. There are some occupations that we have difficulty in recruiting to such as Planners, Occupational Therapists, Transport Engineers, Social Workers - Children & Families, Adults and Youth services, but all other London boroughs experience difficulties in recruiting and retaining these occupations. The London Councils recruitment and retention report May 2007 has regularly, since 2000, listed these occupations in the top 10 of difficult to recruit and retain occupational groups.

15.21. Therefore we are not too different and indeed better than many other London boroughs in our ability to resource our workforce.

15.22. Nevertheless, the council will continue to focus on managing and improving sickness levels in the future as well as recruitment and retention.

4. Ensure its Treasury Management strategy continues to form a robust member led process for protecting the Council's financial assets.

15.23. The Cabinet received an independent external review of its treasury management arrangements by Price Waterhouse Coopers in February 2009 making a number of recommendations which were agreed for implementation and have or are being implemented. A separate national report by the Audit Commission was published in March 2009 and the recommendations for local government have been picked up and included in the action plan for this service. The progress in implementing these recommendations will be monitored by the Audit Committee as part of its routine quarterly reporting. Separate quarterly reports on the management of the treasury management function are being considered by the General Purposes Committee.

Annual Audit and Inspection Letter

Haringey London Borough Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

1 The main messages for the Council included in this letter are as follows.

- The London Borough of Haringey is not improving adequately. The Council's failure in its key priority to safeguard children has been publicly reported and it currently delivers an inadequate service for children and young people. There was insufficient strategic leadership and management oversight of the safeguarding of children and young people and a lack of rigorous arrangements for the management of performance. There is now new managerial and political leadership of this service, but it is too early to tell whether such changes will lead to improvement.
- Improvement has been demonstrated in other services. Education standards, while still below average are improving faster than the national rate and that of similar councils for most groups at Key Stages 1, 2, 3 and for five or more GCSEs including English and mathematics and adult social care has improved and is now good.
- Robberies and violence against the person are also reduced.
- The Council received an unqualified opinion on its 2007/08 accounts.
- The Council received an unqualified conclusion on its arrangements for securing value for money during 2007/08.
- The Council has improved aspects of its performance under the Use of Resources framework, including moving from a Level 2 to a Level 3 for the Financial Reporting theme. It delivers good value for money and has good financial standing.

Action needed by the Council

2 The key actions needed by the Council are as follows.

- The Council needs to address the main findings and recommendations made by Ofsted in the Special Joint Area Review including the need to establish a rigorous approach to performance management and the need for strategic leadership and management of the safeguarding of children and young people.
- The pace of improvement in areas such as environment (recycling) and homelessness needs to be accelerated.
- The Council needs to maintain its sustained focus on addressing staff sickness levels and recruiting key personnel.
- In the light of the Icelandic banking crisis, the Council needs to ensure its Treasury Management strategy continues to form a robust member led process for protecting the Council's financial assets

Purpose, responsibilities and scope

- 3 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter. It also includes the results of the most recent corporate assessment.
- 4 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 5 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. (In addition the Council is planning to publish it on its website).
- 6 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, your appointed auditor reviews and reports on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 7 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 8 We have listed the reports issued to the Council relating to 2007/08 audit and inspection work at the end of this letter.

How is Haringey Council performing?

- 9 The Audit Commission's overall judgement is that Haringey Council is not improving adequately and we have classified Haringey Council as one-star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

Figure 1 Overall performance of councils in CPA



Source: Audit Commission (percentages may not add up to 100 per cent due to rounding)

Our overall assessment - the CPA scorecard

Table 1 CPA scorecard

Element	Assessment
Direction of Travel judgement	Not improving adequately
Overall	1 star
Corporate assessment/capacity to improve	3 out of 4
Current performance	
Children and young people*	1 out of 4
Social care (adults)*	3 out of 4
Use of resources*	3 out of 4
Housing	3 out of 4
Environment	3 out of 4
Culture	4 out of 4
Benefits	3 out of 4

(Note: * these aspects have a greater influence on the overall CPA score)
(1 = lowest, 4 = highest)

The improvement since last year - our Direction of Travel report

- 10** The London Borough of Haringey is not improving adequately. The Council's failure in its key priority to safeguard children has been publicly reported and it currently delivers an inadequate service for children and young people. There was insufficient strategic leadership and management oversight of the safeguarding of children and young people and a lack of rigorous arrangements for the management of performance. There is now new managerial and political leadership of this service, but it is too early to tell whether such changes will lead to improvement. Improvement has been demonstrated in other services. Education standards, while still below average are improving and adult social care has improved and is now good. Robberies and violence against the person are also reduced. However there remains a considerable challenge to improve quickly in areas such as environment and homelessness and to reduce the level of teenage pregnancies. While the Council delivers good value for money and has good financial standing which will provide capacity to improve, there is still difficulty in recruiting to some key services and higher than average staff sickness levels. Prospects of further improvement to important services remain uncertain.

How is Haringey Council performing?

Service inspections

- 11** The Audit Commission's inspection of Haringey's Allocations and Lettings Service in October 2007 judged that the Council provides a 'poor', no-star service that has promising prospects for improvement. The service is not sufficiently customer-focused, does not consistently measure its effectiveness among diverse groups and is not using ICT to tailor services to needs. The service can be easily accessed and there is a clear and visible commitment to driving improvement. The Council has taken positive steps to address capacity issues, however, staff capacity is reduced, for example by high levels of sickness absence, and the service is not consistently learning from customer feedback. Overall improvement in performance indicators is mixed and progress in implementing service improvement recommendations and delivering targets in key strategies has not been consistent. The full assessment can be accessed via the inspectorate's website www.audit-commission.gov.uk.
- 12** An important aspect of the role of the Comprehensive Area Assessment Lead (CAAL) is to work with other inspectorates and regulators who also review and report on the Council's performance. CAALs share information and seek to provide 'joined up' regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.
- An annual performance assessment of children's services.
 - An annual performance assessment of adult social care services.
 - An annual performance assessment of benefits service.

A summary of the overall judgements for each assessment are detailed in the paragraphs that follow.

- 13** Ofsted's annual performance assessment (APA) in December 2008 of Haringey's services for children and young people judged their overall effectiveness at a grade 1 (out of a possible 4). The APA found that Haringey delivers inconsistent services for children and young people and is inadequate overall. The APA judged that the contribution of services to improving outcomes in the areas of being healthy and staying safe were inadequate, whilst making a positive contribution and achieving economic wellbeing were adequate and enjoying and achieving were good. The APA judged capacity to improve, including the management of children's services, to be inadequate.

- 14 The APA judged that in staying safe there has been a serious deterioration in performance and limited impact from services. The specially commissioned joint area review in November 2008 judged safeguarding services including performance management in this area to be inadequate. The APA judged that in enjoying and achieving and economic wellbeing, services were making a greater difference. Impact is evident in terms of: improved outcomes in the Foundation Stage; attainment that is continuing to improve at all key stages; a higher proportion of young people gaining qualifications by age 19; and there is better attendance in schools. However, the number of schools performing below floor targets remains too high and the proportion of young people not in education, employment or training, although reducing, is above that in similar councils and the national average. The full assessment can be accessed via the inspectorate's website at www.ofsted.gov.uk
- 15 The Commission for Social Care Inspection's annual performance assessment in October 2008 of Haringey's adult social care services judged there to be 'good' delivery of outcomes with 'promising' capacity to improve services. The service has a two star rating overall (out of a possible three stars). Outcomes were assessed as good across the seven outcome areas including economic well-being and improved quality of life. Leadership and the commissioning and use of resources were assessed as promising. Strengths included partnership working and the well developed approach to joint commissioning. Areas for development included the need to increase the use of direct payments and the need to develop further the prevention framework. The full assessment can be accessed via the inspectorate's website, www.csci.gov.uk.
- 16 The assessment of the benefits service for 2008 concluded that the Council achieved a rating of 3 (out of a possible 4). The full assessment can be accessed via the inspectorate's website www.audit-commission.gov.uk.

The audit of the accounts and value for money

- 17 Your appointed auditors have reported separately to the General Purposes Committee on the issues arising from their 2007/08 audit and have issued:
- an audit report, providing an unqualified opinion on your accounts and a conclusion on your VFM arrangements to say that these arrangements are adequate, on 30 September 2008; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited in accordance with statutory requirements.

Use of Resources

- 18 The findings of the auditors are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial standing (including the strength of the Council's financial position).
 - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 19 For the purposes of the CPA the appointed auditors have assessed the Council's arrangements for use of resources in these five areas as follows.

Table 2

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	3 out of 4
Value for money	3 out of 4
Overall assessment of the Audit Commission	3 out of 4

Note: 1 = lowest, 4 = highest

The key issues arising from the audit

The Council's financial statements

- 20** Overall, your appointed auditors reported on an improvement in the Council's processes for the production and audit of its accounts this year. The response to audit queries was, in the majority of cases, timely and adequate.
- 21** In February 2008, services within the PFI contract with Haringey Schools Services Limited were suspended, resulting in the facilities management element being transferred back to the Council and a requirement for the assets to come back onto the Council's balance sheet. There were several complicated accounting entries required as a consequence and adjustments were made to the accounts originally submitted for audit.
- 22** During the 2007/08 financial year there was an increase in the deficit reported at Alexandra Park and Palace and there were some complications over the granting of a lease to the proposed service provider at Alexandra Palace. The relationship between the Council and Alexandra Palace and Trust was reviewed to determine whether in accounting terms the Trust should be consolidated into the Council's accounts. Your appointed auditors concluded that although there were additional controls put into place at the Trust at the instigation of the Council, these were of a temporary nature and were not sufficient, in accounting terms, to warrant the Trust being included within the Council's group financial statements. However we will revisit this issue when the Council is required to adopt International Financial Reporting Standards in 2010/11.
- 23** The Pension Fund accounts were audited and reported on separately for the first time. Your appointed auditors reported to the Pensions Committee on 20 October 2008, with no significant improvement issues identified.
- 24** The Whole of Government Accounts were audited by the statutory deadline with no significant issues to note.

The audit of the accounts and value for money

Use of resources

- 25 The UoR assessment reflected improvement in several areas, including an overall score increase from 2 to 3 for the Financial Reporting theme. This was the only overall theme score that changed from the prior year. The Council's Financial Standing arrangements have developed well and represent a sound basis on which to address the impact of the recession. The overall score in this area would have been higher if it were not for the Council's £37 million deposits with Icelandic banks and the potential risks that this may pose to the Council's longer-term financial position. We recognise that large numbers of local authorities and other public bodies are facing similar risks in the context of unprecedented failures in the banking sector.
- 26 The detailed findings from our work are highlighted in the Use of Resources and Data Quality report. Key areas for continued improvement in Use of Resources are as follows.
- The Council should ensure that it publishes information enabling electors to understand and exercise their rights in respect of the Council's accounts in accordance with the statutory timetable.
 - Measures to address cost/performance issues should be implemented as planned within the Achieving Excellence programme.
 - The Council's increased understanding of diverse local needs should become a driver for improved VfM throughout the borough.
 - Finally, the Council needs to ensure that it identifies and pursues efficiency opportunities through sharing procurement activity with key partners.
- 27 Under our Code of Audit Practice responsibilities we are required to review the Council's Data Quality arrangements and test specific indicators. This is under a framework specified by the Audit Commission and applied to all councils. Based on this framework the Council's Data Quality management arrangements have a number of positive features although there are some system weaknesses. Improvement opportunities include the key challenge of ensuring that high-quality data is used by and shared within strategic partnerships, and developing a robust corporate approach to validating externally reported data, for example, returns to government departments, their agencies and regulators. The Council is in the process of procuring and implementing a new performance management system, which presents an opportunity to make significant further improvements.
- 28 A value for money review was undertaken on the Council's arrangements for tackling Health Inequalities. This focussed in particular on the joint work of the Council and Haringey Teaching Primary Care Trust. Overall it was found that Haringey is relatively advanced in its arrangements for tackling health inequalities. A number of recommendations were made, in particular to expedite the development of the Joint Strategic Needs Assessment. It was also recommended that the structure of the Well Being Partnership Board should be improved to provide a better balance between strategic development and performance management.

- 29 A review of the arrangements the Council has in place to ensure probity and propriety in the conduct of its business was completed during the year. No serious weaknesses in the Council's processes or systems were identified as a result of the review. The review also took into account the requirements of the new Use of Resources Framework and areas that the Council should look to develop if it wishes to be able to demonstrate that it is performing well. A number of recommendations were made that focussed on strengthening partnership arrangements, a key focus of the new Framework. Other key findings included that the corporate risk register did not include the risk of fraud occurring and that a formal training plan for Members of the Council's Standards Committee should be developed. An action plan for implementation of the recommendations arising from the review has been agreed with the Council.

Grant Claims

- 30 The certification of grant claims submitted by the Council is undertaken in accordance with instructions from government departments. The largest of these is the housing and council tax benefit claim, with a value in 2007/08 of some £250 million. The Council has improved its arrangements for the production of grant claims this year, although there are still areas for improvement as outlined in our grants report. In particular the Council should endeavour to submit all claims for audit by the required deadline.

Looking ahead

- 31** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 32** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 33** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspect of each area's Local Area Agreement.
- 34** Along with other local authorities the Council will be required to implement International Financial Reporting Standards from 1 April 2010. This will involve a significant amount of additional work in a number of key areas including valuations of fixed assets, review of contracts and the recording of annual leave. The Council will need to start to put arrangements in place from April 2009 as this represents the comparator year which must be reported in the 2010/11 accounts.

Closing remarks

- 35 This letter has been discussed and agreed with the Leader, Chief Executive and Chief Financial Officer. A copy of the letter will be presented at the Cabinet on the 24 March. Copies need to be provided to all Council members.
- 36 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 3 Reports issued

Report	Date of issue
Audit and inspection plan	June 2007
Opinion on Best Value Performance plan	December 2007
Health Inequalities	June 2008
IT Controls	June 2008
Opinion on financial statements	September 2008
Report to those charged with Governance	September 2008
Pension Fund report	September 2008
Opinion on Whole of Government accounts	October 2008
Value for money conclusion	September 2008
Review of Probity and Propriety	November 2008
Use of Resources and Data Quality	December 2008
Grants report	January 2009
Annual audit and inspection letter	March 2009

- 37 The Council has taken a positive and constructive approach to audit and inspection work, and we wish to thank the Council's staff for their support and cooperation during the audit.

Closing remarks

Availability of this letter

38 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Jackie Barry-Pursell
Comprehensive Area Assessment Lead

March 2009

The Audit Commission

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Haringey Council

Agenda item:

[No.]**Audit Committee****On 30th July 2009**

Report Title. Progress Report on Counter Fraud Activity Relating to Housing Benefit and Council Tax Benefit.

Report of : Gerald Almeroth, Chief Financial Officer

Signed :

Contact Officer : Tim Fisher, Deputy Head of Benefits and Local Taxation (020 8489 1954)

Wards(s) affected: All

Report for: Information Only

1. Purpose of the report

1.1. To advise and update Members on the Counter Fraud performance of the Benefit and Local Taxation Service from the 1st April 2009 – 30th June 2009.

2. Introduction by Cabinet Member (if necessary)

2.1. N/A

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. The Council has a published Anti-Fraud and Corruption Strategy. The activities stated in this report directly relate to the Council maintaining effective counter –fraud activities as defined by this strategy

3.2. The requirement to maintain effective counter fraud activities is a requirement of the Corporate Area Assessment as defined by the Key Line of Enquiry – *Service Outcomes for Users and the Community*

4. Recommendations

4.1. That Members consider and note this report and the work being carried out by the Benefits and Local Taxation Service in relation to Counter Fraud activity.

<p>5. Reason for recommendation(s) 5.1. N/A</p>
<p>6. Other options considered 6.1. N/A</p>
<p>7. Summary 7.1. - The Benefits and Local Taxation Service continues to maintain and further develop an effective approach to counter – benefit fraud activity. It has achieved 11 successful sanctions against those found to be committing benefit fraud during quarter 1 2009/10</p>
<p>8. Chief Financial Officer Comments 8.1. The Chief Financial Officer notes the contents of this report and confirms that the counter-benefit fraud activity undertaken is provided within the overall benefits & local taxation cash limit.</p>
<p>9. Head of Legal Services Comments 9.1. The Head of Legal Services has been consulted in the preparation of this report, and advises that there are no specific legal implications which arise out of the contents. 9.2. Legal Services will continue to support Benefits and Local Taxation, in terms of advice and prosecution work, in order to maximise the level of Government subsidy available for recovering overpaid housing benefit.</p>
<p>10. Head of Procurement Comments –[Required for Procurement Committee] 10.1. N/A</p>
<p>11. Equalities & Community Cohesion Comments 11.1. N/A</p>
<p>12. Consultation 12.1. N/A</p>
<p>13. Service Financial Comments 13.1. The role of the Fraud Investigation Team does not attract direct financial subsidy from Central Government as there is no specific statutory duty to maintain counter fraud activity in respect of Housing Benefit and Council Tax Benefit. 13.2. However, there is a clear expectation on Local Authorities to maintain effective counter fraud activity. This is currently measured by the Corporate Area Assessment through the Key Lines of Enquiry. 13.3. The Benefits and Local Taxation Service maintains a dedicated team at a</p>

cost of £910,177 per annum to tackle benefit fraud. The role of the Fraud Investigation Team is clearly defined in the Council's Counter Fraud Strategy relating the Housing Benefit and Council Tax Benefit.

14. Use of appendices /Tables and photographs

Appendix 1 - Detailed breakdown of sanction cases achieved during Quarter 1 2009/10

15. Local Government (Access to Information) Act 1985

15.1 The background working papers are located within the BLT Fraud Section, 10 Station Rd, Wood Green. The BFI Report was published in October 2007 and is available on the internet under www.bfi.gov.uk

6. BACKGROUND

6.1 Counter fraud performance is primarily judged against successful outcomes in respect of Prosecutions and Sanction based activity. Counter-Fraud staff are empowered to investigate suspected benefit fraud and have a range of sanctions that can be applied to those who admit to fraud or where there is sufficient evidence to warrant a prosecution.

6.2 The Council has adopted an Anti - Fraud and Corruption Strategy relating to Housing Benefit and Council Tax Benefit. This specifies the type of activities which underpin effective counter fraud activity.

7. COUNTER FRAUD ACTIVITY

7.1 The performance of the Fraud Investigation Team for the first quarter of 2009/10 is summarised in table 1.

7.2 The Benefits and Local Taxation Service has set an annual target of 140 sanctions for 2009/10. Despite a relatively slow start to the year it is anticipated that performance will pick up over the remainder of the year. Activity will be primarily focussed on data-matching activities which include the National Fraud Initiative and the Housing Benefit Matching Service referrals.

Successful outcomes for 1st quarter 2009/10

Sanction Type	Number Issued	Target	Status
Caution	4	35	Accepted
Admin Penalty	2		Accepted
Prosecution	5		Guilty
Total	11		

Table 1

7.3 A more detailed breakdown of cases forwarded for prosecution and sanction is included in appendix 1 of this report. This gives details of the type of fraud discovered. Each decision to prosecute or administer a sanction is taken in

accordance with the Sanctions Policy. This takes a range of factors into account when determining what appropriate sanction to apply, particularly the level of planned dishonesty involved.

8. OVERPAID HOUSING BENEFIT

- 8.1 Counter fraud activity has identified £137,765 in overpaid benefit, this includes overpayments for non sanctioned cases, and a further £1,263 in Administrative Penalties. Central government subsidy is paid in relation to overpayments is at a rate of 40p to the £1.00 or 40%. Consequently, it can be estimated that £55,106 has been generated in subsidy, this effectively results in a 60% shortfall against benefit expenditure.
- 8.2 The subsidy arrangements are designed to incentivise local authorities to recover overpaid Housing Benefit. Currently, recovery performance in relation to all in-year created overpayments is approx 51%. Based on this figure the potential recovery of overpaid Housing Benefit arising through fraud could amount to £70,260.
- 8.3 When combining subsidy paid, plus recovered overpayments for the year it is estimated that counter fraud activity could recover in the region of £125,366.

9. ANTI-FRAUD AND CORRUPTION STRATEGY

- 9.1 The Council's Anti-Fraud and Corruption Strategy – relating to Housing Benefit and Council Tax Benefit is published on the Council's website, along with the Sanctions Policy and advice on how to refer suspected cases of benefit fraud.
- 9.2 The Anti-Fraud and Corruption Strategy outlines the types of activities the Council will use to both detect and prevent benefit fraud and how the Council will utilise all appropriate methods to identify benefit fraud, either directly or in partnership with other organisations. This includes active participation in the various data matching exercises that take place to identify possible fraud and error.
- 9.3 The Audit Commission have supplied the Council with data relating to the National Fraud Initiative 2009 (NFI 09). This is a data-matching exercise undertaken every 2 years by the Audit Commission and Local Authorities. Data-matching is where two data-sets are matched together with the aim of linking an individual to both which may then identify discrepancies in information.
- 9.4 A total of 8,511 referrals relating to Housing Benefit and Council Tax Benefit were received. These are classified into high, medium, and low priority groups. A breakdown of these are contained in table 2 below.

Priority Group	Number of Matches	%
High	4058	48
Medium	562	7
Low	3891	45

Table 2

- 9.5 It should be noted that the priority classification does not relate to the probability of fraud. The priority refers to there being a likelihood that the two data-sets relate to the one individual which in-turn could result in the uncovering of a discrepancy.
- 9.6 Within the high priority group priority will be given to the 885 payroll matches and 1580 pension matches. Investigations will be undertaken to establish whether any of the individuals identified can be associated with discrepancies over the information they may have given in support of their Housing Benefit or Council Tax Benefit claims. Once the high priority matches have been cleared attention will then be given to the medium priority group matches. Testing will take place on the low priority matches before a decision is taken to allocate resources to these cases.
- 9.7 Counter fraud activity will focus on NFI 2009 over the coming months and a more detailed outcomes report will be made to the next meeting of the Audit Committee.

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Counter Fraud Performance

Anonymised details of cases successfully sanctioned for period:

Quarter 1 2009/10

Appendix 1

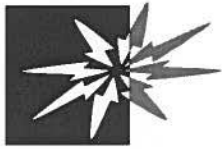
FRD Ref	Referral source	Date Inv closed	Total OP	Date Sanction Agreed	Opt created date	Type of fraud discovered	Sanction Type	LA Ad Pen amount
15538A	Member of Public	26-Apr-07	£1,236.08	01-Apr-09	01-May-07	Working & Claiming	P	£0.00
15589A	Pathfinder	03-Apr-06	£1,051.38	20-Apr-09	02-May-06	Working & Claiming	P	£0.00
16079A	Other LA	18-Aug-08	£2,313.12	09-Apr-09	19-Aug-08	Student Status not Declared	P	£0.00
16104A	DWP	01-Oct-08	£1,587.56	30-Jun-09	14-Oct-08	Working & Claiming	P	£0.00
20010LH	HBMS	25-Feb-09	£3,964.58	21-May-09	10-Mar-09	Working & Claiming	A	£1,219.48
20010LT	HBMS	19-Jan-09	£300.91	29-Jun-09	04-Feb-09	HBMS Saving - Tax Credits	A	£43.36
24288A	Processing Teams	23-Mar-09	£14,945.24	11-Jun-09	06-Apr-09	Not Resident	C	£0.00
20010NM	HBMS	27-Jan-09	£1,593.01	29-Jun-09	15-Jun-09	HBMS Saving - Tax Credits	C	£0.00
20010NS	HBMS	08-Jun-09	£5,937.99	29-Jun-09	11-Jun-09	HBMS Saving - Tax Credits	C	£0.00
20010OH	HBMS	23-Apr-09	£2,340.40	29-Jun-09	05-Jun-09	HBMS Saving - Tax Credits	C	£0.00
2009IN	Intelligence Led	17-Dec-07	£18,958.93	25-Jun-09	18-Dec-07	Living Together- Ptnr working	P	£0.00
			£54,229.20					£1,262.84

C= Caution

A= Administrative Penalty

P= Prosecution

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Haringey Council

Agenda item:

[No.]**Audit Committee****On 30 July 2009**

Report Title: Allocations and Lettings: progress in response to the Audit Commission's inspection recommendations

Report of: Phil Harris, Assistant Director Strategic and Community Housing

Signed :

Contact Officer :

Wards(s) affected: **All**Report for: **Non key decision**

1. Purpose of the report

- 1.1. To consider the Audit Commission's recommendations for the Allocations and Lettings service and the progress that has been made as outlined in the action plan in Appendix 1.

2. State link(s) with Council Plan Priorities and actions and /or other Strategies:

- 2.1. The work being undertaken in response to the Audit Commission's Allocations and Lettings report contributes to two of the council's priorities to; *a thriving Haringey*, the allocations and lettings service plays a part in the improvement of housing within the borough. The service also contributes to; *a caring Haringey* which is focused on supporting vulnerable adults and includes initiatives to prevent homelessness.

3. Recommendations

3.1. That the Council's Audit Committee note the progress that has been made in response to the Audit Commission's Allocations and Lettings inspection from November 2008. The specific actions being undertaken to address the recommendations are set out in Appendix 1 - Housing Improvement Plan for 2009/10.

4. Reason for recommendation(s)

4.1. To demonstrate that progress has been made to the Allocations and Lettings service to improve this service area.

5. Other options considered

5.1. All the areas for improvement are contained in the Housing Improvement Plan for 2009/10.

6. Summary

6.1. The Audit Commission inspected Haringey's Allocations and Lettings service in 2007 and reported their findings in November 2008. The report judged the service to be 'poor', but with promising prospects for improvement.

6.2. The report pointed out areas of strength and weaknesses that needed to be addressed and these are contained in the action plan in Appendix 1.

6.3. The report recognised that the service has a good track record in making improvements as can be shown with the response to a previous inspection which resulted in the introduction of the Home Connections service, setting up a nominations and partnering agreement with housing associations, carrying out a re-registration exercise to update the housing register, introducing a new letting policy and the creation of the Preventions and Options service.

6.4. The Audit Commission's report pointed out positive aspects of the service for example:

- The service could be easily accessed through the website and through four Customer Service Centres (CSCs). There was generally a good approach to using Equality Impact Assessments. The service, often through partnerships, delivered positive outcomes for a range of diverse groups. There has been some good work to prevent homelessness, carry out occupancy checks and improvements to the

management of the housing register.

- There was a clear and visible commitment to driving improvement from both senior councillors and senior managers. The service demonstrated an openness to challenge and a high level of self-awareness, reflected in its future plans. The performance management, monitoring and reporting frameworks are all generally sound. The rate of improvement had increased, there was a good track record of responding to external recommendations and there have been some significant improvements for customers, although there remains more to do.
- The Council has taken positive steps to address capacity issues. It has restructured and appointed a new Assistant Director with knowledge and experience of these services and of leading change. Other important posts have also been filled. The ICT systems are capable of supporting the service well.

6.5 The report's recommendations, which have formed the focus for improvement are as follows:

The Council should improve the customer focus of its service by:

- Setting up systematic methods of keeping applicants informed of the progress of their cases, measuring satisfaction, and involving users in service improvement, including through the complaints procedure.
- Updating information provided to service users, improving telephone access to the service, and reducing the time taken to book appointments.
- Developing a proactive and holistic approach to preventions and options, linking outreach work carried out by the occupancy, preventions and options and housing management teams.
- Reducing the use of temporary accommodation in the Midlands, while being mindful of the individual wishes of temporary accommodation residents currently living there.

The Council should improve the choice-based letting service by:

- Developing a more efficient and equitable bidding process by: filtering out ineligible bidders, encouraging those with low points to seek alternatives, identifying and supporting those who have not bid, particularly vulnerable applicants.
- Making the verification process more simple, flexible and user-friendly, and ensuring that reasonable efforts are made to contact priority bidders to view properties.

The Council should improve its use of resources by:

- Maximising the supply of permanent accommodation by: closely monitoring nominations to housing associations, facilitating a balance between transfer and homeless applicants, developing a comprehensive under-occupation scheme and increasing outcomes from mobility schemes.
- Building an analysis of risk into the budgeting process in regard to subsidy changes, and maximising rechargeable income.
- Improving data collection by ensuring that documentation is not lost, that data is input accurately onto IT systems and that information is consistent across different databases.

The Council should improve its approach to staffing by:

- Taking steps to reduce the reliance on temporary and agency staff, and addressing high levels of sickness absence in the service.
- Developing and resourcing a training plan for staff, clearly linked to the aims of the service.

6.6 The Strategic and Community Housing Service has developed a Housing Improvement Plan for 2009/10 which addresses the business plan objectives and areas for improvement from the Allocations and Lettings inspection. (see Appendix 1 for details). Lead officers have been identified, together with service improvement groups to carry out the identified actions.

6.7 Following the inspection progress has been made against the areas outlined in particular:

- The production of a temporary accommodation reduction strategy..
- Review of the rationale for TA placements outside the borough with a view to ensuring that all families placed in Birmingham and Luton will be enabled to either settle in the area of their placement or return to the Borough. Following from changes in our procurement policy, by March 2010 all of the households living in temporary accommodation will be either within the Borough or within a one and a half mile radius of the Borough boundary.
- The production of a multi agency Homelessness Strategy which was developed with the full involvement of partners. Delivery of the Strategy is driven by nine Delivery Groups, many of which are chaired by partner agencies. .

- Improvements to choice based lettings leading to a simplification of the process.
- Improvement in telephone performance, which has made the service more accessible to customers.
- A significant reduction in the employment of temporary staff and addressing levels of sickness.
- Permanent recruitment to key management posts leading to greater stability at all levels of management.
- Implementation of a full service restructure with all staff receiving new JDs and giving a greater clarity of direction.
- Developing service user engagement through the establishment of a TA User Forum.
- Simplification of the verification process and a move to pre verification, which has benefited customers and increased efficiency.
- Significant reduction in the number of direct lets made and support in place to allow customers to be able to participate in Home Connections.
- The establishment of a Private Sector Lettings Team which has led to a significant increase in the number of assured shorthold tenancies accessed both by households facing homelessness and households who have chosen to move on from TA.

6.8 As part of the work of the improvement plan the Strategic and Community Housing Service is:

- Addressing value for money through the effective procurement of accommodation. The delivery of both an Emergency Accommodation Reduction Project and a PSL renewals project will drive the procurement of TA in 2009/10 leading to improved value for money and better standards.
- Reviewing the approach to under occupation and over crowding. .
- Further improving choice based lettings by developing a more efficient and equitable bidding process.
- Developing a new Lettings Policy.
- Producing information which will allow customers to assess their prospects of rehousing and promoting alternative housing options.

<ul style="list-style-type: none"> Delivering an extensive training programme to support the implementation of the new structure. <p>6.9 The Strategic and Community Housing Service has tackled and is continuing to address the issues raised in the inspection report by linking improvements to business plan objectives for the homelessness and lettings service, the ALMO client monitoring function and the overall aims of the Strategic and Community Housing Service.</p>
<p>7. Chief Financial Officer Comments</p> <p>7.1.</p>
<p>8. Head of Legal Services Comments</p> <p>8.1.</p>
<p>9. Head of Procurement Comments –[Required for Procurement Committee]</p> <p>9.1.</p>
<p>10. Equalities & Community Cohesion Comments</p> <p>10.1. There is considerable pressure for affordable housing in Haringey with the need outstripping supply. A large number of households, some 30% are in the social rented sector and there is a relatively small owner occupied sector. Nearly half of the borough’s population is from black and minority communities and housing need disproportionately affects these groups. Considering the specific housing pressures that exist in Haringey improvements to the Allocations and Lettings service are important to create a service that supports the reduction of homelessness and ensures those in need are appropriately housed.</p>
<p>11. Consultation</p> <p>11.1.</p>
<p>12. Service Financial Comments</p> <p>12.1.</p>
<p>13. Use of appendices /Tables and photographs</p> <p>13.1. Appendix 1 - Housing Improvement Plan for 2009/10.</p>

14. Local Government (Access to Information) Act 1985

- 14.1. Allocations and Lettings, Audit Commission inspection report, November 2008.

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BUSINESS PLAN OBJECTIVES 2009/10

Objective 1: To halve the number of homeless households in temporary accommodation, by March 2010, through effective homelessness prevention, smarter working, better partnerships and the provision of a range of housing options.

Objective 2: To maximise the development of affordable housing, by attracting investment and ensuring effective partnership working, to meet the needs of residents and help build strong and environmentally sustainable communities.

Objective 3: To ensure the efficient management and maintenance of the Council's housing stock by developing and delivering a robust client function in respect of Homes for Haringey's finance and performance management arrangements, together with a structured approach to determining and communicating the Council's requirements.

Objective 4: To tackle homelessness, overcrowding and under occupation by making best use of Haringey's social housing stock, bringing empty homes back into use, encouraging housing mobility, extending and promoting choice based lettings, and removing barriers to the private rented sector.

Objective 5: To achieve the continuous improvement of the Strategic and Community Housing Service, ensuring that it is well managed, fit for purpose, customer-centred and provides good value for money.

This plan is organised to relate recommendations to our Business Plan objectives that cover the improvement of the homelessness and lettings service, ALMO Client monitoring function and overall functionality of Strategic and Community and Housing Services.

Lead officers are identified along with the Service Improvement Groups that are tasked with carrying out the actions. These SIGS report through their Lead Officers into Housing SMT which monitors progress. Housing Improvement Board which meets fortnightly receives reports on the TA Reduction plan and the Overall Housing Improvement Plan.

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
Objective 1: To halve the number of homeless households in temporary accommodation, by March 2010, through effective homelessness prevention, smarter working, better partnerships and the provision of a range of housing options.					
1.1	Achieve value for money through effective procurement of accommodation.	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Negotiate to retain and procure as many PSLs and HALs as possible as they are the most efficient to us in terms of subsidy Set up a high level meeting with Housing Associations to discuss our procurement strategy 	Ongoing September 2009	TA SIG
1.2	Work with HFH to agree new approach to re-housing management transfers and decants	Head of Housing Support and Options and Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Arrange joint briefings for HfH TMOs and Assessments and Lettings and Advice & Options staff on new approach. Amend protocols with HfH to reflect new approach. 	September 2009 September 2009	TA Reduction SIG.
1.3	Improve approach to minimising fraud in TA and therefore reduce TA	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> This work is undertaken as part of a rolling programme. A number of cases have been referred to Legal for prosecution. 	Ongoing	TA Reduction SIG
1.4	Reduce TA through under occupation and occupancy checks; address incentive scheme and introduce guidance on dealing with nationality and eligibility issues	Head of Housing Support and Options	<ul style="list-style-type: none"> Under-occupation and overcrowding is being reviewed as part of the Council's Overcrowding Pathfinder status. This will ensure that under-occupation and overcrowding are targeted and people given greater assistance to move e.g. through direct lets or mutual exchange. 	Ongoing Ongoing	Lettings. TA.

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
1.5	Make best use of social housing stock by addressing under-occupation and overcrowding	Head of Housing Needs and Lettings	Homes for Haringey undertake a 20% occupancy check on its permanent stock. The Council has a rolling programme of occupancy checks on its TA.	Ongoing Ongoing	TA SIG
1.6	Improve use of Supported Accommodation for single homeless households (ensuring that the borough has effective methods for referral and these are being prioritised for borough residents)	Head of Housing Support and Options	Complete an audit of supported housing in the borough Recruit a Vulnerable Adults Team Leader Produce a Move-On Strategy Develop a rent deposit/private rented options for single homeless clients as an additional source of move on	Aug - October 2009 September 2009 October 2009 November 2009	Housing Advice and Options SIG
1.7	Reduce the number of rough sleepers in Haringey	Head of Housing Support and Options	<ul style="list-style-type: none"> Produce in consultation with stakeholders a multi-agency strategy and action plan for tackling rough sleeping in Haringey Subject to CLG funding set up an outreach service to help rough sleepers off the street 	September 2009 September 2009	
Objective 2: To maximise the development of affordable housing, by attracting investment and ensuring effective partnership working, to meet the needs of residents and help build strong and environmentally sustainable communities.					
2.1	Work with Housing Associations to maximise the development of affordable housing	Head of Housing Strategy, Development and Partnerships	Review the current Preferred Partnership arrangements	April 2009	
Objective 3: To ensure the efficient management and maintenance of the Council's housing stock by developing and delivering a robust client function in					

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
respect of Homes for Haringey's finance and performance management arrangements, together with a structured approach to determining and communicating the Council's requirements.					
3.1	Continue to perform a robust client monitoring function	Head of Housing Strategy, Development and Partnerships	<ul style="list-style-type: none"> Review the management agreement with Homes for Haringey Ensure the issue of repairs is dealt with as part of the review of the management agreement 	March 2010 March 2010	Voids Project Team
3.2	Improve void turnaround (in the Council's own stock, improve time taken to award Gas and Electric safety certificates)	Head of Housing Needs and Lettings and Head of Housing Strategy, Development and Partnerships	Continue to monitor HFFH performance on voids Implement recommendations from the Independent Review on Voids	Ongoing Starting May 2009 onwards	Voids Project Team
Objective 4: To tackle homelessness, overcrowding and under occupation by making best use of Haringey's social housing stock, bringing empty homes back into use, encouraging housing mobility, extending and promoting choice based lettings, and removing barriers to the private rented sector.					
4.1	Improve Choice Based Lettings: Develop a more efficient and equitable bidding process	Head of Housing Needs and Lettings	Consider options for upgrading Home Connections system Continue training programme for staff and partner agencies on Home Connections	September 2009 Ongoing	Lettings SIG
4.2	Bidding: Ensure that applicants are encouraged to consider more realistic options for permanent housing	Head of Housing Support and Options	Produce a borough map showing all social housing by type, area, when last vacant etc to provide information on what is possible Ensure delivery of consistent message in all contact with service users – publications,	September 2009 Ongoing	Lettings SIG

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
			responses to complaints etc		
4.3	Maximise the supply of perm accom by closely monitoring nominations to HALs, facilitating a balance between transfer and homeless applicants, developing a comprehensive under-occupation scheme and increasing outcomes from mobility schemes.	Head of Housing Support and Options	<ul style="list-style-type: none"> Target HfH households who are known to be under occupying. Work with RSLs partners to develop an agreed approach to under occupation across the social sector. Link mobility work to the Prevention and Options Team/Private Sector Lettings as part of the reworking of the structure. Manage relationships with HALs and appoint Contract manager to deal with issues 	Ongoing September 2009 September 2009 September 2009	
4.4	Develop an Overcrowding Strategy	Head of Housing Support and Options	Produce an introduction to the current overcrowding action plan	October 2009	
4.5	Develop a new Lettings Policy	Head of Housing Needs and Lettings	<p>Conduct three month consultation with staff, clients, members and stakeholders</p> <p>Take the Lettings Policy to Cabinet for approval</p> <p>Ensure Lettings Policy reviews approach to 'homeless at home' and overcrowding and under-occupation.</p>	September 2009 December 2009 Throughout creation of policy	Lettings SIG
4.6	Increase the number of Assured Short hold Tenancies (ASTs) in the borough (includes addressing the role of other borough's, hand back leases to RSLs, Discretionary Housing	Head of Housing Support and Options	<ul style="list-style-type: none"> Continue to provide rent deposit and cash incentive schemes to landlords Establish Private Sector Lettings team with 	Ongoing September	PSL SIG

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
	Benefit payments , appointment of conversion officers)		<ul style="list-style-type: none"> permanent staff Continue with quarterly landlords forums to establish good relationships with landlords 	2009 Last forum was held in June 2009 next forum September 2009	
4.7	Work in partnership with the North London Sub-Region to bring empty properties back into use.	Housing Improvement Manager (Private Sector)	<ul style="list-style-type: none"> Recruit to Shared Housing and Empty Homes Team Leader in Housing Improvement Team. 	July 2009	
4.8	Work to decrease fuel poverty and Affordable Warmth Strategy	Housing Improvement Manager (Private Sector)	<ul style="list-style-type: none"> Start consultation on the Affordable Warmth Strategy. Complete Affordable Warmth Strategy Investigate all properties where fuel poverty measures have been installed where there are outstanding category 1 hazards. 	July 2009 September 2009 Ongoing	
Objective 5: To achieve the continuous improvement of the Strategic and Community Housing Service, ensuring that it is well managed, fit for purpose, customer-centred and provides good value for money.					
5.1	Conduct a review of the OHMs system	Head of Housing Support and Options and Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Conduct a review comparing OHMs with other available systems and in particular iWorld Ensure that any system changes or upgrades are compatible with Home Connections 	September 2009 – March 2010	Home Connections SIG TA Reduction SIG

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
5.2	Improve Pointing: Centralise pointing restricting access; reduce timescales to point an applicant; improve quality and consistency of information to applicants; provide written procedure for pointing applicants or management transfers	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Rolling programme of centralising pointing to only the Assessment Team Produce booklets giving transparent view of points – linked to Lettings Policy 	Ongoing January 2010	Lettings SIG
5.3	Review Housing Register - programme of annual reviews	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Ensure that every household in TA is contacted annually by the Assessments Team to review their circumstances 	Ongoing	Lettings SIG
5.4	Keeping applicants informed of their progress	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Annual re-registration will give opportunity for this. Further development of Home Connections to provide more feedback from bids. For households in TA, this will be covered as part of regular TA visits. 	Ongoing Ongoing Ongoing	Lettings SIG
5.5	Review relationship with customer services including reception duties at Apex House and telephone calls	Head of Housing Finance and Head of Housing Support and Options	<ul style="list-style-type: none"> Investigate having calls from customer services returned to S&CHS Investigate the reception service that is provided by customer services and the possibility of having a trained housing member of staff on reception 	September 2009 September 2009	Advice and Options SIG
5.6	Conduct a feasibility study on self-registration	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> Look at what LB Camden and LB Bromley did regarding implementing self-registration If the project is possible produce a project plan and set up project team 	July 2009 July 2009	Lettings SIG

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
5.7	Carry out a review of current customer satisfaction surveys and develop process for ensuring issues are identified and addressed	Housing Strategy and Partnerships Manager/ Corporate Customer Focus Manager	<ul style="list-style-type: none"> Work with HfH and Viewing Officers to review questions contained in the Viewing survey. Build element of customer feedback into annual re-registration process. 	September 2009 September 2009	
5.8	Ensure engagement with service users through programme of communications	Head of Housing Strategy, Development and Partnerships	<ul style="list-style-type: none"> Develop communications strategy Deliver communications strategy 	September 2009 Ongoing	
5.9	Improve performance of Customer Service Centres and telephone access	Business Support Manager	<ul style="list-style-type: none"> Establish partnership meetings and work towards a Directorate Service Level Agreement Continue to monitor performance 	September 2009 Ongoing	
5.10	Communicate and widely advertise service standards	Business Support Manager/ Corporate Customer Focus Manager	<ul style="list-style-type: none"> Service standards currently under development. 	July 2009	
5.11	Complete EIAs to understand the impact of policies and strategies on potentially vulnerable groups	Business Support Manager/ SMT	<ul style="list-style-type: none"> To include next year's EIAs in the business plan. 	Ongoing	
5.13	Data integrity: Ensure all data contained on OHMs is accurate and that information is consistent across different databases	Director of Special Projects	<ul style="list-style-type: none"> Continue with data cleansing projects looking at the Housing Register and the accuracy of details on OHMs Ensure accurate classifications are being used 	Ongoing Ongoing	

Area	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
5.14	Build an analysis of risk into the budgeting process in regard to subsidy changes and maximising re-chargeable income	Head of Housing Finance	<p>for homelessness</p> <ul style="list-style-type: none"> Budget analysis carried out assessing the financial impact of various alternatives that may be proposed by the DWP 	Under review at monthly budget monitoring meetings	
5.15	Review approach to file management	Head of Housing Needs and Lettings and Head of Housing Support and Options	<ul style="list-style-type: none"> Secure and integrate files Ensure files are being stored inline with corporate policy 	Ongoing starting in September 2009 Ongoing starting in September 2009	

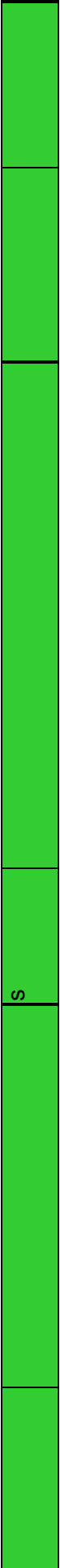
Appendix One – Completed Activity

Inspection Reference	Summary of recommendation	Lead Officer	Actions to make it happen	Timescale	Relevant SIG
Gamer Review September (2007) Para 7.1; 7.16	The production of a TA Reduction Strategy action plan and TA Financial Strategy - the financial strategy is particularly significant given the subsidy changes	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> TA Reduction Plan to be finalised by the end of April 08. Plan to concentrate on: <ul style="list-style-type: none"> how we will reduce TA placements what we will do to move people out of TA detail of the types of schemes that we will use as alternatives to TA. 	End of April 2008 - Complete	TA Reduction Group
Gamer Review September (2007) Para 7.1	Establish a High Level Monitoring Group to direct TA strategy in the future	AD, S&CHS	The previous TA Reduction Group referred to in the report has been replaced by SIGs reporting to a High Level Housing Improvement Board.	Complete	Housing SMT
Gamer Review September (2007) Para 7.2	Develop a model to assess the effectiveness of TA prevention over time by monitoring new first stage placements	Head of Housing Support and Options	<ul style="list-style-type: none"> Housing Advice and Options SIG have agreed new categories for monitoring outcomes of prevention activity. OHMS system being amended to include new categories. Move towards all new placements being agreed by Validations Team prior to placement New TA placements to be agreed by SMT member Set up backlog team Clear backlog 	Complete Complete Complete Complete Complete Complete Complete	Housing Advice and Options SIG Housing Assessment SIG
Gamer Review September (2007) Para 7.3	Ensure the efficient use of TA available and address emergency accommodation in light of TA reduction targets	Head of Housing Needs and Lettings	<ul style="list-style-type: none"> No more placements into TA will be made without a homeless application being taken. These will now only be approved by an SMT member. A backlog team will be set up to clear cases without decisions. Management transfers will no longer be taken as homeless and placed in TA. Decision times will be reduced through closer management scrutiny. 	Complete Complete Complete Complete, ongoing monitoring	All

Gamer Review September (2007) Para 7.6	Manage relationships with RSL partners and ensure that the Council receives 100% nominations	Head of Housing Support and Options	Initial work being carried out to review nominations against new build completions. <ul style="list-style-type: none"> Have subscribed to CORE but need to agree approach to implementation. Set up clear monitoring processes and regular meetings with RSLs to measure compliance with Nominations Agreement.	Complete	Lettings SIG
AC rec'd 1d - Para 58	Review rationale for TA placements outside the borough	Head of Housing Needs and Lettings	To target those families living in Birmingham: <ul style="list-style-type: none"> All families originally placed in Birmingham and Luton in TA have been reviewed and housing solutions identified for permanent residency in Birmingham or Luton or return to Haringey. The next area of focus will be Enfield. 	Complete	TA SIG
Gamer Review September (2007) Para 7.26	Review storage policy for homeless	Head of Housing Finance	On going project in place.	Complete	
Gamer Review September (2007) Para 7.7	Produce a Homelessness Strategy in partnership with all agencies	AD, S&CHS	<ul style="list-style-type: none"> Dates to be agreed for issues paper to CEMB and CAB Strategy agreed Strategy launched – 12 September 2008 	Complete	
AC Rec'd 2b Para 79- 81	Improve Choice based Lettings: Making the verification process simple, flexible and user friendly ensuring that reasonable efforts are made to contact priority bidders to view properties - this includes improving pointing	Head of Housing Support and Options	Create a pre verified pool of applicants <ul style="list-style-type: none"> To review the actual detail of the verification –to make better use of information we already have – shorter verification process for certain categories of cases. 	Complete	Lettings SIG
BPR 6.6a	Viewings– allocate responsibility for viewings to HFH	Head of Housing Support and Options	Viewing Officers did initially move across to work in HfH Building Services but it has now been agreed by the Voids SIG that 2 Viewing officers will be appointed, which will be paid for	Ongoing	

				<ul style="list-style-type: none"> by HfH but located with the Lettings Team. Job descriptions are being developed. Permanent recruitment to take place. Protocol to be agreed on joint working between Rehousing Service and HfH. 	<p>Complete</p> <p>Complete</p> <p>Complete</p>	
AC rec'd 4a and b Para 135 - 139	<p>Improve approach to staffing: Reduce reliance on temp and agency staff and addressing high levels of sickness absence</p> <p>Improve approach to staffing: Training plan for staff, linked to the aims of the service</p>	Business Support Manager	<ul style="list-style-type: none"> Addressed through people plan. Deliver people plan actions. 	Ongoing		
	<p>Improve approach to staffing: Training plan for staff, linked to the aims of the service</p>	Business Support Manager	<ul style="list-style-type: none"> Addressed through people plan. Deliver people plan actions. 	Ongoing		
BPR 6.4c	<p>Develop initiatives to target applicants who are likely to be unsuccessful advising them of other re-housing options</p>	Head of Housing Support and Options	<ul style="list-style-type: none"> Assessment letters have been redrafted – different letters depending on outcome of assessment – directing to alternative options. Review to ensure full suite of letters. Load into OHMS to be triggered automatically at certain points levels and for certain bedsizes. Introduction of visits for applicants where Assessment Team identify a housing need but are unlikely to be able to assist e.g. larger households. 	<p>Complete</p> <p>Complete</p> <p>December 2008</p> <p>October 2008</p>	Lettings SIG	
BPR 6.4d	<p>Recruit Home Connections Support workers to assist people currently not bidding to make bids</p>	Head of Housing Support and Options	<ul style="list-style-type: none"> 2 Home Connections Support Officers have been in post since September 2007. 	Complete		
AC Para 41	<p>Complaints process – learn from complaints and promote the Council's compensation scheme</p>	Business Support Manager	<ul style="list-style-type: none"> Bi-annual learning from complaints report with clear actions Input to directorate learning from complaints group and delivery of actions. Look at Council's compensation scheme to develop remedies where complaints have been upheld. 	Ongoing		

AC Para 56- 57	Homelessness: Assess the range of housing managers' duties ,	Head of Housing Needs and Lettings	<p>The AC report is confusing two roles; that of TA Housing Managers who are responsible for tenancy management issues and that of P&O Officers who carry a caseload of clients.</p> <p>Better liaison arrangements have been put in place to ensure repairs reporting and carrying them out are improved.</p> <p>Housing Managers, along with all Council officers, take the opportunity to discuss options with clients. This is done in visits, surgeries, letters, etc.</p> <ul style="list-style-type: none"> • New structure and job descriptions to be implemented to clarify roles 	<p>Complete</p> <p>Ongoing</p> <p>Complete</p>	P&O, use of ASTs.
	Communicate the reduction of TA as a key priority for CEMB.	AD, S&CHS	Produce a TA Narrative and EA Narrative for the year 09/10 explaining the journey and considering portfolio profile.	Complete	TA SIG
	Update Housing Strategy for period 2009/2019	Head of Housing Strategy, Development and Partnerships	Take strategy to Cabinet for formal approval	Complete	
	Develop a new Lettings Policy	Head of Housing Needs and Lettings	Establish a Lettings Policy project team and assign responsibilities	Complete	Lettings SIG
	Work to decrease fuel poverty and Affordable Warmth Strategy	Head of Housing Strategy, Development and Partnerships	<ul style="list-style-type: none"> • Take the Affordable Warmth strategy to Integrated Housing Board 	Complete	



19 November 2008

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— Dear Dr O'Donovan

Haringey Council allocations and lettings inspection – Final report

Please find attached our final report on the inspection of the Haringey Council's allocations and lettings service. The planned publication date is Thursday 27th November when the report will be placed on the Audit Commission website. Please note that the report is to remain under embargo until 00.01 on that date.


You are invited to provide a formal response to the inspection recommendations which will be published alongside the report on the Commission's website. Such a response should cover the actions which your organisation will be taking as a result of the inspection and how your organisation intends implementing the recommendations made in the report. It cannot:

- include issues about the inspection process or the conduct of the inspection
- be more than two pages in length or in a font smaller than size eleven

If you do wish to send in a response, we must receive it within two months of the publication of the report, by 27th January 2009. Please note that the Commission retains full editorial rights over all material placed on its website. If you do not wish to respond, the following statement will be published next to the report: "Haringey Council was asked to respond to the recommendations made in this inspection report but they have declined to do so."

On behalf of the Housing Inspectorate and the inspection team I would like to thank you and your staff for your help and co-operation during the inspection. If you have any questions or comments about anything contained in this letter, please feel free to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Brown'.

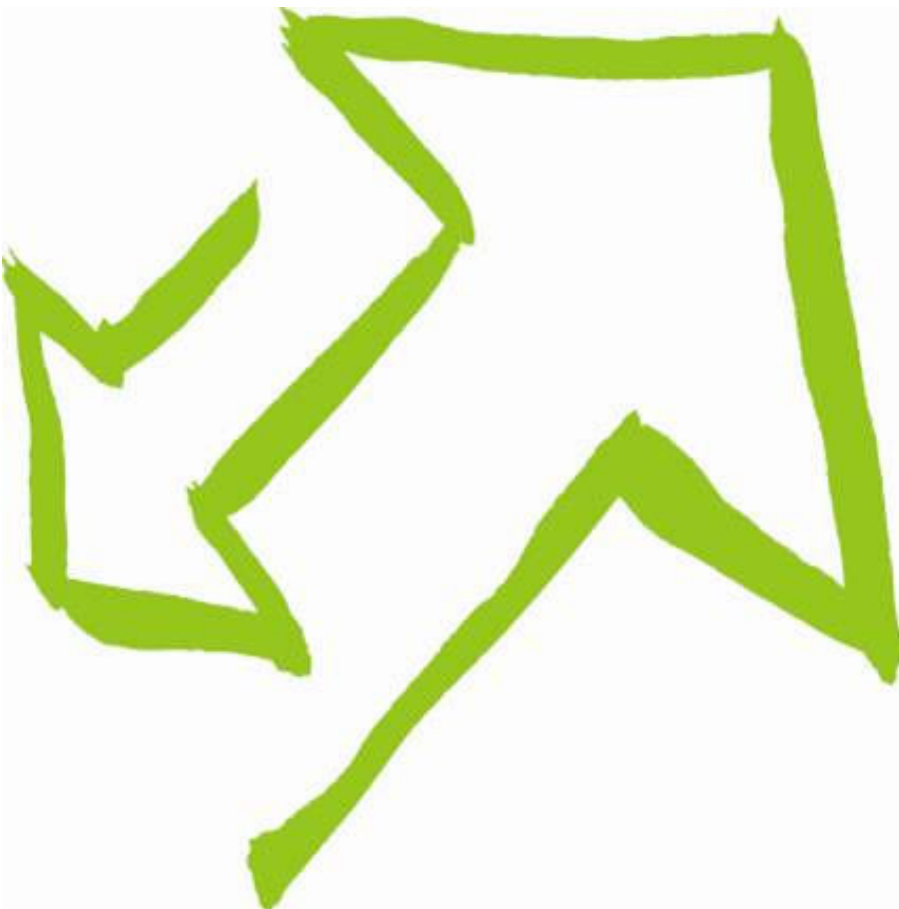
Adrian Brown
Lead Housing Inspector East London Region

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Allocations and Lettings

Haringey London Borough Council

November 2008



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Local Authority Housing Inspections

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively and delivers high-quality local services for the public.

Within the Audit Commission, the Housing Inspectorate inspects and monitors the performance of a number of bodies and services. These include local authority housing departments, local authorities administering Supporting People programmes, arms length management organisations and housing associations. Our key lines of enquiry (KLOEs) set out the main issues which we consider when forming our judgements on the quality of services. The KLOEs can be found on the Audit Commission's website at www.audit-commission.gov.uk/housing.

This inspection has been carried out by the Housing Inspectorate using powers under section 10 of the Local Government Act 1999 and is in line with the Audit Commission's strategic regulation principles. In broad terms, these principles look to minimise the burden of regulation while maximising its impact. To meet these principles this inspection:

- is proportionate to risk and the performance of the Council;
- judges the quality of the service for service users and the value for money of the service;
- promotes further improvements in the service; and
- has cost no more than is necessary to safeguard the public interest.

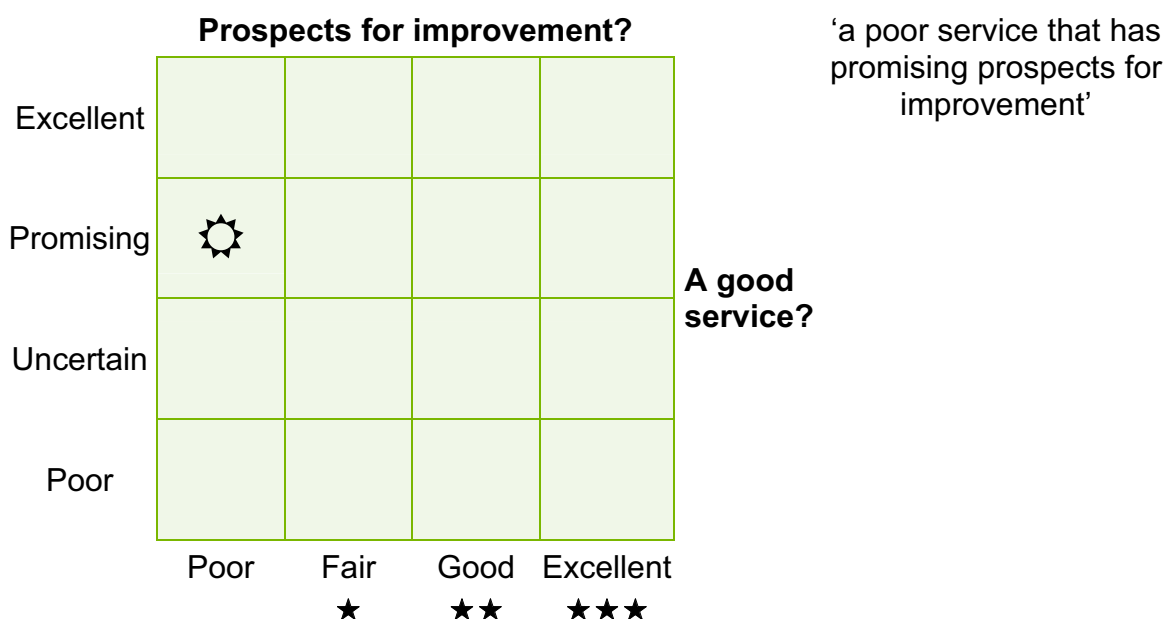
Summary

- 1 Haringey Council provides a poor allocations and lettings service, with promising prospects for improvement.
- 2 The service is not sufficiently customer-focused. It can be difficult to contact the service by phone, information including service standards is not clear or well publicised and while there are some good examples of consultation with users this remains an area for improvement. There are significant weaknesses in the Home Connection scheme and in dealing with applications for housing.
- 3 The service does not consistently measure its effectiveness among diverse groups and is not using ICT to tailor services to needs. Services to the increasing number of residents in temporary accommodation are poor. There are some weaknesses in the approach to working with private landlords and housing association partners and the service is not maximising the use of incentives to address under occupation. The approach to value for money within the service is under-developed.
- 4 The service can be easily accessed through the website and through four Customer Service Centres (CSCs). There is generally a good approach to using Equality Impact Assessments. The service, often through partnerships, is delivering positive outcomes for a range of diverse groups. There has been some good work to prevent homelessness, carry out occupancy checks and improve to the management of the housing register.
- 5 There is a clear and visible commitment to driving improvement from both senior councillors and senior managers. The service demonstrates an openness to challenge and a high level of self-awareness that is reflected in its future plans. The performance management, monitoring and reporting frameworks are all generally sound. The rate of improvement has increased recently, there is a good track record of responding to external recommendations and there have been some significant improvements for customers, although there remains more to do.
- 6 The Council has taken positive steps to address capacity issues. It has restructured and appointed a new Assistant Director with knowledge and experience of these services and of leading change. Other important posts have also been filled. The ICT systems are capable of supporting the service well.
- 7 However, staff capacity is reduced for example, by high levels of sickness absence and the service is not consistently learning from customer feedback. The track record is mixed. Overall improvement in performance indicators is mixed and progress in implementing service improvement recommendations and delivering targets in key strategies has not been consistent. Insufficient progress has been made in cross-cutting areas in particular customer access and value for money.

Scoring the service

- 8 We have assessed Haringey London Borough Council as providing a 'poor', no-star allocations and lettings service that has promising prospects for improvement. Our judgements are based on the evidence obtained during the inspection and are outlined below.

Figure 1 Scoring chart¹



Source: Audit Commission

- 9 We found the service to be poor because of the following weaknesses.
- The service is not sufficiently customer-focused. It can be difficult to contact the service by phone. Information is variable in quality, and service standards are not clear or well publicised.
 - While there are some good examples of consultation with users this remains an area for improvement.
 - The approach to value for money within the service is under-developed.
 - The service does not consistently measure its effectiveness among diverse groups and is not using ICT to tailor services to needs.
 - The service does not consistently measure its effectiveness among diverse groups.

¹ The scoring chart displays performance in two dimensions. The horizontal axis shows how good the service or function is now, on a scale ranging from no stars for a service that is poor (at the left-hand end) to three stars for an excellent service (right-hand end). The vertical axis shows the improvement prospects of the service, also on a four-point scale.

- The operation of the Home Connection scheme is not currently efficient or customer-focused.
- Performance in dealing with applications for housing is weak and again not customer-focused.
- Services to residents in temporary accommodation are poor. Residents are not routinely kept informed of progress with their cases and most have not been offered help and options advice.
- The number of people in temporary accommodation has increased in the last three years and performance across a range of homelessness indicators is poor.
- The service is not maximising the use of incentives to address under occupation.
- There are some weaknesses in the approach to working with private landlords and housing association partners.

10 However, there are some areas of strength. These include the following.

- The service is delivering, often through partnerships, positive outcomes for a range of diverse groups including vulnerable adults, homeless families, people requiring aids and adaptations and victims of domestic violence through the Hearthstone project.
- There is a good approach to completing Equality Impact Assessments although there are weaknesses in their application.
- The Council has invested in the service to support a stronger emphasis on prevention and the Preventions and Options team have carried out some good work to prevent homelessness.
- The Council has improved the management of the housing register through a re-registration process and revised its letting policy.
- The service can be easily accessed through the website and through four Customer Service Centres (CSCs) although some aspects of the customer experience of their use could be improved.
- There is a comprehensive system of occupancy checks that is making a positive impact in dealing with fraud and reducing the use of temporary accommodation.
- The strategic approach to working with partners is generally sound.
- The Council works well with private landlords on a day-to-day basis producing some good outcomes allowing people in housing need to access private sector housing.

11 On balance, the service has promising prospects for improvement because of the following.

- There is a clear and visible commitment to driving improvement from both senior councillors and senior managers.
- The service demonstrates an openness to challenge and a high level of self-awareness that is reflected in its future plans.

Scoring the service

- The performance management monitoring and reporting frameworks are all generally sound.
 - The service has a good track record of responding to Audit Commission recommendations.
 - The rate of improvement has increased recently and there have been some significant improvements that customers would recognise although there remains more to do in many areas.
 - The Council has taken positive steps to address capacity issues at all levels within the service for example, through service restructuring and the appointment of a new Assistant Director with knowledge and experience of managing these services and leading change of this nature.
 - Other important operational posts have also now been filled to help address weaknesses in the service.
 - The ICT systems are capable of supporting the service well.
- 12** However, there are some barriers to improvement. These include the following.
- Staff capacity is reduced for example, by high levels of sickness absence and the high proportion of agency staff.
 - The service is not consistently learning from customer feedback.
 - Overall improvement in performance indicators is mixed and progress in implementing service improvement recommendations and delivering targets in key strategies has not been consistent.
 - Insufficient progress has been made in cross-cutting areas in particular customer access and value for money.

Recommendations

13 In order to rise to the challenge of continuous improvement, organisations need inspection reports that offer practical pointers for improvement. Our recommendations identify the expected benefits for both local people and the organisation. In addition, we identify the approximate costs² and indicate the priority we place on each recommendation and key dates for delivering these where they are considered appropriate. In this context, the inspection team recommends that the Council shares the findings of this report with tenants and councillors and addresses all weaknesses identified in the report. The inspection team makes the following recommendations.

Recommendation

R1 The Council should improve the customer focus of its service by:

- setting up systematic methods of keeping applicants informed of the progress of their cases, measuring satisfaction, and involving users in service improvement, including through the complaints procedure;
- updating information provided to service users, improving telephone access to the service, and reducing the time taken to book appointments;
- developing a proactive and holistic approach to preventions and options, linking outreach work carried out by the occupancy, preventions and options and housing management teams; and
- reducing the use of temporary accommodation in the Midlands, while being mindful of the individual wishes of temporary accommodation residents currently living there.

The expected benefits of this recommendation are:

- the Council will be better able to identify and address areas of weakness in the lettings and allocations service;
- improved customer access to, and satisfaction with, the service;
- the service will be able to offer advice to applicants in the community, particularly those in temporary accommodation, linking this to support for vulnerable residents and occupancy checks; and
- the service will be able to offer a full range of support services, and applicants will be able to bid and attend viewings through the Home Connections service.

The implementation of this recommendation will have high impact with medium costs. This should be implemented within six months.

² Low cost is defined as less than 1 per cent of the annual service cost, medium cost is between 1 and 5 per cent and high cost is over 5 per cent.

Recommendations

Recommendation

- R2** The Council should improve the choice-based letting service by:
- developing a more efficient and equitable bidding process by: filtering out ineligible bidders, encouraging those with low points to seek alternatives, identifying and supporting those who have not bid, particularly vulnerable applicants; and
 - making the verification process more simple, flexible and user-friendly, and ensuring that reasonable efforts are made to contact priority bidders to view properties.

The expected benefits of this recommendation are:

- the service will have a lower volume of bidding, and will be able to focus on applicants with the highest needs; and
- the service will be geared towards the needs of applicants rather than to the requirements of the lettings process.

The implementation of this recommendation will have high impact with medium costs. This should be implemented within six months.

Recommendation

- R3** The Council should improve its use of resources by:
- maximising the supply of permanent accommodation by: closely monitoring nominations to housing associations, facilitating a balance between transfer and homeless applicants, developing a comprehensive under-occupation scheme and increasing outcomes from mobility schemes;
 - building an analysis of risk into the budgeting process in regard to subsidy changes, and maximising rechargeable income; and
 - improving data collection by ensuring that documentation is not lost, that data is input accurately onto IT systems and that information is consistent across different databases.

The expected benefits of this recommendation are:

- an increase in the supply of permanent housing for residents in housing need;
- a planned approach to maximising income, and to minimising reductions in income; and
- more confidence in the planning process, including the lease end process, an enhanced ability to individually tailor services and higher customer satisfaction.

The implementation of this recommendation will have high impact with medium costs. This should be implemented within six months.

Recommendation

R4 The Council should improve its approach to staffing by:

- taking steps to reduce the reliance on temporary and agency staff, and addressing high levels of sickness absence in the service; and
- developing and resourcing a training plan for staff, clearly linked to the aims of the service.

The expected benefits of this recommendation are:

- reduced costs, and more staff capacity to achieve service aims; and
- improved staff knowledge and skills.

The implementation of this recommendation will have medium impact with low costs. This should be implemented within six months.

14 We would like to thank the staff of Haringey London Borough Council who made us welcome and who met our requests efficiently and courteously.

Dates of inspection: 15 October to 19 October 2007

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Report

Context

The locality

- 15** Haringey is a north London borough, with a population of 224,300. Haringey is the tenth most deprived borough in England. The average household income is £35,984 per annum, and the average house price is £327,804. Both figures are marginally below the London average. However, this average hides a wide range of incomes - for example, council tenant households have an average income of £10,823. About 60 per cent of the population of the borough cannot afford to purchase a property at lower quartile prices.
- 16** Thirty per cent of households are in the social rented sector. The Council's stock of 15,230 general needs properties is managed by an Arm's Length Management Organisation, Homes for Haringey. One in five households is in the private sector, substantially above the London average, while the owner occupied sector is smaller than the London average.
- 17** Nearly half the population are from Black and Minority Ethnic (BME) communities. One in ten of the population are asylum seekers or refugees. The population demographic is changing. For example, there are increasing numbers of Polish migrants settling in the borough. Nearly one in five households contains at least one person with a designated special need.
- 18** The need for affordable and stable accommodation outstrips supply. There is a shortfall of 4,865 per annum in the provision of affordable housing³. Housing need particularly affects BME households, with 40 per cent of Black African and Asian households living in unsuitable accommodation. Overall, one in five households in the borough is overcrowded. A recent Joseph Rowntree Foundation report on Tottenham identified competition for housing as a key influence in social cohesion between different social groups.
- 19** In March 2007, there were 14,494 households on the housing register, with the following characteristics⁴.

Table 1 Requirements of households on the housing register

Household requirement	Number of households
1 bedroom	6,231
2 bedroom	5,045
3 or more bedrooms	1,491

³ Source: Housing Needs Survey 2005 Update

⁴ Source: Housing Register statistics 2/3/07

Table 2 Source of applicants on housing register

Source	Number of households
General register	8,319
Tenant transfer	1,490
Homeless	4,558

Table 3 Average waiting time for applicants

Number of bedrooms required	Average days waiting time
1 bedroom	767
2 bedrooms	1,706
3 bedrooms	2,214
4 or more bedrooms	2,187

20 It can be seen that there are substantial waiting times for accommodation, particularly for larger properties. Haringey has 5,861 households in temporary accommodation, the largest number in the country.

Table 4 Households in temporary accommodation (Quarter 1 2007)

Type of temporary accommodation	Numbers of households
Bed and breakfast	83
Annexes	1,334
Private sector leasing	1,995
Housing Association Leasing ⁵ (HALs)	1,678
Hostels	309

21 The government has set a target that councils reduce the number of households in temporary accommodation by 50 per cent by 2010. Haringey's target is to have less than 2,603 households in this type of accommodation. The largest part of this reduction will be in the HALs sector, which the Council aims to reduce to 300 units in 2010.

⁵ This is temporary accommodation provided by Housing Associations. These are currently provided by four associations: Pathmeads, Circle 33, Newlon, Solon

Report

The Council

- 22** The Council has 57 members (30 Labour, 27 liberal Democrat) covering 19 wards. The Cabinet has nine members, including the Leader and the Cabinet member for housing. There is a system of scrutiny panels, overseen by the Overview and Scrutiny Committee.
- 23** The Audit Commission assessed Haringey as being a council that is improving well and demonstrating a three-star overall performance, under its Comprehensive Performance Assessment.

The Allocations and Lettings service

- 24** There have been substantial changes in the structure of the housing service in the last two years. An Arm's Length Management Organisation (ALMO) was set up in April 2006, and achieved two-star status in 2007. A new business unit, Strategic and Communal Housing Service (SCHS) is responsible for retained housing services, including allocations and homelessness. SCHS is located within the Urban Environment directorate, and has the equivalent of 150 full time staff (FTE).
- 25** Strategic and Communal Housing Services comprises the following teams.
- Strategy and performance, which includes performance and quality, and partnerships.
 - Housing need, which includes homelessness preventions and advice, allocations, the Vulnerable Adults Team and Hearthstone.
 - Housing supply, which addresses development, management of temporary accommodation and liaison with landlords.
 - Finance, which deals with resourcing and rent management.
- 26** Private sector housing is currently located within the enforcement business unit, but will be transferring into SCHS in late 2007.

How good is the service?

What has the service aimed to achieve?

- 27** The Sustainable Community Strategy sets out a vision for 'a place for diverse communities that people are proud to be part of'. Housing provision is aligned to the aim 'healthier people with a better quality of life'.
- 28** The vision of the housing service is 'to meet the borough's current and future housing needs, and by doing so, make a major contribution to social inclusion and the socio-economic well-being of Haringey'. The Council acknowledges the large number of people in temporary accommodation and in unsuitable housing conditions is a challenge to achieving this vision⁶. As at May 2006, there were 8,000 people under 16 years old in temporary accommodation. Therefore, the Council's lettings and allocations service plays a key role both in addressing individual need, and in promoting health, social cohesion and regeneration.

Is the service meeting the needs of the local community and users?

Access and customer care

- 29** Access and customer care is an area of weakness for the service. The service can be easily accessed through the website and through four Customer Service Centres (CSCs) although some aspects of the customer experience of their use could be improved. Information is variable in quality, service standards are not clear or well publicised and it can be difficult to contact the service by phone. While there are some good examples of consultation with users this remains an area for improvement.
- 30** The Council is using its website to improve access to services. Haringey Council's website is easy to navigate, and is available in a number of community languages. The Council is taking steps to widen access to the internet (only 21 per cent of Haringey Council tenants have home access) through terminals at Customer Contact Centres and libraries. The 185 terminals located in libraries are well used, and library staff are available to offer help and advice. Internet bidding is used regularly by residents; three-quarters of successful bids are via the internet. Most key documents can be downloaded from the website, including the Home Connections leaflet. In addition, appointments with Preventions and Options officers can be made remotely although some applicants have to wait for more than three weeks for an appointment, and not all requests for an appointment are answered.

⁶ Source: Haringey Council Plan

How good is the service?

- 31** Information provided through leaflets is of variable quality and accuracy. Some information is comprehensive and useful- for example the Home Connections booklet explains the bidding process clearly, and the lettings standard is translated into six languages, and has helpful photographs of acceptable standards. However, some information is not complete, clear or accurate. The Home Connections property advertising sheet at local offices has small print and is difficult to read. The successful bidders' feedback and updates are not consistently reported. Information provided to residents in temporary accommodation is limited and inaccurate; one contact detail is more than ten years out of date. Poor quality information will limit the ability of service users to access services.
- 32** The Council's housing service has a compensation scheme for applicants who have received an inadequate service. This has paid out £3,345 since 2002. The scheme is not advertised, which may contribute to the lack of claims. This means that the current scheme does not reimburse users for service failure, or act as a financial incentive for service improvement.
- 33** It can be difficult to contact by phone. Customers have experienced problems contacting the service. In response, the service has re-directed callers to Customer Service Centres. This has improved performance in terms of the proportion of calls answered, and speed of answering calls, but the service is not meeting targets. Enquiries about transfers are the second most common reason to contact the housing service; as a result of poor performance, service users are unable to obtain relevant information and advice.
- 34** Positively, the service can be easily accessed through four Customer Service Centres (CSCs) but some aspects of the customer experience could be improved. The public access areas in the CSCs are pleasant and well maintained, with CCTV, play areas and private interview rooms. It is quick and easy to see the receptionist, and they are polite, helpful and able to answer straightforward requests. However, the customer experience could be improved. The operation of the ticketed queuing system is not clear to some users, there is no information on how to use computer terminals, or what they can be used for and some terminals in one office were out of order. The public telephone does not have a hood so potentially confidential conversations could be overheard. One office was closed at lunchtime, with no indication when it would reopen. Once referred on by the receptionist, service users wait for long periods to see more specialist officers in the CSC, and in practice are given conflicting advice - for example regarding the end of temporary accommodation leases.
- 35** A number of residents seen were negative about the way they were treated at public offices. While we experienced generally professional and helpful attitudes towards service users, we also observed some unfriendly behaviour and raised voices towards callers at offices. As a result, people approaching the service at local offices may face long waits and an unsatisfactory outcome for their queries.
- 36** There are problems with lost documentation and information. The Council's housing service requests that service users provide a range of information, but when this is handed in, it is frequently mislaid, causing delays and frustration among applicants.

- 37** Service standards are not clear or widely advertised. For example, the timescale to respond to housing register applicants is not clearly stated, and is different in a range of documents. Personal callers are not given specific dates by which their queries will be answered. Therefore, service users do not know whether the service they receive is satisfactory, or whether they should complain.
- 38** The Council does not manage the expectations of service users well. A number of policy documents acknowledge the high demand and low supply of social housing. A high level of points is needed to obtain social housing, and the majority of people on the register have no realistic chance of being rehoused through Home Connections. At present, 80 per cent of those registered have less than 600 points; the average points level for a successful bid is 750 points. There are two main mechanisms through which applicants can judge their chances of obtaining social housing - the points level of previous successful bidders and staff advice. In practice, staff are unable to provide specific advice on prospects for successful bids, and information on successful bids is not provided each week. This means that many of the 45,000 bids made each week are wasted, and applicants are not encouraged to consider more realistic options for permanent housing such as the private rented sector.
- 39** There are some good examples of consultation with users but this remains an area for improvement. At the time of inspection, residents in temporary accommodation had just received their first newsletter, together with a survey and an invitation to attend a focus group. Positively, the Council is conducting a survey of new tenants that includes questions about lettings. There are some examples of good practice in consulting users. For example, the consultation on the new lettings policy in 2006 involved a range of stakeholders, and led to changes in the policy. The service does not currently have an informed understanding of the views of service users
- 40** Haringey's allocations and lettings service responds to complaints in target times, but does not systematically learn from complaints. It is exceeding its 90 per cent target to respond to complaints and councillor enquiries within target times and replies are reasonably comprehensive. The replies explained how to take the complaint to the next stage but did not mention the council's compensation scheme or whether it applied. Residents can be reasonably confident that if they complain, it will be investigated properly, but will not know if they are entitled to compensation.

Diversity

- 41** Strengths and weaknesses are in balance in this area. The service is delivering, often in partnership, positive outcomes for a range of diverse groups including vulnerable adults, homeless families, people requiring aids and adaptations and victims of domestic violence through the Hearthstone project. There is a good approach to completing Equality Impact Assessments although there are weaknesses in their application. The service does not consistently measure its effectiveness among diverse groups and is not using ICT to help it tailor services to clients needs. Capacity issues mean that limited support is provided for vulnerable applicants.

How good is the service?

- 42** The service is identifying and supporting people with complex needs. The Vulnerable Adults Team has been located on the Preventions and Option team since 2005. It provides an important multi-disciplinary focus for the Preventions and Options service. The Vulnerable Adults Team included generic workers, plus specialist officers from the childrens' service, Connexions and probation services. The team works closely with Haringey Advisory Group on Alcohol (HAGA) and the Drugs Advisory Service (DASH) and is co-located with the medical assessment team. About 40 cases are referred to the Vulnerable Adults Team each month. Examples were provided of effective joint working and of outreach work with ex-prisoners and people with mental health problems leaving hospital care. The co-location of specialist services means that the service can identify and support residents with multiple and complex needs.
- 43** The Council's domestic violence service is strong. A substantial number of housing applications are from victims of domestic violence. The service manages the Hearthstone project; this project is advertised widely, and provides a range of innovative services, including counselling, legal advice and family support. Clients are offered the option of emergency housing or security measures in their homes - the Sanctuary Scheme. This scheme has assisted 18 victims of domestic violence to remain securely in their homes in the last year. The Council is working closely with partners such as the Primary Care Trust to provide a freephone out-of-hours advice line. The Council is also providing additional resources for physical expansion and more staff for the Hearthstone service. The service provides strong support and prevents homelessness among victims of domestic violence.
- 44** SCHS has productive links with the Supporting People team. The SP team provide funding for a range of support services for homeless residents. In 2006/07, floating support was provided to 708 homeless families and over a thousand single homeless people.
- 45** The housing service workforce reflects the diversity of the local community. As at March 2007, 55 per cent of staff were from BME communities, and 9 per cent had a disability. This indicates the Council uses the full range of skills in the local population.
- 46** The Aids and Adaptations service has enabled a substantial number of people to stay in their homes. In 2006/07, the Council completed 240 major adaptations, plus 116 adaptations funded through the Disabled Facilities Grant (DFG). In addition, the Aids and Adaptations service has made assessments, supplied equipment and carried out works within target times. This has helped residents maintain independence, and has also reduced pressures on the lettings and allocations service.
- 47** The Council has a good approach to completing Equality Impact Assessments although there are weaknesses in their application. The Council has completed Equality Impact assessments (EIAs) on different aspects of the service, including the re-registration process and choice based lettings. There is a useful corporate guide and template to complete these assessments. Some of the assessments have utilised relevant data; for example, the EIA covering re-registration shows that BME communities have not been disadvantaged by the process. However, the assessments are not always fully comprehensive or accurate. For example, the issue of vulnerability is mentioned but not included in the action plan for re-registration, and the assessment incorrectly states that the Council monitors ethnicity against quality of letting. In addition, stakeholders are not always involved in developing assessments.

- 48** The service is not using ICT to help it tailor services to clients needs. Although the OHMs⁷ system has a facility to register and flag people who have disabilities, or who are potentially vulnerable or violent, in practice this is not used systematically by staff. Data is not entered on the system, and staff are not clear about how they can access and use the information provided. As a result, some potentially vulnerable service users do not receive the support they need.
- 49** The service does not consistently measure the effectiveness of its lettings and allocations service to diverse groups. There is no user satisfaction measurement for the homelessness assessment service or income recovery teams. In addition, the Home Connections feedback form does not ask age, gender, disability or sexual orientation and has different ethnic definitions from the HFH welcome visit form. This makes it harder to compare and learn from different sources.
- 50** Capacity issues mean that limited support is provided for vulnerable applicants. A number of policy documents identify the need to support vulnerable people in temporary accommodation, and help them bid successfully for properties through Home Connections. However, there are limited resources to identify such households, and to offer practical support in the biddings process. As a result, people in housing need may not obtain the accommodation they need.
- 51** SCHS does not consistently ensure that its suppliers comply with the diversity agenda. While equalities is a standing item on meetings with Registered Social Landlords (RSLs), it has little in place to ensure that other suppliers of services, such as private landlords who supply temporary accommodation, comply with the Council's Equal Opportunities Policy. This may lead to people not receiving services which meet their needs.

Dealing with homelessness

- 52** Weaknesses outweigh strengths in this area. The Council has invested in the service to support a stronger emphasis on prevention but this is not yet leading to consistently positive outcomes. The service carries out some good work to prevent homelessness and increase the supply of accommodation but services to residents in temporary accommodation are poor. Residents are not routinely kept informed of progress with their cases and most have not been offered help and options advice. The number of people in temporary accommodation has increased in the last three years and performance across a range of homelessness indicators, including length of stay in all forms of temporary accommodation is poor.
- 53** The number of people in temporary accommodation has increased in the last three years. The Government has set a target that councils reduce their use of temporary accommodation by 2010. Haringey's use of temporary accommodation has increased since this target was set in December 2004. By October 2007, the Council's use of temporary accommodation had increased by 208 households since the baseline was set. The Council's lettings and allocations service does not have a robust plan setting out targets to reduce temporary accommodation and the activities that will contribute to this reduction. This means that there can be reduced confidence that the Council can achieve the 2010 target.

⁷ OHMs is a computer database system used by a number of local authorities

How good is the service?

- 54** Residents in temporary accommodation are not routinely kept informed of progress with their cases. Residents in temporary accommodation are unsure of the responsibilities of managers and generally dissatisfied with the service offered. Their main concerns are that they are not kept informed of the progress of their case, managers frequently change, and that it is difficult to contact their manager. They also complain of missed appointments, an issue identified in the Council's documentation and confirmed in a reality check.
- 55** Part of the problem is the range of housing managers' duties. Each manager has a patch on average of 180 leased properties, and 120 hostel units. They also liaise with landlords on behalf of the Council and service users. In addition, they act as 'informal' contact for residents of emergency accommodation, as the service is not confident that emergency accommodation agents used can fully address the needs of residents. The Council's housing service expects housing managers to inform residents of their options, but there is no evidence that this happens in a systematic way.
- 56** The Council has invested in the service to support a stronger emphasis on prevention but this is not yet leading to consistently positive outcomes. At the time of the inspection both long-term residents in temporary accommodation and recent tenants confirmed that they had not been interviewed regarding their options while in temporary accommodation. In addition, when leases come to an end, the lettings section should receive six month's notice from the Housing Supply Group. In practice, due to the high volume of lease ends, and shortage of staff, the lettings section is only given four month's notice. At this stage, residents are given extra points and encouraged to bid for permanent housing, but no advice is given about their options. As a result, many residents find themselves back in emergency temporary accommodation at the end of their lease. This revolving door process means that the use of temporary accommodation is maintained, and has a negative impact on the health and social integration of homeless households⁸.
- 57** The Council is not providing sufficient support for households placed outside the borough. Around 90 households have been placed in temporary accommodation in the Midlands. Although they have a designated housing manager in the temporary accommodations team, it is unclear how advice and support can be offered in any practical way. Given the tight schedules for bidding through Home Connections, there is no realistic possibility that these residents can view properties. People living in temporary accommodation in the Midlands do not receive monetary assistance to travel; in one example, a resident was required by the Council to attend an interview in London but arrived to find the office closed. The placement of households in the Midlands means therefore that service users are separated from support networks, and receive limited advice and support from the service.
- 58** The Council is responsible for many internal repairs for privately leased properties, and agents responsible for repairs in emergency accommodation; this is outlined in the recent newsletter. However, residents feel that repairs issues are not resolved through officer visits, and that they are passed between the Council and their agents.

⁸ The links between health, homelessness and temporary accommodation are set out in a number of pieces of research; see for example, data provided by the London Health Observatory

- 59** Residents in hostels are positive about the service they receive from hostel managers. The Council's housing service has initiated surgeries in half the 34 hostels. The Audit Commission Supported Housing report of 2006 recommended that steps be taken to ensure move-on of hostel residents to permanent accommodation. As a result, the Council has set aside a quota of 100 properties per year. Halfway through 2007/08 six months, the Council has completed 37 move-on transfers, slightly behind target. However, improving the supply of move on accommodation has helped the Council align its services more closely to those who need support.
- 60** The service does carry out some good work to prevent homelessness that is leading to some positive outcomes. Applicants approaching the Council attend a preventions interview, which sets out a range of housing options. For example, family license termination is a major contributor to homelessness in the borough, and many young people approach the Council for housing following family conflict. In these cases, Preventions and Options officers provide a range of options to the young person. They contact the parents of the applicant immediately, and home visitors may call on the family. The service also uses a mediation service to attempt to resolve family disputes among its 16 and 17 year old clients. In the last year performance in preventing homelessness has improved and the Council believe that 900 cases of homelessness will be prevented by the end of the year. However, some areas for improvement remain. For example, the visiting process is used to verify details rather than resolve the situation, and only 12 cases of 'homeless at home'⁹ have been completed.
- 61** The service is effective in the provision of new homes with housing association partners. Haringey is in the top 25 per cent performers in terms of the development of housing association homes. It is also in the top five nationally for development of affordable homes. This means that the Council is working well with its association partners to provide more affordable homes.
- 62** Performance for temporary accommodation is, however, limited. Rent collection rates and costs are on target for the year, but the average length of stay in both Bed and Breakfast and hostels is in bottom 25 per cent of London councils. This means that people are spending extended periods of time in temporary accommodation which will impact negatively on their health and well-being.
- 63** The Council aims to reduce the level of temporary accommodation by encouraging landlords to convert leases to Assured Shorthold Tenancies. This process has started, albeit on a small scale.
- 64** Housing Associations currently supply 1,678 units of temporary accommodation through the Housing Association Lettings Scheme (HALs) to the Council. The Council's internal audit report notes that there are problems in monitoring these units: invoices are not paid in time, associations do not provide information promptly and the Council cannot confirm that these temporary accommodation units are of adequate quality and managed well. The Council's housing service is appointing a Contract Manager to address these issues, but at present, it cannot be fully confident that occupants of HALs are receiving a good quality service.

⁹ The Council offers additional points to applicants if they stay in their homes rather than presenting themselves as homeless- this is known as the 'homeless at home' initiative.

How good is the service?

Under occupation and occupancy checks

- 65** As well as offering preventions and options advice, the Council can reduce the use of temporary accommodation by addressing under occupation of social housing, and checking the occupancy to leased properties.
- 66** The service is not maximising the use of incentives to address under occupation. Some incentives are offered to encourage people to move from large accommodation. However, the maximum incentive of £2,000 is paid to those who move to one-bedroom accommodation, and not necessarily to people releasing larger units. This means that someone releasing a two-bedroom unit may receive a greater sum than someone moving from a four-bedroom unit, even though the latter could release a chain of moves for residents. A leaflet advertises the scheme, but the information provided is not comprehensive.
- 67** There is currently no systematic way of identifying and targeting under occupying households, nor any cost analysis to balance incentives against outcomes. For example, successions of tenancy may be a source of under occupied property, but they are not identified. In one file case, a resident moving from a four-bedroom to a one-bedroom house was given points and advised to apply through Home Connections. The points level awarded in the current lettings policy are insufficient for this household to obtain a one-bedroom flat¹⁰. This means that the Council is not maximising the use of its stock, and that resources are not being directed effectively to address housing need.
- 68** There is a comprehensive system of occupancy checks that is making a positive impact in dealing with fraud and reducing the use of temporary accommodation. SCHS introduced a system of occupancy checks in June 2007. To date, the occupancy team has visited 235 occupants in temporary accommodation, who have not been in contact for some time. In 25 cases, this has led to discharge of duty. The occupancy team has also identified 127 Section 193 cases¹¹ where residents in temporary accommodation might convert their temporary accommodation to permanent accommodation. Of this group, 15 have recently had their temporary tenancies converted, and 50 are awaiting conversion.
- 69** There remain some areas for improvement in the service's approach to occupancy checks. There is a lack of guidance on dealing with nationality and eligibility issues and no system of photographing residents when they move into temporary accommodation. Not all team members have been trained in validating documentation nor do they have direct access to a commonly-used IT system designed to identify fraud, although this can be accessed through the team leader.

¹⁰ The current points for under occupation are 500 points for 3 bedrooms, and current successful bidding for one-bedroom properties is between 600 and 1,500 points. The new lettings policy, which commences January 2008, will award higher points for under occupation

¹¹ Section 193 properties refer to low demand council properties used as temporary accommodation

The housing register

- 70** Haringey's management of the housing register is an area of weakness. The operation of the Home Connection scheme is not currently efficient or customer-focused. Performance in dealing with applications is weak and again not customer-focused. However, the Council has improved the management of the housing register through a re-registration process and revised its letting policy.
- 71** The operation of the Home Connection scheme is not currently efficient or customer-focused. The scheme operates by advertising homes on the website on Wednesdays and through the CSCs each Thursday. Applicants then must bid for properties by Monday. On Tuesdays, the five applicants with the highest level of points are selected and contacted; on Wednesday properties are viewed and offers are made after the details of the applicants are verified. Over 4,300 bids are received each week, while only up to 20 properties are advertised. Many of these bids come from people with no chance of success and there is no filtering of ineligible bids. This wastes time for staff and customers.
- 72** When applicants with high priority cannot be contacted by telephone, allocations lettings officers move on to the next applicant. There is no system of leaving messages or using alternative methods such as texting; as a consequence, 40 per cent of applicants miss their chance to be offered housing. Not all information about the service clearly emphasises the importance of maintaining up-to-date contact details, and applicants whose details are wrong are not informed. Service users find it difficult to update their contact details, and have to provide information several times before records are amended. This contact system results in residents with high needs missing the opportunity for rehousing.
- 73** In some areas the Council's policies and their application are not clear. For example, the Council's policy states that some people are ineligible for housing by virtue of 'unacceptable behaviour'. Examples include rent arrears or anti-social behaviour. However, some staff are unclear about the level of rent arrears that is allowable within the system. In addition, the high level of arrears (up to £1,500) allowable does not act as an incentive for many to reduce them. In addition, some staff are not clear about the implications for applicants of refusing offers. In terms of antisocial behaviour, the current lettings policy implies a blanket exclusion policy, which is not allowed within current legislation. Other documents state that antisocial applicants will not be housed near older people. The lack of clarity means that service users may be unclear about their rights and responsibilities, and staff may not treat applicants equitably.
- 74** The verification process causes delays in the lettings process and frustration among applicants. Points are verified after the property is viewed; it is not uncommon for points to be amended with the result that applicants accept the property but the offer is subsequently withdrawn. The verification interview only takes place on Thursday and Friday; if the appointment is missed, the next available slot is a week later, extending the void period. There is a standard form informing people which documents are required for verification, but the form is unclear as to whether all the listed forms are required, or some of them. The housing application form states that documents are required, but does not state what these are. All these factors lead to an inflexible service, costly in staff time and rental loss.

How good is the service?

- 75** The Council's performance in dealing with applications is weak and its approach is not customer-focused. The Council is failing to meet its target to process applications in 14 days. The average time to process applications is currently 86 days while in one case, it took, 8 months to point an applicant. Other weaknesses include:
- acknowledgement slips and requests for language translations are not always acted upon;
 - conflicting and contradictory information is sent to some applicants about their priority;
 - the standard letter does not outline an appeals procedure, or recommend action for those who are about to be made homeless;
 - there is lack of clarity about whether applicants living with their families should be awarded points for shared facilities;
 - there is no written procedure for pointing applicants, or for management transfers; and
 - OHMs data is unreliable. Information is sometimes entered into the computer system inaccurately, and service users find it difficult to have incorrect information amended. In addition, problems are caused by lost documentation.
- 76** This means that there can be only limited confidence among applicants that their cases are processed accurately, and that their circumstances are fully considered.
- 77** The Council cannot state with confidence that lettings policy is achieving its stated aims - that is, to address overcrowding and to offer choice. Ninety-three per cent of successful bids are homeless or in temporary accommodation¹². Only 7 per cent of successful bids are from the transfer list, against a target of 50 per cent. This means that overcrowded households may not benefit from the revised lettings system. It also means that the service is missing the opportunity to set up transfer chains¹³.
- 78** The Council needs to do more to promote the Home Connection scheme to applicants. Two-thirds of people on the housing register have not bid through Home Connections, and a third of those with maximum points have not bid. This means that the system is encouraging multiple bids from those with little chance of success, but is not supporting potentially vulnerable and needy applicants who have not used the system.
- 79** The second stated aim of the system is to offer choice. However, the proportion of allocations outside the Home Connections system is high. The proportion of lettings through direct lettings, although reduced, does not meet targets. Two-thirds of these direct allocations are to people whose temporary accommodation leases are ending. This means that the direct allocations system is increasingly geared towards managing temporary accommodation, rather than dealing with exceptional transfer cases.

¹² July 2007 figures

¹³ A transfer chain refers to an offer of accommodation which sets up a chain of moves. For example, a tenant moving to a three-bedroom property will vacate a two-bedroom property. The person moving to this two-bedroom property will release a one-bedroom property.

- 80** There are weaknesses in case management. We found that some forms for management transfers were not always completed or were inaccurate. It was also difficult to read some of the documents and identify clearly who had made decisions. In addition, there are sometimes unexplained delays between, for example, incidents of harassment and the completion of the management transfer form.
- 81** The Council has reacted to a previous inspection to improve two aspects of the service. A previous inspection criticised the Council because its register and lettings policy had not been updated for a substantial period. The Council has now completed both tasks. Following a thorough consultation process, a new lettings policy was adopted in 2007. However, the policy has been subject to substantial changes, and a revised policy will come into effect in January 2008. This revised lettings policy addresses some of the problems with the current one - for example; it increases the points for under occupation, and is more accurate regarding exclusions. There are, however, still some anomalies. For example, the revised lettings policy does not refer to single homeless people.
- 82** The Council has improved the robustness of the housing register. In 2007, the Council had the first of what it intends to be an annual review of the register. In the first review since 2001, the Council removed approximately 15,000 from the register. Some of these have now been re-registered as the Council audits non-responses, and 63 re-registration forms are received each week by the Council. Together with the recent Housing Needs Survey, the updated housing register means that the Council can more accurately predict the demand for homes.

Offering choice and working with partners

- 83** Currently, in partnership working there is a balance of strengths and weaknesses. The strategic approach to working with partners is generally sound. Positively, the Council has nomination agreements in place with housing association partners but some important aspects of its monitoring arrangements could be improved. The Council works well with private landlords on a day-to-day basis producing some good outcomes but has had limited ongoing strategic engagement with them over the last two years. Longer void periods have led to delays in securing permanent housing for those in need.
- 84** Positively, the Council has nomination agreements in place with housing association partners but some important aspects of its monitoring arrangements could be improved. Housing Associations own and manage 12,738 permanent homes in Haringey; over half of these are owned by five associations. The Council has taken steps to maximise the supply of affordable homes by updating the nominations agreement¹⁴. The Council has agreed monitoring arrangements with its partner housing associations. Information on voids and lettings is provided to the Council on a quarterly basis. Although some checks are in place arrangements to ensure that nominations are in the right place and of the right quality remain an area for improvement.

¹⁴ Council are required to have a nominations agreement with Housing Associations in their areas. The agreement outlines for example the proportion of vacant properties the association must offer to the council

How good is the service?

- 85** The Council's relationship with Housing Associations is formalised through a number of groups. At a strategic level, there is a well attended Housing Associations Forum. At a more operational level, the lettings subgroup examines allocations issues. The latter group has not met regularly over the last two years. This meant that until recently issues that were important to a number of Housing Associations such as the sharing of information about antisocial behaviour or vulnerable or potentially violent nominees had not been successfully resolved as quickly as they should have been.
- 86** However, the Council does work effectively with associations at an operational level. Housing Associations report that nominations are generally accurate, and they are provided within target timescales.
- 87** Work with private landlords is leading to good outcomes allowing people in housing need to access private sector housing. Haringey has a relatively large private rented sector, and the Council has procured a significant number of units for use as temporary accommodation. SCHS has developed a number of schemes to encourage private renting. Following a successful pilot of an Accredited Lettings Scheme¹⁵ (ALS), it was fully introduced in 2007. The Council has also set up the Landlord Direct Lettings Scheme (LDLS). This offers incentives to landlords who wish to manage their own properties, including a dedicated housing benefits officer. The schemes are advertised through a range of attractive and comprehensive leaflets, and on local minority ethnic community radio networks.
- 88** The Council has set a target that these private letting initiatives supply 30 extra units of accommodation per month. This is below the original target of 60 per month¹⁶, and presently it is achieving 22 per month. This is, however, on an upward trend, and our contact with the Housing Supply Group showed that staff are efficient and well informed about these schemes.
- 89** The Council funds some smaller scale initiatives. For example, 'invest to save' resources are used to prevent homelessness through rent deposits. The Council also uses these resources to underwrite potential overpayment claims, which may threaten tenancies.
- 90** The Council works well with private landlords on a day-to-day basis but has had limited ongoing strategic engagement with them over the last two years. Private landlords are keen to work with the Council, and the Landlord Forum held in October 2007 attracted 90 landlords. Private sector officers have regular meetings with the 26 local lettings agents who supply 1,700 units of emergency accommodation. Officers regularly meet lettings agents who operate the Accredited Lettings Scheme. However, the recent Landlord Forum was the first for a long period, and there is little evidence that the Council has worked strategically with landlords for some time, limiting the sector's effectiveness.

¹⁵ The ALS is an initiative in which the Council manages property on behalf of private landlords. Landlords are encouraged to participate through pre-screening of tenants, and the provision of rent deposits and rent in advance

¹⁶ Homelessness strategy 2003-08

- 91** The Council and ALMO have maintained a generally productive relationship, but performance in terms of void periods is poor. The average re-let time for empty properties is 38.7 days¹⁷, against 29 days in 2006/07. Some of this is caused by delays in the verification process; as a result, the Council is losing income and applicants have to wait longer for permanent housing.
- 92** Over the last 18 months, there has been a significant decline in the number of moves completed through mobility schemes and mutual exchanges. As a result, more pressure is placed on the housing register.

Is the service delivering value for money?

- 93** Overall, weaknesses outweigh strengths in this area. The service does not demonstrate a robust system to ensure value for money in the lettings and allocations service, acknowledging that a systematic approach to value for money is 'under development' in the service.

How do costs compare?

- 94** A focus on value for money is not embedded throughout the housing service. There is a system of business and pre-business planning, and these include sections on value for money, efficiency and risk. However, the 2007-2010 Business Plan acknowledges that 'an approach to dealing with value for money issues is under development'. There is a lack of reported performance data, and limited comparative information to inform policy in this area.
- 95** Although the income recovery team has done some limited comparative work with services at three other similar London boroughs, managers do not have a clear understanding of costs in their service. As a result, the service is unable to demonstrate value for money against measures of cost, performance and perception.

How is value for money managed?

- 96** The Council has generated substantial income over the last three years through the expansion of temporary accommodation. However, it is unclear how the lettings and allocations service, and the vulnerable people it serves, have benefited from this additional income. The Council pays an average of £236.00 per week to landlords of private properties, and receives an average of £355.32 per week in rental income from these properties. This generated a net income of £8.48 million in 2006/07. This surplus income is used in part to support council services, and as a reserve against future subsidy changes rather than being reinvested in housing service improvement.
- 97** The subsidy system will change in 2009, which means that this source of income will be removed. Potential risks attached to the change in subsidy regime are acknowledged in the medium term financial strategy, the pre-business plan and the business plan, but there are no specific plans in place to identify the scale of the subsidy reduction, or build this into budgets. This means that the service could face unplanned reductions in budgets over the next two years.

¹⁷ Year to date September 2007

How good is the service?

- 98** There are weaknesses in the controls in place to effectively manage claims from landlords for damage to their property. Over half of the 246 properties handed back to landlords in 2006/07 were subject to a claim for damages. The average settlement agreed was £1,928.63. There are 120 cases where the landlord has either refused to settle, or are expected to make a claim. Decisions on dilapidation payments to landlords are taken by surveyors outside the housing service. Costs under £3,000 are settled without any further checks; those over £3,000 are monitored by a manager in the temporary accommodation team. The cost of dilapidations is met from the homelessness budget. The budget is not managed to full effect, with no targets or benchmarks to guide officers; therefore, the Council cannot demonstrate value for money. As the number of private sector lease ends increase over the next two years, the sums paid out will increase substantially.
- 99** A system to recover rechargeable costs from landlords has only recently been introduced. In addition, there are no systems in place to charge damages to temporary accommodation residents. The Council pays significant sums each year to Homes for Haringey to repair temporary accommodation, but since 2003, the computer system has not facilitated recovery of these sums from landlords. Although the system has recently been adjusted to address this issue, it is likely that much of the monies paid out will not be recovered. This means that there is a loss of resources available to improve services.
- 100** The housing service has a high number of temporary and agency staff. As well as the impact on service, this is an additional cost to the Council in terms of wages and training.
- 101** There has, however, been investment in initiatives which both add value and provide value for money. These include:
- floating support offered through Key Support, HARTs and Sixty Plus have prevented eviction in 200 cases, saving an estimated £260,000¹⁸;
 - the Preventions and Options service has spent £150,000 from the £562,000 corporate 'spend to save' budget. It has calculated that it costs £1,200 per intervention, and this represents a cost-effective way of reducing homelessness; and
 - the Empty Properties office is presently conducting a street survey of registered empty properties, drawn from Council Tax and Housing Register records. Forty-five properties, previously registered as empty have been confirmed as occupied, resulting in £64,427 additional Council Tax.
- 102** The income recovery team provides good value for money in collecting rent from occupants of temporary accommodation. At 97.65 per cent of rent roll (2006/07), rent recovery is high, and the team has a low staff: resident ratio compared to benchmarked services.

¹⁸ These are voluntary sector floating support schemes, funded through the Supporting Housing service. HARTs focuses on families, Key Support on 16-17 year olds and Sixty Plus on older residents.

- 103** In terms of controlling and reducing expenditure, the Housing Supply Group monitors market rents and area reference rents, and this information is used to maintain temporary accommodation rents 10 per cent below market levels. The service also uses the Bed and Breakfast Information Exchange (BABIE) to monitor bed and breakfast costs and keep costs down. As a result, the service is meeting its targets to control average costs of private sector and nightly rented accommodation.

What are the prospects for improvement to the service?

What is the service track record in delivering improvement?

- 104** This is an area where strengths and weaknesses are in balance. There have been some significant improvements that customers would recognise although there remains more to do in many areas. Positively, the rate of improvement has increased recently with steps made to address a number of issues raised in reports and by this inspection. The service has a good track record of responding to Audit Commission recommendations. Overall improvement in performance indicators is mixed and progress in implementing service improvement recommendations and delivering targets in key strategies has not been consistent. Insufficient progress has been made in cross-cutting areas in particular customer access and value for money.
- 105** The service has a good track record of responding to Audit Commission recommendations. A previous Audit Commission report identified a number of key weaknesses in the lettings and allocations service. To address these weaknesses, the service has made some significant changes in the last year:
- a choice based lettings service, Home Connections, has replaced the previous complex mixture of choice, fast track lettings and direct lettings;
 - a new nominations and partnering agreement has been concluded with Housing Associations;
 - SCHS has carried out a re-registration exercise to update the housing register;
 - a new lettings policy has been introduced; and
 - the housing advice and homelessness service has been merged to form the Preventions and Options service.
- 106** Progress in implementing service improvement recommendations arising from a series of internal and external reports and delivering targets in key strategies has not been consistent. In some cases, actions arising from these reports have not been undertaken; for example, a number of actions recommended for the Housing Supply Group have been delayed. In addition, a number of important targets set out in the Homelessness Strategy 2003-2008 have not been achieved. These include developing a landlord training scheme and starting a 'temporary to permanent' initiative¹⁹. Other targets, such as providing a newsletter and consulting residents in temporary accommodation, have only partially, and very recently, been addressed.

¹⁹ Only 18 temporary to permanent transfers have been achieved against an annual target of 100 set out in the 2003/08 Housing Strategy

- 107** There have been some significant improvements that customers would recognise although there remains more to do in many areas, as follows.
- Home Connection is simpler than the previous complex mixture of allocation schemes, and has led to a rise in the proportion of properties accepted by applicants. However, the operation of the Home Connection scheme is not currently efficient or customer-focused, and a significant proportion of allocations are direct lettings, bypassing the choice-based lettings system.
 - The new nominations agreement sets out the expectations of the Council clearly. However, some important aspects of its monitoring arrangements could be improved.
 - The re-registration process removed 15,000 applicants from the register. Positive steps were taken to identify and support vulnerable applicants. However, there remains a risk that some vulnerable applicants may have been removed in error.
 - The new lettings policy was informed by a comprehensive consultation exercise. The policy reflects national and local priorities, and engaged with important diversity issues. However, some issues were not included, and the pointing system has not fully delivered the aims of the policy. A revised lettings policy is due to be fully introduced in January 2008.
 - The Council has invested in the Preventions and Options service to support a stronger emphasis on prevention but this is not yet leading to consistently positive outcomes.
- 108** The Council is currently undertaking the Phase 2 Lettings Project, the aim of which is to build on the changes above. The aims of this phase include: interviewing non-bidders in the Home Connections process, an options paper on out-of-London moves and comprehensive monitoring of the nominations process.
- 109** Positively, the rate of improvement has increased recently with steps made to address a number of issues raised in reports and by this inspection. For example:
- a new lettings policy was agreed in July 2007, and will be fully implemented in January 2008;
 - officers have started the process of verifying the details of the top pointed 250 applicants. This will save time verifying details when offers are made. Following the inspection, a more flexible system of verification was introduced;
 - a user survey has recently been posted, and residents in temporary accommodation invited to participate in a series of focus groups;
 - a meeting of the Lettings Sub-Group during the period of the inspection adopted an information sharing protocol; and
 - the service has responded quickly in a number of areas to improve the service for customers for example, it changed its approach to the Home Connections scheme by reducing the number of bids and increasing the number of days on which properties can be viewed.

What are the prospects for improvement to the service?

- 110** Overall improvement in performance indicators is mixed. In May 2007, 8 of the 15 top-line management targets were green, and seven red²⁰. In terms of housing advice, an increased number of households have received housing advice which has resolved their situation. However, the number of households who are re-presenting as homeless within two years of initial contact has increased, and is above the London average. The number of households in temporary accommodation increased in 2006/07, albeit at a slower rate than previously.
- 111** There has been a significant decline in the number of applicants accepted as homeless. The overall number of applications fell from 576 in Quarter 1 2006 to 186 in Quarter 1 2007. The proportion of applicants accepted as homeless has fallen by 53 per cent in the last year. The acceptance rate per 1,000 population is 1.1 per 1,000 households. Although still slightly above London average for acceptances, the reduced level of acceptances has contributed to the recent reduction in the use of temporary accommodation. This recent reduction in temporary accommodation provides an opportunity for more effective management of this accommodation.
- 112** Haringey's use of temporary accommodation has increased by over 60 per cent between 2002 and 2007, although usage peaked at 5,909 households at the end of 2006/07. In Quarter 3 2007, the total number of households in temporary accommodation fell to 5,415²¹.
- 113** In terms of housing supply, the average time to re-let empty properties has increased by eight days, and the average length of time spent in hostel accommodation was longer in 2007/08. On the other hand, the number of private sector vacant dwellings brought into use met the target of 100 in 2006/07.
- 114** The Council has reduced the number of empty private sector properties from 3,093 in 2002 to 1,961 in 2007. Homes empty for more than six months have fallen at a faster rate, from 2,075 to 1,001 in the same period. The number returned to occupation fell between 2005/06 and 2006/07, but continue to meet targets. This reduction increases the amount of housing in the borough available for people in housing need. However, the housing service has noted that a cut in resources, from £3 million in 2006/07 to £0.5 million in 2007/08 will affect these programmes.
- 115** Insufficient progress has been made in cross-cutting areas in particular customer access and value for money. Customer access and in particular the provision of information, consultation with users and access by telephone remain areas for improvement. A systematic approach to value for money is still developing and while the service is delivering positive outcomes for a range of diverse groups there remain some weaknesses in its approach to equality and diversity.

²⁰ Green light- achieving year-to-date targets: red light- not achieving year-to-date targets

²¹ Data provided by LB Haringey subsequent to inspection

How well does the service manage performance?

- 116** This is an area where strengths outweigh weaknesses. There is a clear and visible commitment to driving improvement from both senior councillors and senior managers. The service demonstrates an openness to challenge and a high level of self-awareness that is reflected in its future plans. The performance management framework is sound and generally performance monitoring and reporting is also sound. However, the service is not consistently learning from customer feedback to improve performance.
- 117** There is a clear and visible commitment to driving improvement from both senior councillors and senior managers. The Leader of the Council has explicitly identified this service as a key priority for the Council. There is also a new impetus and focus to drive improvement from senior managers following the successful work to support the ALMO achieving two-star status in 2007. Both councillors and senior managers have expressed a commitment to provide resources to the service. This gives confidence that improvements will be delivered in the short term.
- 118** Performance monitoring and reporting arrangements are generally sound. Performance monitoring arrangements have been discussed and developed with managers. Detailed performance information is provided to each manager with 16 key items of performance information reported to Senior Management Team each month. Performance reports including the choice and presentation of data was recently improved to reflect current priorities. For example, the percentage of agency staff is now included each month. However, there are some areas for improvement. There are weaknesses in the systems to ensure reliable and accurate information. For example, as at July 2007, Home Connection had 17,000 applicants, but the housing register had 13,000²². Positively, the Council is currently undertaking a data-cleansing exercise to address this issue. In addition, there are no targets set for the mediation service in terms of timescales and outcomes. As a result, it is difficult to assess the success of this service.
- 119** The performance management framework is also sound. Individual managers report to the management team if their performance is at variance with targets. High-level arrangements include senior managers reporting to the portfolio holder weekly, and to the Chief Executive Management Board. A six-weekly report to the Leader details performance against 18 national and local indicators. This system encourages ownership of targets and accountability for performance among managers.
- 120** There is a sound process linking service aims to staff performance. Staff have annual appraisals, which are explicitly linked to business plan and wider Council aims and include personal development plans. However, not all staff have well developed and SMART targets- in some cases they are very detailed, in others, not. Although not fully comprehensive, the performance management system does provide an effective tool linking strategic objectives to individual and team performance. As a result, the service can identify and respond to weak performance.

²² Home Connections data analysis report December 2006-July 2007

What are the prospects for improvement to the service?

- 121** The service demonstrates an openness to challenge and a high level of self-awareness that is reflected in its future plans. The service has used internal and external reports to challenge its service delivery and identify areas for improvement. The service's future plans are generally SMART and importantly demonstrate a high degree of self-awareness about its strengths and weaknesses. While progress to date has been mixed these plans do address many of the key weaknesses identified in this report for example, addressing weaknesses in the lettings process.
- 122** The service is not consistently collecting and analysing customer feedback to improve performance. While the service now responds quickly to complaints it has acknowledged that it is not maximising the opportunities to garner learning. To address this the Senior Management Team recently adopted a 'learning from complaints protocol'. In addition while there are some good examples of consultation with users, the service does not currently have an informed understanding of the views of service users. Service related data is also collected from a range of sources but importantly key information and trends are not analysed. For example, data shows that nearly all appeals against offers of accommodation came from Black and Minority Ethnic applicants. This is a potentially significant piece of information, but has not been identified or reflected upon. These weaknesses mean that the service may be missing opportunities to improve the service.

Does the service have the capacity to improve?

- 123** The Council has taken positive steps to address capacity issues at all levels within the service. The Council restructured the service and appointed a new Assistant Director with knowledge and experience of managing these services and leading change of this nature. Other important posts have also now been filled to help address weaknesses in the service. The ICT systems are capable of supporting the service well. However, staff capacity is reduced by high levels of sickness absence and the high proportion of agency staff. This means that there is a balance of strengths and weaknesses in this area.
- 124** The Council has taken positive steps to address capacity issues at all levels within the service. The restructuring of the allocations and lettings service which took place in 2005 has focussed resources to address service weaknesses and has made some positive impact. Importantly, a new Assistant Director has been appointed who provides knowledge and experience of managing these services and leading change of this nature. Other important posts have also now been filled to help address weaknesses in the service for example, supporting vulnerable applicants to bid through the Home Connections scheme. The Council is also appointing a Contracts Manager to improve the management of the Housing Association Lettings Scheme (HALs). Additional external resources have been secured to fund two officers to work with tenants and property owners to convert leased properties to Assured Shorthold Tenancies. In addition, a successful £100,000 bid has been made with the Council's North London partners to develop a sub-regional under occupation scheme.

What are the prospects for improvement to the service?

- 125** The service has 150 Full Time Equivalent staff. Compared with similar organisations, it is well staffed, and other resources, such as those provided through Supporting People are adequate. This means that the service has resources to achieve its aims. However, these resources are not deployed effectively. A large amount of resources are used to verify documentation and validate claims for housing, rather than prevent homelessness.
- 126** Sickness and absence within the service is high. On average, each staff member is absent for 18 days per year, and this rises to more than 27 days in the income team. This is substantially higher than the rest of the Council and comparable organisations. The Council has a robust procedure for dealing with illness and absence; however, there is currently little evidence yet of targeted work to address the issue, such as requiring management staff to attend training. This means that the organisation is not maximising service delivery and value for money.
- 127** The service has a high proportion of agency staff. Concerted action over the last six months has reduced the percentage of agency staff from 29 per cent to 24 per cent of staff, but the figure remains high. As a result of the high turnover of staff, there is a lack on continuity for customers and other stakeholders such as Housing Associations. In addition, the Council has to invest in induction and training for staff who may only stay for a short amount of time.
- 128** There is a mixed picture regarding investment in staff training. A part time legal officer in the validations team has provided a series of internal training sessions on different aspects of housing law, and some individual training profiles show ongoing staff investment. However, there is no systematic identification of training needs, nor a plan to address gaps in training, such as validating documentation and mediation. This means that there is limited alignment between training and the aims of the organisation.
- 129** The Council has as yet not fully identified and made plans for potential losses of subsidy income. The Council has generated substantial income over the last three years through the expansion of temporary accommodation. Potential risks attached to the change in subsidy regime are acknowledged in the medium term financial strategy, the pre-business plan and the business plan, but there are no specific plans in place to identify the scale of the subsidy reduction, or build this into budgets. This means that the service could face unplanned reductions in budgets over the next two years.
- 130** The ICT systems are capable of supporting the service well. In line with our earlier criticisms of how the system is used, managers acknowledge that ICT could probably deliver far more than they currently ask of it, and the Council is improving systems. The allocations and lettings service is moving to paperless filing. The Council was in the middle of scanning case papers onto the ICT system during the inspection and aims to complete the exercise by the end of November 2007. This will give all staff immediate access to case records at any office, helping to ensure people are dealt with quickly and consistently.

Appendix 1 – Performance indicators

	2005/06	London average 2005/06 ²³	2006/07 ²⁴	Target 2006/07	2007/08 YTD July	Target 2007/08
Number of households for whom advice solved their situation (BVPI 213)	381		380	400	900	500
% change in number of families placed in TA (BVPI 203* ²⁵)	7.36	1.87	5.66	1		
Number households in TA (HS203ii*)				5709		
Proportion families re-presenting as homeless within 2 years (BVPI 214*)	1.55%	0.95%	2.3%	8%		
Average length of stay in hostel (BVPI 183b)	67.41	17.57	61.83	18	82.37	60
Average time relet council property (BVPI 212)	29	35		27	38.7 ²⁶	27
Number households rehoused- Moving Out of London HS1*	54			60		
Number under occupied tenancies moving to suitable accommodation (HS 2)*	98			60		

²³ PI benchmarking

²⁴ This column taken from hard copy

²⁵ * means that the indicator was deleted from the basket of headline indicators

²⁶ YTD September 2007

What are the prospects for improvement to the service?

	2005/06	London average 2005/06 ²⁷	2006/07 ²⁸	Target 2006/07	2007/08 YTD July	Target 2007/08
Empty private sector dwellings returned to occ. (BVPI 64)	414	257	101	100	111	100
Proportion rent collected for all TA	96.27%		97.65	95	96.28	96
Cost per PSL lease			904.67	842.24	891.40	907
Cost per nightly rented accom.			41.23	40.20	41.11	42.20
% telephone calls answered within 15 seconds	51			77	45.23	79
% telephone calls answered	59			85	47.34	84

Additional PIs for 2007/08

	2005/06	2006/07	Target 2006/07	2007/08 YTD	Target 2007/08
% Member's enquiries answered on time		68		95	90
% Stage 1 complaints in time		63		95	90

²⁷ PI benchmarking²⁸ This column taken from hard copy

Appendix 2 – Reality checks undertaken

- 1 When we went on-site we carried out a number of different checks, building on the work described above, in order to get a full picture of how good the service is. These on-site reality checks were designed to gather evidence about what it is like to use the service and to see how well it works. Our reality checks included:
 - interviews and focus groups with staff and managers at all levels;
 - mystery shopping to public access offices;
 - a focus group with residents of temporary accommodation;
 - telephone interviews with applicants on the housing register;
 - interviews with Councillors, including the Lead Member for Housing and the Leader of the Council;
 - observation and shadowing of interviews;
 - file reviews;
 - telephone interviews with Housing Associations;
 - shadowing of occupancy checks; and
 - visit to Hearthstone Domestic Violence service.

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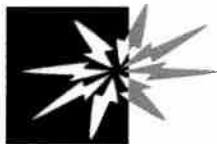
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Haringey Council

Agenda item:

Audit Committee	On 30 July 2009
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Report Title: Internal Audit Progress Report – 2009/10 Quarter 1		
Report authorised by: Chief Financial Officer		
Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk		
<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; padding: 5px;">Wards(s) affected: All</td> <td style="width: 50%; padding: 5px;">Report for: Non-key decision</td> </tr> </table>	Wards(s) affected: All	Report for: Non-key decision
Wards(s) affected: All	Report for: Non-key decision	
<p>1. Purpose of the report</p> <p>1.1 To inform the Audit Committee of the work undertaken during the first quarter by the Internal Audit Service in completing the annual audit plan and any responsive fraud investigation work. In addition, the work of the Council's personnel division in supporting disciplinary action taken across all departments by respective council managers.</p>		
<p>2. State link(s) with Council Plan Priorities and actions and/or other Strategies:</p> <p>2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing key services and making recommendations for improvement where appropriate. Follow up work is undertaken to ensure that managers implement agreed recommendations and improvements.</p> <p>2.2 Internal audit forms a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on progress against the agreed audit plan and the implementation of audit recommendations ensure that the requirements of the CAA assessment are fulfilled.</p>		
<p>3. Recommendations</p> <p>3.1 The Audit Committee is recommended to note the audit coverage and progress during the first quarter 2009/10.</p> <p>3.2 That the Audit Committee notes the progress and responses received in respect of outstanding audit recommendations.</p>		

3.3 That the Audit Committee considers whether any further action is necessary to ensure that outstanding priority 1 recommendations are fully addressed.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference. In order to facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Audit Committee.

4.2 Where further action is required or recommended, this is highlighted in the covering report and associated appendices and included in the recommendations for the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The internal audit service makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the authority. This report looks at the work undertaken in the quarter ending 30 June 2009 and focuses on:

- Progress by Deloitte and Touche (internal auditors) on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised;
- Progress in implementing outstanding internal audit recommendations with special attention given to priority 1 recommendations; and
- Details of investigative work undertaken relating to fraud and/or irregularities that fall outside the remit of the Housing Benefit Fraud Investigation Team, including information in respect of disciplinary action taken.

6.2 The information has been compiled from information held within the Audit & Risk Management Unit and from records held by Deloitte and Touche and the Council's corporate Human Resources business unit.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal issues arise out of the contents.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer confirms that budget is available for the existing service

provided by Deloitte Touche.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with how risks to service delivery are managed across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

11. Consultation

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of individual internal audit reports and follow up programmes and their comments included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work completed by Deloitte and Touche is part of the five year contract which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

13. Use of appendices

13.1 Appendix A – Deloitte and Touche Progress report
 Appendix B – In-house Team – investigations into financial irregularities
 Appendix C – Council-wide disciplinary information

14. Local Government (Access to Information) Act 1985

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

15. Performance Management Information

15.1 Although there are no national or Best Value Performance Indicators, local performance targets have been agreed for Audit and Risk Management. These form part of Corporate

Resources' reporting processes, but are detailed below for information. Table 1 below shows the targets for each area of audit activity monitored and gives a breakdown between the quarterly and cumulative performance.

Table 1

PI Ref.	Performance Indicator	1 st Quarter	Year to date	Target
A1	Audit work Completed vs. Planned programme	79% of planned Q1 programme	20% of total programme	95%
A2	User satisfaction (1 = low, 5 = high)	3.7	3.7	3.75
A3	Time taken to complete investigations (2008/09 referrals)	15.8 weeks	15.8 weeks	12 weeks
A4	Priority 1 recommendations implemented at follow up (2008/09 audits)	74%	74%	95%

16. Internal Audit work – Deloitte and Touche contract

16.1 The activity of Deloitte and Touche for the first quarter of 2009/10 to date is detailed at Appendix A. In this quarter, a total of 20 projects have been finalised, including 6 school visits to assess compliance with the Financial Management Standard in Schools (FMSiS). All except one school achieved the required outcomes against FMSiS and will be receiving their certificate from the Department for Children, Schools and Families.

16.2 The programme of planned follow up audits is also reported at Appendix A. The work of internal audit and the new reporting requirements to both the Audit Committee and Cabinet, which receive details of all outstanding Priority 1 recommendations as part of the 2009/10 corporate performance reporting arrangements, have ensured that managers take greater responsibility for implementing recommendations. Full details of all the outstanding recommendations are shown in Appendix A.

16.3 Work is ongoing, in conjunction with the Chief Financial Officer, to ensure that Directors were aware of the required actions necessary and from 2008/09 onwards, the implementation of Priority 1 recommendations has been included in the PI reporting requirements for all departments. Directors are kept informed of progress and Internal Audit are satisfied that managers are taking action to address the issues raised in the original recommendations. Revised timescales have been agreed where appropriate.

17. In-house Team – Fraud investigation/Irregularities

17.1 In accordance with the Council's Constitution, Internal Audit investigates all cases that fall outside the remit of the Housing Benefit Fraud Investigation Team and the Information Security Policy. Appendix B details the individual cases that were completed by the In-house Team to date in 2009/10 and any which were brought forward from 2008/09.

17.2 Within the first quarter, no new cases were referred to Internal Audit for investigation, and five cases were completed during the quarter involving Council employees. The five cases completed in quarter one took 15.8 weeks on average to complete. Internal Audit work closely with officers from personnel and the service involved to ensure that the investigation is completed as quickly as possible.

17.3 The council has a dedicated email address and telephone number, which is advertised on the Council website, by which members of the public can report instances of suspected fraud or irregularity. The In-house Team manage and monitor these referrals. During quarter one, 22 referrals in relation to new allegations were made via the council's email reporting facility. Of these, ten related to housing benefit, and six related to council tax/council tax benefits issues and were referred to the Housing Benefit Fraud Investigation Team for further review. Three related to Housing/Right to Buy issues and were referred to the Strategic Housing Division for further review. Three referrals were not related to fraud.

17.4 During the first quarter of 2009/10, the in-house team have also completed:

- Internal audit reviews of grant usage during 2008/09 for Supporting People, and the GAF project, which has enabled the final grant claims to be submitted in accordance with central government and external audit requirements; and
- Training and guidance to relevant departments across the council and Homes for Haringey in relation to the National Fraud Initiative (NFI). This has ensured that the investigation processes into potential data matches can begin. A report will be provided to the Audit Committee later in the year to advise of progress and actions taken by the Council in respect of NFI.

17.5 The In-house Team also investigates claims of non-receipt of Council cheques. In 2009/10, there have been no referrals for investigation. This is a substantial reduction on previous years' figures. Improvements in procedures, including the introduction of 'positive pay' whereby the council's banking team receives information on cheques before they are cleared, and new cheque security measures have reduced the opportunity for attempted fraud in this area.

18. Council-wide disciplinary statistics

18.1 Appendix C details the number of disciplinary suspensions and/or action taken in the first quarter of 2009/10. The data is taken from SAP and the information has been provided by the Council's Human Resources business unit in line with council statistics reported elsewhere.

18.2 Improved processes, monitoring, management information and liaison between service departments and HR has been put in place. These improved processes have resulted in an average of 70 days per case in quarter 1. This level has been maintained over the previous four quarters.

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**Internal Audit
Quarter 1 Internal Audit Report
2009/2010
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.
July 2009

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Executive Summary

Introduction

This is our first quarter report to the Audit Committee for the 2009/10 financial year including details of all reports which are now at final stage. The report provides information on those areas which have achieved full or substantial assurance and gives an indication of the direction of travel for key systems work which will provide Members with information on how risks are being managed over time. The format of this report is also designed to highlight the key risks facing individual departments and the Council which have been identified during the course of internal audit reviews. A more detailed summary of the limited assurance audit findings is included for information. The report draws together the summary information which is provided on a monthly basis to Members of the Audit Committee. Members of the Committee will also be provided with full copies of our audit reports upon request.

All recommendations are agreed with Council officers, and any disputes are discussed prior to the final report being issued. All recommendations to address any control weaknesses highlighted within this report have been agreed. Officers' actions to address the recommendations, including the responsible officer and the deadline for completion, are fully detailed in the individual final audit reports.

The attached tables reflect the status of the systems at the time of the audit, and recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee. The audits highlighted in **bold** are those not previously reported to the Audit Committee.

As a reminder, our recommendations are prioritised according to the following categories:

- Priority 1* - major issues for the attention of senior management
- Priority 2* - other recommendations for local management action
- Priority 3* - minor matters and/or best practice recommendations

Key Highlights/ Summary of Quarter 1 2009/10:

- **Social Services Establishment Audits**
- **Start of Probity audits of Primary Schools**

As part of the 2009/10 Internal Audit Plan, we also issued a draft report in June 2009 following an audit of Hostels, which was completed as part of the Procurement plan within the Corporate Resources Directorate. We have received the management responses and the final report will be issued in July 2009.

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Audit Progress Summary – 2008/09:

The following table sets out the audits finalised in this quarter and the status of the systems at the time of the audit. It must be noted that the recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee. The audits highlighted in bold are those not previously reported to the Audit Committee.

Detailed summaries of all audits which do not receive 'Full' or 'Substantial' assurance ratings are also provided for Members' information.

Audit Title	Date of audit	Date of Final Report	Assurance level	Direction of Travel	Number of Recommendations (Priority)			Comments
					1	2	3	
Pension Fund Investment	March 2009	06.04.09	Full	↔	0	0	0	
NDR	January 2009	15.04.09	Substantial	↔	0	3	3	
Implementation of Equal Pay Project	March 2009	21.04.09	Substantial	N/A	0	0	0	
Council Tax	January 2009	22.04.09	Substantial	↔	1	1	2	
Performance Management (ACCS Directorate)	January 2009	20.05.09	Substantial	N/A	0	3	1	
Sundry Debtors	January 2009	11.05.09	Substantial	↔	1	4	0	
Housing & Council Tax Benefits	March 2009	20.05.09	Substantial	↔	1	4	0	
Strategic Financial Management & Budgetary Control	January 2009	26.05.09	Substantial	↔	0	0	1	
Creditors	March 2009	02.06.09	Substantial	↔	0	2	1	
Leisure Centre Procurement	January 2009	15.06.09	Substantial	N/A	2	4	0	
Special Educational Needs (SEN) Commissioning	October 2008	15.06.09	Substantial	N/A	0	5	1	
Area Based Grants	January 2009	25.06.09	Substantial	N/A	1	0	0	
SAP Customer Relationships Management (CRM)	April 2009	26.06.09	Substantial	N/A	0	4	2	
Cash Receiving	January 2009	26.06.09	Substantial	↔	0	0	1	

FMSiS Assessments and Summary:

Our work during 2008/09 involved checking compliance with the requirements of the Financial Management Standard in Schools (FMSiS).

All Primary, Infants, Junior and Special Schools are to be assessed as to whether they meet the requirements of the standard by 31st March 2010. To achieve this it is planned that these schools will be assessed over the three years as follows:

- 40% of schools by the 31st March 2008;
- 40% of schools by the 31st March 2009; and
- 20% of schools by the 31st March 2010.

Our schedule of visits to Primary Schools in 2008/09 included 29 schools (43%). The audit of three of these Schools have been deferred until 2009/10. We have issued final reports for all 26 Primary Schools visited. Of these, 25 Schools have been assessed as meeting the Standard. One school has been assessed as failing the standard. We will schedule a follow-up visit later in the year to assess whether the key recommendations have been implemented to enable us to confirm that the School meets the Standard.

We also visited one Secondary School in October 2008 - Haringey Sixth Form Centre. Our final report, which was issued on 3 March 2009, confirmed that the School has met the Standard.

Our work during 2009/10 will involve visits to the remaining 20% of Primary Schools to check compliance with the FMSiS. Haringey Education Finance Team, in conjunction with Internal Audit, provided an FMSiS training session to these Schools in June 2008 and our visits are scheduled to start from September 2009.

The table below sets out the results of our FMSiS audit with regards to compliance with the Standard by the 26 Primary Schools visited (which is reported as either pass or fail):

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Primary School	Date of Assessment	Date of Final Report	Outcome (Pass/Fail)
The Vale Primary School	June 2008	01.09.08	Pass
The Green Primary School	June 2008	26.09.08	Pass
Rhodes Avenue Primary School	July 2008	26.09.08	Pass
Seven Sisters Primary School	July 2008	26.09.08	Pass
South Harringay Junior School	July 2008	26.09.08	Pass
Blanche Neville Special School	July 2008	26.09.08	Pass
Belmont Infant School	July 2008	25/09/08	Pass
Belmont Junior School	July 2008	26/09/08	Pass
Campsbourne Primary School	July 2008	20/01/09	Pass
Moselle Special School	October 2008	20/01/09	Pass
Woodlands Park Nursery	November 2008	23/01/09	Pass
Lea Valley Primary School	December 2008	05/02/09	Pass
Tetherdown Primary School	November 2008	09/02/09	Pass
St Peter in Chains RC Infants School	October 2008	09/02/09	Pass
St Aidan's VC Primary School	November 2008	17/02/09	Pass
North Harringay Primary School	October 2008	17/02/09	Pass
Highgate Primary School	November 2008	25/02/09	Pass
Broadwater Farm Primary School	December 2008	25/02/09	Pass
Welbourne Primary School	November 2008	27/02/09	Pass
Downhills Primary School	December 2008	18/03/09	Pass
William C. Harvey Primary School	December 2008	24/04/09	Pass
St Paul's RC Primary School	November 2008	24.04.09	Pass
Stroud Green Primary School	January 2009	05.05.09	Pass
Muswell Hill Primary	October 2008	15.05.09	Pass
St Ignatius Primary School	December 2008	02.06.09	Pass
Nightingale Primary School	February 2009	02.07.09	Fail

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Detailed Progress Report - Implementation of Priority 1 Recommendations 2004/05 and 2005/06

Audit Area	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2004/05				
Payroll & Expenses	1	31.03.06	An online process is being developed for Payroll to manage expense claims payments. <i>Deadline: 2008/09</i>	Implemented Actions were put in place to implement the proposal for expenses claims to be processed through payroll from April 2009. Guidance on claiming of expenses are in place. Payment of expenses is processed through the payroll with effect from 27 April 2009. Imprest Account officers located within Directorates will no longer be able to make reimburse via their petty cash float. A new e-form has been designed to facilitate the process.
2005/06				
TOREX Leisure Management System	1	Ongoing/ May 2008	Request to software suppliers to correct the system in order to fully prevent access following repetitive invalid logon attempts <i>Deadline: December 2008</i>	In Progress The department will be moving across from using Torex to a newer model called Advantage. This upgrade will aim to prevent individuals accessing the system following three failed attempts. The software upgrade of the new system for the DSO Sports and Leisure department has been delayed but is expected to be completed for September 2009. <i>Revised Deadline: September 2009</i>

Detailed Progress Report - Implementation of Priority 1-3 Recommendations 2006/07

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
URBAN ENVIRONMENT				
Pointing of Housing Register Applications				
<p>All relevant staff should formally declare any personal interest they may have in the processing of applications, awarding of points and approval of successful applicants.</p> <p>A Declaration of Interest register should be maintained by a delegated officer and updated on a regular basis.</p>	2	<p>June 2007 <i>(Revised Deadline January 2009)</i></p>	<p>In Progress</p> <p>Update received from management on 12.1.09: All new staff are advised on the need to declare any conflict of interest as part of their induction. Where it is identified that a housing application or homelessness application is being made by a member of staff or a member of their immediate family, the case is dealt with by a senior officer. Where an officer identifies that a case involves a friend or someone that they know, the case is dealt with by their senior.</p> <p>There is no declaration of interest register which covers such situations. This will be taken forward.</p> <p>Update as at 9.4.09: Management have confirmed that no staff are aware of any register in existence, and it was identified that this is an issue with wider implications than just housing register applications, as it applies to the Senior management Team as well. Will be taken to SMT.</p> <p>Update as at 13.7.09: In order to comply with this recommendation we will have a register in place by 14 August 2009 which will be located with the Assistant Director's PA. The register will record the details of staff who have disclosed that they have a personal interest in any case that they are dealing with. This includes cases where an officer;</p> <ul style="list-style-type: none"> ▪ Is involved with the processing of an application ▪ Is involved in the award / removal of points in relation 	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>to an application</p> <ul style="list-style-type: none"> ▪ Is involved in the assessment/ approval of homelessness cases ▪ Is involved with the allocation of temporary / permanent accommodation ▪ Is involved with a private landlord who has offered a property to the Council as an AST / PSL ▪ Is involved with an applicant who is presenting to Advice and Options for assistance <p>(This list is not exhaustive and there is an expectation that staff will disclose any personal interest in a case)</p> <p>Revised Deadline: 14 August 2009</p>
Waste Management				
	<p>‘Household’ information should be uploaded on the Mayrise system at Haringey Accord to assist with the production of performance reports.</p> <p><i>Internal Audit Note:</i></p> <p><i>Haringey Accord have been taken over by Enterprise.</i></p>	1	August 2007	<p>No longer applicable</p> <p>Management update at November 2008:</p> <p>The Council has engaged with Enterprise with regard to the potential for using the LLPG to assist in the production of performance reports. Enterprise is currently estimating that the change to using Works Manager will happen in Dec 08 / Jan 09. The Council will seek agreement for Works Manager to link with the LLPG when Works Manager is implemented or as soon as possible afterwards.</p> <p>Enterprise are yet to confirm a date when Works Manager and LLPG will be implemented on the Haringey contract.</p> <p>Update 14.4.09: Enterprise will not be updating Mayrise as this system will be replaced by their own corporate IT system, WorksManager. Their IT system works on UPRN and as such will be using the updated version of the LLPG supplied by the Council. The implementation project to utilise WorksManager will commence in the next couple of months.</p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>Update 13.7.09 Due to the contract with Enterprise coming close to an end it is likely that no further amendments will be made to the system. On consultation with the Head of Environmental Resources and the Client and Performance Manager it was explained that the Council will look for the link with LLPG when reviewing proposed future contractors. Therefore this recommendation is no longer applicable.</p>
CHIEF EXECUTIVE'S – PPP&C				
Partnership Arrangements				
<p>A clearly defined consultation strategy should be developed and incorporated within the overall strategy for each partnership arrangement.</p> <p>Consultation strategies should be communicated to all responsible individuals and stakeholders, and should define who will be consulted, methods of consultation, responsibility for consultation and how consultation findings will be utilised.</p>	2	May 2008	<p>In Progress</p> <p>A Communications and Consultation Strategy is being developed both for the Council and the HSP. The development of the strategies is being led by Head of Communications for the Council. This will support complementary principles and actions across the Council and its partners. The HSP Communications and Consultation Strategy will govern the activities of all the sub-groups of the HSP in this matter.</p> <p>Update 23.1.09: The development of the strategy is still on course. A new HSP Community Engagement Framework is in development to take account of the new 'Duty to Involve' legislation, which incorporates linking these strategies.</p> <p>Update 9.4.09: A multi agency group is developing the framework and an initial phase of consultation was undertaken to inform the</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>framework. A second phase consultation is currently underway whereby individuals and community groups give their views on the draft framework. The framework will be agreed by the Haringey Strategic Partnership at the end of April 2009.</p> <p>Update 13.7.09 The multi agency group developed the community engagement framework. The Consultation Strategy falls under this framework. The Consultation Strategy is expected to be formally reviewed and adopted by the end of the financial year. Revised Deadline: April 2010</p>

Detailed Progress Report - Implementation of Priority 1-3 Recommendations 2007/08

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CHILDREN AND YOUNG PEOPLE'S SERVICE					
Primary Capital Programme					
1	<p>A Project Initiation Document (PID) should be developed for all key projects and should be authorised by the Project Sponsor and Corporate Finance, in line with the Council's Project Management Framework.</p> <p>Management should consider developing an approval process for related projects (such as a reduced PID)</p>	1	Changes suggested to start immediately	<p>In Progress</p> <p>Management Update 15.1.09: The Primary Strategy for Change bid (Programme Business Case) was submitted to the DCSF in June 2008. This bid formed the basis of Haringey's proposed delivery plan for Primary capital programme for 2009/10 onwards.</p> <p>Audit were advised in August 2008 that on receipt of approval of the bid:</p> <ul style="list-style-type: none"> a. A PCP programme PID would be drafted and submitted for Council approval by December 2008; b. A mandate would be given to proceed with project brief development and approval for 2 major projects - Broadwater Farm Inclusive learning campus and a 	

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>School expansion project by September 2008; and</p> <p>c. Feasibility studies and a draft of the business cases would be completed by November 2008.</p> <p>The council were anticipating a response from DSCF by September 2008 but did not receive a response until November 2008.</p> <p>The bid (business case) approval was deferred until the submission of evidence of adherence to 2 Nr Conditions within the programme delivery plan by 31st March 2009:</p> <ul style="list-style-type: none"> a. More detail is required for Choice and diversity; and b. More detail is required for ICT change management & procurement. <p>On receipt of the feedback to the Councils bid in November 2008, the Project Sponsor/Programme Board gave approval to the respective PCP project briefs and approval to proceed with the feasibility studies and preparation of the project business cases.</p> <p>The present projected programme milestones are:</p> <ul style="list-style-type: none"> a. Completion the draft PCP programme PID – March 2009; and b. Approval of PCP programme PID – April 2009 (critical path is subject to the milestone – ‘the receipt of DCSF approval of the additional information requested to support Haringey’s bid/business case’). <p>Update 8.4.09: As per the responsible Officer, the PID for the Primary Capital Programme is virtually complete but is awaiting responses from the various stakeholders. The PID for the</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>whole programme will include the Business Case. It is planned that for major projects within the programme an individual PID and Business Case will be developed.</p> <p>Update 21.7.09 A framework document is currently being written (completed by end of Sep 2009), that explains the approach to delivering all schemes in the Primary and Pre-School Programme (PPS) and the commissioning approach we are developing to new sub-programmes within PPS (current sub-programmes in implementation phase are PCP, Children's Centres Phase 3, Youth Capital Plus). As each new sub-programme is commissioned, a short commissioning document will be created defining the outcomes of that sub-programme, any funding restrictions, key timelines and prioritisation of spend. Then, as each project within a sub-programme is initiated, a standard Council template project PID will usually be created (exceptions to this would be for very some of the very small maintenance projects we deal with). Given the PCP Programme was started prior to the commissioning process, our current documentation about that sub-programme is the Primary Strategy For Change and Project Briefs or PIDs (as per the stage of delivery) for each of the PCP projects (Broadwater Farm, Rhodes Avenue expansion, Coleridge).</p> <p>Revised deadline: September 2009</p>	
2	<p>A Business Case should be developed for the Programme and for all individual projects within the programme, in line with the Council's Project Management Framework.</p> <p>For smaller projects, the Business</p>	1	System now in place	<p>Partly Implemented</p> <p>Please see comments above</p> <p>Deadline: September 2009</p>	See above.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
	Case should be approved by the Project Sponsor or management team, and that for projects that report to the Programme, the Business Case must also be signed off by Coporate Finance and agreed by the Stream Board.				
ADULTS, CULTURE & COMMUNITY SERVICES					
Appointeeship & Receivership					
3	<p>Management should liaise with the Head of Corporate Finance to consider holding Appointeeship service user funds in interest bearing bank accounts, for the benefit of the clients.</p> <p>Consideration should be given to apportioning all interest earned on these accounts in an appropriate manner and crediting the interest to individual clients, based on the level of funds that they hold. In all cases, it should be specified whether the interest is credited gross or net, for tax return purposes.</p>	2	March 2009	<p>Partly Implemented</p> <p>The Service is still in discussion with Corporate Finance, who have confirmed that relevant action will be taken by end of April 2009.</p> <p>Revised Deadline: April 2009</p> <p>Update 13.7.09: The service are waiting for a response from the discussions with Corporate Finance. Revised Deadline: September 2009</p>	
4	Management should put in place a process for invoices to be raised in a timely manner for all the relevant cases where care is provided to service users.	2	March 2009 – System purchase September 2009 – actual implementation	<p>Partly Implemented</p> <p>We were informed that there is currently nothing in Framework-i to enable this functionality.</p> <p>The new system is likely to be purchased by March 2009.</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>However, the actual implementation, allowing the interface to be configured may have to be delayed to September 2009. Management will be looking to have interface between Framework-I and the charging system.</p> <p>Management Update 15.1.09: In light of the implementation of Framework-i Finance, the service will use reconciliation reports, cross referenced to SAP AR, to achieve this objective. This will ensure that when assessments are completed, invoices are raised in a timely manner where relevant.</p> <p>Management Update 09.4.09: The new system has been purchased and a go live date of the third week in May has been set. The full interface is still scheduled for September 2009.</p> <p>Update 13.7.09 Deadline not yet due to confirm implementation.</p>	
5	<p>A reminder should be sent to Social Workers of the importance to enter the correct cost code all Payment Request Forms. Cashiers should also be reminded of the importance to input the correct SAP cost code on the system (as noted on the Payment Request Form) when processing payment. It is further recommended reconciliations should be completed every two months between payments charged to community service users and the Payment Request Forms in order to identify</p>	2	N/A	<p>No longer applicable</p> <p>New methods of achieving this are currently being discussed with the Manager for Community and Social Care. A proposal is to produce a 'look up table' whereby a weekly schedule is approved. Coding will be maintained by the Finance Division: this should overcome the issue of inaccurate SAP coding by staff. However, this is an ongoing process that still needs to be discussed further.</p> <p>Management Update 09.04.09: Due to reviews being undertaken with Social Workers this has not been implemented. However, the team are currently working with Care Managers so that all payment request forms are checked manually on an individual basis.</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
	and correct any miscoding errors.			<p>A revised deadline of May 2009 has been set.</p> <p>Management Update 13.7.09: There are no more issues relating to the cost codes. Social workers no longer need to be reminded as correct codes are requested from the Finance Assessment team. In addition, there is a proposal for the frontline cashiers service to close so this recommendation is no longer applicable. If this proposal is successful the service will need to work with Corporate Finance to revise current procedures.</p>	
6	<p>It is recommended that all policies and procedures should be reviewed regularly, and at least annually, and updated, if necessary.</p> <p>It is further recommended that all documents should be dated and communicated to all relevant staff.</p>	3	N/A	<p>Partly Implemented</p> <p>Management Update 15/01/09: A renewed Section 48 policy is being re-drafted in line with the standardized Adults, Culture & Community Services template. This template will include a review date.</p> <p>Management Update 09.04.09: The Section 48 policy has been revised apart from one remaining section in which the department are awaiting legal advice – this should be completed by May 2009.</p> <p>Update 13.7.09: The policy is still awaiting feedback and advice from legal services. Revised Deadline: September 2009</p>	

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Follow Up Table - 2008/09 Audit Work

AUDIT AREA	Assurance Level	Recommendations										Priority 1 Recommendations Outstanding												
		Category			Implemented				N/A	Not Imp.	In Progress		Not yet due											
		1	2	3	Total	1	2	3						Total										
Council-wide																								
Information Management & Security	Substantial	0	3	0	3	0	1	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0
Chief Executives – PPP&C																								
Complaints Procedure	Substantial	0	3	1	4	0	3	1	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chief Executives – P&OD																								
Pre-employment checks	Substantial	1	4	0	5	1	4	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Implementation of Equal Pay Project	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Resources																								
Insurance Arrangements	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting and General Ledger	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension Fund Investment	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposal of Properties	Substantial	1	5	1	7	1	5	1	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Council Tax	Substantial	1	1	2	4	0	0	2	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0
NNDR	Substantial	0	3	3	6	0	3	3	6	0	3	3	6	0	0	0	0	0	0	0	0	0	0	0
Cleaning Materials Procurement	Limited	5	5	1	11	4	4	0	8	0	1	1	1	0	1	1	1	1	1	1	1	1	1	1
Framework-I Application	Substantial	0	8	2	10	0	8	2	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I-World Database	Substantial	0	5	1	6	0	5	1	6	0	5	1	6	0	0	0	0	0	0	0	0	0	0	0
ALBACS	Substantial	0	7	1	8	0	7	1	8	0	7	1	8	0	0	0	0	0	0	0	0	0	0	0

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AUDIT AREA	Assurance Level	Recommendations												Priority 1 Recommendations Outstanding		
		Category				Implemented				N/A	Not Imp.	In Progress	Not yet due			
		1	2	3	Total	1	2	3	Total							
Civica Disaster Recovery	N/A	0	2	0	2	0	0	0	0	0	0	2	0	0	0	The o/s recommendations will be followed up as part of the 2009/10 audit plan.
Urban Environment																
Highways (Contractor Processes)	Substantial	1	2	0	3	0	0	0	1	0	0	1	0	0	2	1
Adults, Culture & Community Services																
Cranwood Residential Care Home	Substantial	0	7	1	8	0	7	1	8	0	7	1	0	0	0	0
Red House Residential Home	Substantial	0	8	1	9	0	7	1	8	1	0	0	0	0	0	0
Cemeteries & Crematorium	Substantial	1	6	1	8	0	6	1	7	0	0	0	0	0	0	1
Commissioning & Strategy	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Children & Young People's Services																
Children's Centres – Broadwater Farm	Substantial	1	1	0	2	1	1	0	2	0	0	0	0	0	0	0
Children's Centre – General	Limited	3	6	1	10	1	6	1	8	0	0	0	0	1	1	1
Children's Centres – Pembury House	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0	0	0
Passenger Transport Services	Substantial	2	9	0	11	1	8	0	9	0	0	1	1	0	0	1
All Directorates – Project Mgmt, Assurance and Project																
Building Schools for the future	Substantial	3	3	0	6	3	3	0	6	0	0	0	0	0	0	0
Total		19	90	16	125	13	80	15	109	1	8	4	4	6	6	

Implemented – officers has indicated through self-certification the progress of recommendations. We have verified a sample of responses.

N/A – the recommendation is no longer applicable due to changes in the system, or alternative action has been taken to address the risk.

Not implemented – the recommendation has not been addressed, alternative action has not been taken.

Partly implemented – officers have started implementation of recommendations

Detailed Progress Report - Outstanding Priority 1 – 3 Recommendations 2008/09

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
COUNCIL WIDE					
Information Management and Security					
1	It is recommended that management should monitor and assess the adequacy of the procedures in place at third party service providers with regard to the management and storage of confidential data.	2	31/12/09	Update 13.7.09 Deadline not yet due to confirm implementation.	
2	It is recommended that management should establish a formal process for the periodic testing of local practices for a sample of business units against compliance with the Data Protection Act and the Council's Data Protection Policy and Procedures. It is further recommended that the results of the sample testing are documented and signed off by the officer completing the checks.	2	31/12/09	Update 13.7.09 Deadline not yet due to confirm implementation.	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CORPORATE RESOURCES					
Council Tax					
1	It is recommended that the reconciliation of the Council Tax system (IWORLD) with all other systems (including RADIUS and SAP) should be completed on a monthly basis.	1	31/04/09		This will be followed up as part of the 2009/10 audit plan.
2	It is recommended that progress on clearing the suspense account, in particular older balances, should be monitored by the Benefits and Local Taxation Finance Manager. It is further recommended that identified items on the suspense account should be reallocated to the correct accounts on the general ledger in a timely manner.	2	31/4/09		This will be followed up as part of the 2009/10 audit plan.
Cleaning Materials					
1	The Service's budget-setting process should be reviewed and appropriately revised to ensure that the budget set is realistic and reflective of the Service's current needs. In addition, the initial budget setting should be completed in consultation with the key stakeholders (the Head of Facilities Management, the Manager of Cleaning Services and the Area Managers) and should include an appropriate zero-based costing	1	31/7/09	Management Update: 13.7.09 A key stakeholders meeting was held to discuss budget issues on the 23rd March 2009. Upon discussion it was identified that this is ongoing work and the recommendation has not been fully implemented. Revised deadline: September 2009	

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DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2	exercise. It is recommended that the Service should complete a comparison of stock usage across the different sites using the chemical usage spreadsheet, which should be sent on a regular basis by the Suppliers. This should be used to accurately monitor the usage of stock by similar sites and any variances investigated.	2	31/4/09	Update 13.7.09 Due to the required documentation not being made available from the supplier we could not determine whether this control has been fully implemented Revised Deadline: September 2009	
3	The service should ensure that annual/regular refresher training is provided to relevant members of staff to ensure that up-to-date guidelines on usage and responsibility is provided. In addition, records of training courses provided should be adequately maintained.	3	31/3/09	Update 13.7.09: This was not implemented as at the above date. Same training sheet supplied and updates are still to be made over the coming year. Revised Deadline: September 2009	
Civica Disaster Recovery					
1	When planning the next disaster recovery test, consideration should be given to the back up process and the automated progression to be segregated to start at different times. Planning for the test should ensure that management reports are produced from the recovered system at the DR site and are taken at the same state as the system at Haringey, i.e. either before or after the progression has commenced.	2	31/6/09		This will be followed up as part of the 2009/10 audit plan.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2	<p>Management should prepare detailed test plans for the future Disaster Recovery tests, which should:</p> <ul style="list-style-type: none"> • identify key transactions processed by the Parking Management System; • be used to prepare a test schedule detailing the data to be used and expected results; and • be used on the recovery test to document testing. 	2	31/7/09		This will be followed up as part of the 2009/10 audit plan.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
URBAN ENVIRONMENT					
Highways (Contractor Processes)					
1	It is recommended that the Confirm system should be used to generate reports on actions taken in relation to inspections undertaken, and that management should check a sample of inspections to verify that appropriate action has been undertaken on a timely basis.	2	31/3/09	Update 13.7.09: This is awaiting feedback from management regarding action taken.	
2	It is recommended that the Service should produce error logs for incomplete works from the Confirm system, and that corrective action is taken to rectify the works which are still outstanding.	2	31/6/09	Update 13.7.09: This is awaiting feedback from management regarding action taken.	

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10 **APPENDIX A**

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
3	<p>It is recommended that the Service should ensure that a signed agreement is in place between the Council and each contractor.</p> <p>It is further recommended that all contract variations should be supported by a signed approval by the relevant Council officer and by the contractor.</p> <p>A copy of the signed document giving notice of the contract variation to the contractor should be retained on file and the Service should ensure that the contractor signs and returns the document promptly, for retention by the Council</p>	1	31/12/08	<p>Update 13.7.09</p> <p>The Contracts Lawyer within legal service provided a signed copy of the contract variations on behalf of John Crowley (Maidstone) Limited. However a signed copy of the contract could not be provided.</p> <p>Revised deadline: September 2009</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
ADULT, CULTURE AND COMMUNITY SERVICES					
Cemeteries and Crematorium					
1	It is recommended that relevant staff should be reminded to undertake a monthly reconciliation of all income received to income due, and that any discrepancies and overdue income should be identified, investigated and followed up to a prompt conclusion. (AR invoicing file) It is further recommended that the reconciliation should be checked by an independent officer, and signed and dated by both the preparer and reviewer.	1	31/10/08	Update 13.7.09 Months November and December 2009 were not done due to sickness. Revised Deadline: September 2009	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CHILDREN AND YOUNG PEOPLE'S SERVICES					
Children's Centre - General					
1	Policies and procedures currently used are the generic Haringey Council policies available on Harinet. The bespoke policies and procedures will be developed and once approved, they will be made available to the centres. Centres will ensure that staff are fully trained and a training programme will be adopted to ensure this is effected.	1	31/12/08	Update 13.7.09 Policies and procedures currently used are the generic Haringey Council policies available on Harinet. The bespoke policies and procedures have been developed in draft and once approved; they will be made available to the centres. Revised Deadline: September 2009	
2	It is recommended that a formal signed agreement should be put in place between the Children's Centres and the Link Centres, which documents all the terms and conditions, and contractual obligations of both parties.	1	31/12/08	Update 13.7.09: This is currently in progress and will be in place in a few months. Revised Deadline: December 2009	
Passenger Transport Services					
1	It is recommended that contractors should be reminded of their contractual obligations to provide quarterly reports identifying their performance against the standards set out in the contract.	1	3/11/08 – Contractors Meetings	Update: 13.7.09 The last quarterly meeting minutes were provided, but there is currently no reporting of Key Performance Indicators. Revised Deadline: September 2009	

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

APPENDIX A

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2	<p>It is recommended that the procedures by which the Passenger Transport Service operates should be documented, dated, approved at the appropriate level and made available to all relevant staff for reference.</p> <p>It is further recommended that responsibility should be assigned to a nominated officer for maintaining the procedures, including reviewing and updating these, where appropriate, on a periodic basis.</p>	2	Nov 08	<p>Update 13.7.09: A new Transport Operations Manager has been appointed as from February 2009 and is currently in the process of reviewing and updating all procedures operated by the Transport Service in addition to management of the service and plans to have the procedures completed within six months.</p> <p>Revised Deadline: September 2009.</p>	

Statement of Responsibility

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

The matters raised in this report are only those which came to our attention during the course of our internal audit 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 internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Deloitte & Touche Public Sector Internal Audit Limited

London

July 2009

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APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/03/10 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 30/06/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Children & Young People's Service	Alleged failure to disclose motoring convictions/Irregular expense claims (B/F)	1	1	1	Disciplinary Pending Employee Dismissed At Appeal ET Lodged	
	Allegation that employee running business whilst off sick (B/F)	1	1	1	Pending	
Corporate Resources	Misuse of Resources (B/F)	1	1	1	Dismissed At Appeal	
Urban Environment	Allegation of irregular involvement with supplier (B/F)	4	0	0		

APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/03/10 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 30/06/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Non-specific	LBH cheques claims of non-receipt	0	N/A	N/A	N/A	
Total		7	3	3		

Haringey Council – Audit Committee**Disciplinary Case Analysis April 2009 to June 2009****Introduction**

The information in this report is taken from SAP, covering the period **01 April 2009 – 30 June 2009**.

The data is based on Haringey Council employees who

- hold Permanent, Temporary or Fixed Term Contracts
- are considered as Supernumerary (employees that have been on a Temporary Contract for more than 52 weeks)

Note that this data excludes:

- Casual or Sessional Workers
- Schools
- Agency Workers

Legend	
Adults, Culture & Community Services	AS
The Children & Young People's Service	C
Corporate Resources	CR
People & Organisational Development	PO
Policy, Performance, Partnership & Comms	PP
Urban Environment	UE
Haringey Council	HGY

The Council's Disciplinary Procedure is considered as a tool to assist in good management and not solely as a means of imposing sanctions or setting out procedures leading to dismissal.

The procedure aims to:

- Allow managers to address issues of unsatisfactory conduct and seek improvements in behaviour
- Ensure that employees covered by the procedure are treated fairly and consistently
- Ensure that proper and adequate procedures are observed before any disciplinary decisions are taken
- Help and encourage all employees to achieve and maintain standards of conduct, attendance and job performance
- Maintain discipline essential to the delivery of high quality services
- Protect the health, safety and well being of staff, service users and members of the public
- Safeguard the integrity and good reputation of the Council
(*Disciplinary Procedure July 2005*)

Disciplinary Cases

This section looks at the number of formal actions taken against employees under the disciplinary procedure based on data retrieved from SAP.

Disciplinary Cases by Directorate				
Directorate	Cases Open	Cases Closed	No of cases	No of employees
AS	6	6	12	11
C	16	10	26	23
CR	3	0	3	3
PO	1	0	1	1
PP	1	0	1	1
UE	13	6	19	19
HGY	40	22	62	58

Please, note that the total number of cases is **62**, but this only represents **58** employees. The reason being, that one employee can have more than one case running concurrently. For example, an employee's dismissal could count as one case and their appeal as another.

- **Urban Environment** has the highest percentage of disciplinary cases against its workforce at **2.79%**
- **40** cases remain 'open' at the end of this period.

The following table looks at the stages of Disciplinary cases.

Stages of Disciplinary Cases				
Stage	Cases Open	Cases Closed	Total	%
Invest. - not suspended	17	11	28	45
Invest. - suspended	15	11	26	42
ET	2	0	2	3
Appeal	6	0	6	10
Total	40	22	62	100

The following table identifies the outcomes of the **22** cases that were concluded.

Disciplinary Case Outcomes						
Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Appeal dismissed	0	0	0	0	0	0
Appeal upheld	0	0	0	0	0	0
Dismissal	0	4	0	0	4	18
No action	2	2	0	0	4	18
Other	0	0	0	0	0	0
Part upheld	0	0	0	0	0	0
Verbal warning	5	0	0	0	5	23
Written warning	4	0	0	0	4	18
Final writ warning	0	1	0	0	1	5
Resigned	0	1	0	0	1	5
Suspension lifted	0	1	0	0	1	5
Relegation/Demotion	0	1	0	0	1	5
Compromise Agreement	0	1	0	0	1	5
Total	11	11	0	0	22	100

- **23%** of cases resulted in a **Verbal Warning**
- **18%** of cases resulted in **Dismissal**

This table displays reasons for Disciplinary action against employees.

Reasons for Disciplinary Cases				
Reason	Cases Open	Cases Closed	Total	%
Assault	0	0	0	0
Attendance	5	0	5	8
Behaviour	15	8	23	37
Fraud / Theft	1	2	3	5
Misuse of resources	2	1	3	5
Negligence	7	3	10	16
Other	10	8	18	29
Total	40	22	62	100

- The highest cause for disciplinary action was for **Behaviour** at **37%**

This table looks at the ethnic breakdown and gender split for Disciplinary cases

Disciplinary Case employee representation by Ethnicity and Gender						
	Female		Male		All	
Ethnic Class	Total	%	Total	%	Total	%
B & M E	16	43	21	57	37	64
White	8	38	13	62	21	36
Not Declared	0	0	0	0	0	0
Total	24	41	34	59	58	100

- **33%** of the workforce is male, but the male representation of the disciplinary cases is significantly higher at **59%**

The following table looks at the ethnic breakdown per Directorate and across grade bands.

Disciplinary Case employee representation by Ethnicity and Grade Band															
(T = Total no. in grade band, WF = % of total disciplined employees in Directorate)															
Dir	Ethnic Group	MANUAL		SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
AS	B & ME	0	0.0	4	36.4	2	18.2	1	9.1	0	0.0	0	0.0	7	63.6
	White	0	0.0	3	27.3	0	0.0	1	9.1	0	0.0	0	0.0	4	36.4
	Total	0	0.0	7	63.6	2	18.2	2	18.2	0	0.0	0	0.0	11	100
C	B & ME	0	0.0	3	13.0	3	13.0	4	17.4	4	17.4	0	0.0	14	60.9
	White	0	0.0	0	0.0	2	8.7	2	8.7	2	8.7	3	13.0	9	39.1
	Total	0	0.0	3	13.0	5	21.7	6	26.1	6	26.1	3	13.0	23	100
CR	B & ME	0	0.0	0	0.0	2	66.7	0	0.0	0	0.0	0	0.0	2	66.7
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	33.3	1	33.3
	Total	0	0.0	0	0.0	2	66.7	0	0.0	0	0.0	1	33.3	3	100
PO	B & ME	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	100
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	Total	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	100
PP	B & ME	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0	0	0.0	1	100
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	Total	0	0.0	0	0.0	0	0.0	0	0.0	1	0.0	0	0.0	1	100
UE	B & ME	0	0.0	8	42.1	3	15.8	0	0.0	1	5.3	0	0.0	12	63.2
	White	0	0.0	4	21.1	0	0.0	2	10.5	0	0.0	1	5.3	7	36.8
	Total	0	0.0	12	63.2	3	15.8	2	10.5	1	5.3	1	5.3	19	100
HGY	B & ME	0	0.0	15	25.9	11	19.0	5	8.6	6	10.3	0	0.0	37	63.8
	White	0	0.0	7	12.1	2	3.4	5	8.6	2	3.4	5	8.6	21	36.2
	Total	0	0.0	22	37.9	13	22.4	10	17.2	8	13.8	5	8.6	58	100

Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases	
Case status	Total
No. of cases heard	10
No. of cases not concluded	15
No. of cases not concluded - leaver	1
Total	26

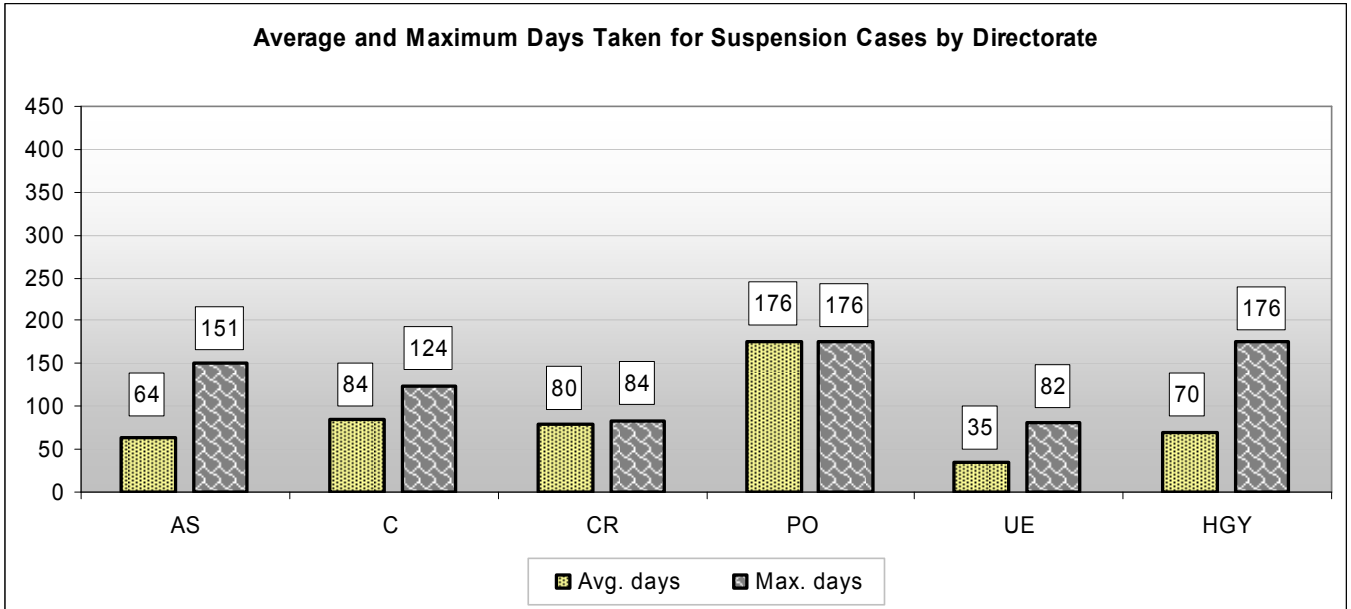
Timescales (no of days) of Suspension Cases

The table below looks at the **26** suspension cases and identifies the no. of working days each case has taken. If the case has not concluded by the end of the period, the number of working days is calculated from the start date of the current disciplinary stage to the end of the quarter.

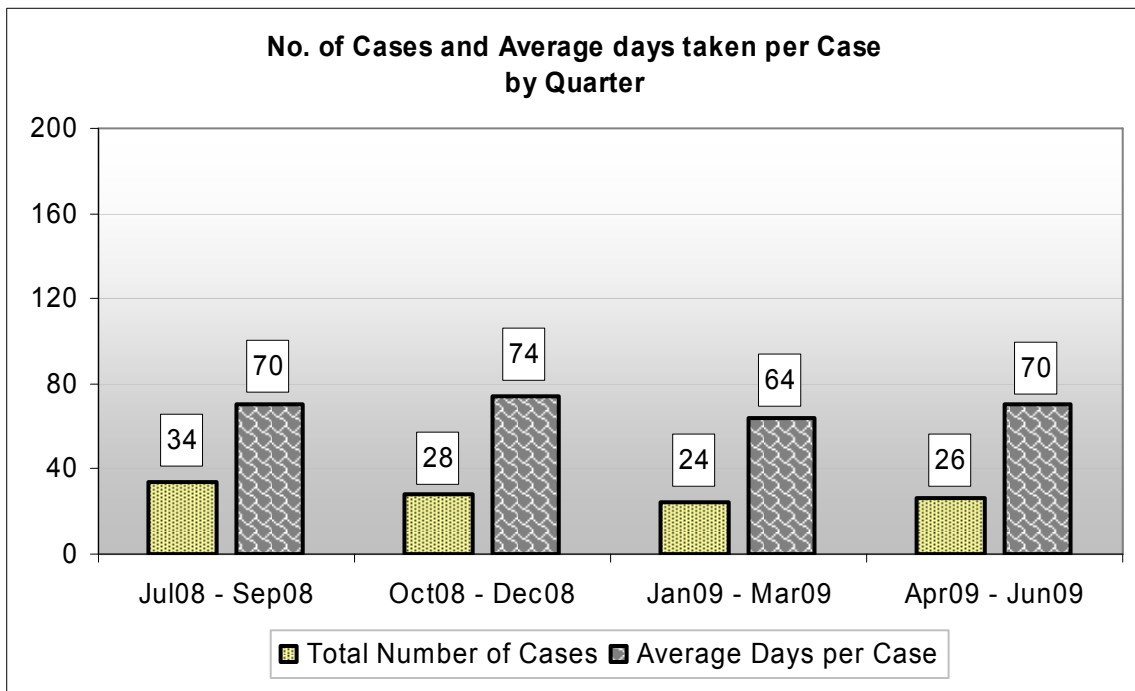
The table also identifies, by directorate, the average number of days suspension for all cases, the maximum days for a single case and average days suspension for cases heard within that period.

Timescales (no of days) of Suspension Cases											
Directorate	1-60	61-120	121-180	181-240	240+	Total cases	Total days	Avg days of total cases	Max. Days	Total cases heard	Avg days of cases heard
AS	4	2	2	0	0	8	514	64	151	4	100
C	1	7	1	0	0	9	757	84	124	5	88
CR	0	2	0	0	0	2	159	80	84	0	0
PO	0	0	1	0	0	1	176	176	176	0	0
PP	0	0	0	0	0	0	0	0	0	0	0
UE	5	1	0	0	0	6	207	35	82	1	98
HGY	10	12	4	0	0	26	1813	70	176	10	94
Total cases heard	2	6	2	0	0	10					

On average, **70** days were spent on each suspension case within the quarter.



The chart below looks at the number of suspension cases per quarter and highlights Haringey Council's average number of days per case.



The average number of days taken per suspension case has been significantly consistent over the last year, showing the benefit of the ongoing scrutiny and focus on management action.



Haringey Council

Agenda item:

Audit Committee	On 30 July 2009
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Report Title: Annual Governance Statement 2008/09 – Final Version	
Report authorised by: Chief Financial Officer G. Wood	
Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk	
Wards(s) affected: All	Report for: Information
<p>1. Purpose of the report</p> <p>1.1 To provide a final version of the statutory Annual Governance Statement, and supporting evidence matrix relating to 2008/09 for information.</p>	
<p>2. State link(s) with Council Plan Priorities and actions and/or other Strategies:</p> <p>2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services. Part of this is completed by providing assurance to managers and the Audit Committee on governance and control issues in key risk areas as part of the annual audit plan and making recommendations for improvement where appropriate.</p> <p>2.2 Governance arrangements form a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on the assurance provided on key risk areas ensure that the requirements of the CAA assessment are fulfilled.</p>	
<p>3. Recommendations</p> <p>3.1 That the Audit Committee notes the final version of the Annual Governance Statement and supporting evidence matrix for 2008/09.</p>	
<p>4. Reason for recommendation(s)</p> <p>4.1 The Audit Committee is responsible for approving the Council's draft AGS as part of its Terms of Reference. In order to facilitate this, and provide information on its</p>	

sources of assurance from across the Council, reports are provided on a regular basis for review and consideration by the Audit Committee throughout the financial year, culminating in the production of the AGS.

4.2 A draft AGS was presented for review and approval at the Audit Committee meeting of 2 June 2009. Comment and feedback from Members was incorporated into the draft AGS and a final version is now presented to the Audit Committee for information.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The production and publication of an AGS is a statutory requirement as part of the 2006 Accounts and Audit Regulations. The process to gather evidence and produce the AGS is contained within internal audit's remit and the review and approval of the draft AGS rests, at Member level, with the Audit Committee.

6.2 This report provides a final version of the AGS, following review by the Audit Committee on 2 June 2009. Comment and feedback from Members has been incorporated into the final AGS.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal issues arise out of the contents.

8. Chief Financial Officer Comments

8.1 The chief financial officer has no additional comments to add.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with governance arrangements and their implementation are managed across all areas of the council, which have an impact on various parts of the community. Improvements in managing governance and controls will therefore improve services the Council provides to all sections of the community.

11. Consultation

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of the draft AGS. The Audit Committee provided comments on the draft AGS in accordance with the agreed Audit Committee terms of reference.

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work within internal audit to support the production of the AGS is contained and managed within the Audit and Risk Management revenue budget. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

13. Use of appendices

13.1 Appendix 1 – Final Annual Governance Statement
Appendix 2 – AGS – matrix of supporting assurance and evidence

14. Local Government (Access to Information) Act 1985

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

15. Background

15.1 Since 2007/08, the Council has been required to produce an Annual Governance Statement (AGS) for publication with the council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together an underlying set of legislative requirements, governance principles and management processes.

15.2 The preparation of an AGS is a statutory requirement of the Accounts and Audit (amendment) (England) Regulations 2006. These regulations require local authorities to produce an annual statement, in accordance with 'proper practice'.

15.3 A draft AGS was provided for review at the Audit Committee meeting on 2 June 2009. Members provided feedback and comments which they wished to see incorporated into the final version. Members also requested that the final version of the AGS was presented to the next meeting of the Audit Committee.

16. Analysis

16.1 In order to comply with the statutory reporting deadlines, the AGS for 2008/09 had to be approved with the Statement of Accounts at General Purposes Committee on 26

June 2008. The Leader and Chief Executive are required to sign the final version of the AGS on or before 30 June 2009. This deadline was achieved.

16.2 The final version of the AGS and matrix of supporting evidence which are presented as appendices to this report have been updated to reflect the comments and feedback received at the Audit Committee meeting on 2 June 2009. All recommended changes have been incorporated into the final document which was signed by the Leader and Chief Executive.

16.3 It is acknowledged that the AGS is presented prior to completion of the external audit of the statutory external audit of the accounts. It is anticipated that any significant internal control issues which arise as a result of this, can be included in the AGS and re-submitted for officer and member consideration and approval before the closure of the statutory audit period on 30th September 2008.

Annual Governance Statement 2008/09

1. Scope of responsibility

- 1.1 Haringey is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Haringey also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this, Haringey is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 The authority has a framework of corporate governance in place which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. In 2008/09, Haringey Council formally approved a local code of corporate governance which has been published on the Council's website.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; it can provide a reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of Haringey's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Haringey for the year ended 31st March 2009 and up to the date of the approval of the annual report and accounts.

3. The governance framework

- 3.1 The key elements of the systems and processes that comprise the authority's governance arrangements are:

a) Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

Haringey has well established and documented aims and objectives in order to improve the quality of life for people living and working within the borough and ensure that high quality services are delivered efficiently and effectively. The Council, together with its partners, has developed the Sustainable Community Strategy 2007-2016 which sets out a joint vision and objectives. The Sustainable Community Strategy was developed after extensive consultation with residents and stakeholders through the '*Have your say Haringey – shape the future*' campaign. The Community Strategy is published and is also available on the council's website and a summary of the strategy has been translated into ten languages.

The Council Plan is linked to the Community Strategy and sets out the priorities of the Council and how these will be achieved in practice over the period 2007-10. The Council's objectives are informed by what residents and service users say and their views are captured in our annual residents' survey.

b) Reviewing the authority's vision and its implications for the authority's governance arrangements

The implementation of the Community Strategy is monitored through the delivery of the Local Area Agreement, which contains all the required national and local targets. In support of the Community Strategy, all the Council's business and financial planning documents reflect its vision and objectives. Delivery of these is through an integrated annual business and financial process, which are subject to full consultation and review by the Council's Overview and Scrutiny Committee, formal adoption by the Cabinet and approval by the Council.

Progress against the business plans is reviewed mid-year as part of the Council's formal pre-business plan review process. The Council's Medium Term Financial Strategy 2009-2012 sets out the three year budget for the Council. It supports the Council Plan and allocates resources over all the council's activities, including to the council's priorities, and is monitored on a regular basis to ensure that resources are aligned to council objectives.

c) Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and that they represent the best use of resources

The Council is committed to delivering value for money. This is achieved through a variety of mechanisms including a well established business planning process, and a robust performance management system. Haringey has comprehensive performance management systems, which include Business Plans, Service Improvement Plans and National and Local Performance Indicators. Performance measurement is undertaken at various

levels and is subject to review both internally by managers and members and externally by the Council's external auditors. In addition, during 2008/09 an independent review of data quality arrangements was undertaken by external consultants.

The Cabinet receive regular reports highlighting key financial and performance management information, which include a corporate 'balanced scorecard' and allows them to effectively monitor compliance with all key policies and Council objectives. Cabinet agendas, reports and minutes are available on the Council's website. An independent survey of a representative sample of residents and service users is completed on an annual basis and reported to senior officers and members to ensure appropriate action can be taken in specific areas.

During 2008/09, the Council implemented a Quality Outcomes Board in order to look more widely at improving services and outcomes for stakeholders across the board. The Quality Outcomes Board will provide expert external advice, support and challenge over the next year and feedback is provided to senior managers and Members. The Quality Outcomes Board will look at key areas including child protection, housing and effective partnership working through the Haringey Strategic Partnership.

Following the inspection into safeguarding arrangements by OFSTED in November 2008, which highlighted a number of issues in relation to governance and controls, an agreed action plan was put in place. Regular reports against the identified actions are being made to the Secretary of State and other government officials.

- d) **Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication.**

The Council's Constitution sets out the policy and decision making framework of the authority and is held in hard copy and on the council's intranet and external website. The roles and responsibilities of the whole Council, the Cabinet, other committees, all councillors including Cabinet Members, and officers is clearly documented, and it also contains protocols governing the relationships between members and officers and job descriptions of the council's Statutory Officers (Head of Paid Service, Monitoring Officer and Section 151 Officer). The roles and functions of all councillors in relation to governance issues are clearly documented, including their responsibilities for ward duties and the governance of the Council.

The Constitution is reviewed on an ongoing basis and updated to reflect functional and organisational changes to the Council. The council's scheme of delegation is contained within the Constitution and is reviewed and communicated on a regular basis to all appropriate officers and members.

- e) **Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

Haringey has well established codes of conduct for officers and members, which are regularly reviewed and subject to approval by members. The Council requires all members to formally acknowledge receipt of their code of conduct on an annual basis. Members are provided with regular briefings on the code of conduct as part of the established induction and training programme. The council's Member Learning and Development Strategy also incorporates specific sections relating to corporate governance issues.

The Council's officer code of conduct has been reviewed and updated on a regular basis. Following the last comprehensive review in July 2006, all staff employed by the Council were required to formally acknowledge receipt of the code of conduct. All new members of staff receive training, including the code of conduct, as part of their induction processes. Regular articles are included in corporate and staff newsletters outlining expected standards of behaviour in specific areas.

- f) **Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks**

The Constitution Working Group is an established group which meets on a regular basis to monitor, review and update the Council's Constitution and associated governance arrangements, based on a rolling work programme and taking into account any new legislative and statutory requirements. The Council's Statutory Officers meet on a quarterly basis and review key areas of governance.

Haringey has a Risk Management Strategy which is reviewed and updated on an annual basis and, through a variety of processes and procedures, ensures that risk management is embedded across the organisation and its activities, including being an integral part of the business planning process. The Council has a corporate risk register and all departments and business units have risk registers in place. The corporate risk register is reviewed on a regular basis by the Chief Executive's Management Board and the Audit Committee and updated as a result of feedback received. Regular reports are provided to both the Chief Executive's Management Board and the Audit Committee detailing progress in embedding risk management throughout the Council.

- g) **Undertaking the core functions of an audit committee, as identified in CIPFA's 'Audit Committees – Practical Guidance for Local Authorities'**

Using CIPFA and the Institute of Public Finance guidance, the Council's Audit Committee has been assessed as meeting all good practice requirements. The Audit Committee has received reports on the outcome of the

assessments and monitors compliance with best practice as part of its terms of reference.

h) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council's Constitution contains the Financial and Contract Procedure Rules, which specify the governance framework for all its operational functions. Officer Employment Rules and a Monitoring Officer Protocol are also contained within the Constitution. The Constitution also includes the roles of key compliance officers, including the Council's Monitoring Officer and Section 151 Officer, as well as specific functional responsibilities for the Cabinet, committees, other bodies and officers.

Regular internal and external audit reviews check compliance with Financial and Contract Procedure Rules across the council. During 2008/09, all the Council's key financial systems received a 'substantial' assurance rating from internal audit.

Financial management is based on a framework of regular management information and review to inform managers and members of the current budget position. Key elements of the financial management system include integrated budgeting and medium term financial planning systems, regular budget monitoring reports to the Cabinet, systematic review of all key financial control processes, monitoring of key financial and other targets, and formal project management processes.

i) Whistle-blowing and for receiving and investigating complaints from the public

Haringey has a well-established and publicised anti-fraud and corruption policy and strategy, including a fraud response plan and Whistle-blowing policy which complies with relevant legislation and is monitored and managed by Internal Audit. The Council also has a free-phone telephone number and email reporting facilities which are contained on the external website to receive reports of suspected frauds, which can be done anonymously. These are monitored and managed by Internal Audit and all referrals are subject to review and investigation where sufficient details are provided. Fraud and corruption policies and procedures are contained within the Employee Handbook, the council's intranet and website and regular staff newsletter items are published which explain how and where to report suspected fraud.

The Council also has a corporate complaints policy, and agreed procedures, which are subject to regular review and updates. The Council's policy and procedures are complaint with all relevant statutory requirements and are publicised on the Council's external website and at various public sites across the borough. Reports are provided to members on a regular basis,

summarising the numbers and types of complaints, together with the outcome and resolution of these.

j) Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

Haringey Council has implemented a Member Learning and Development Strategy. The Council was the first in London to achieve a Member Development Charter which recognises the work carried out by the Council to provide members with the support, skills and training needed to develop and manage council services and budgets effectively.

The Working at the Political Interface Programme which was launched in late 2008 delivers a programme of learning and development and service improvement activity that will improve council officers' understanding of the role, and complexity of the modern member, including the implications of the Local Government and Public Involvement in Health Act 2007 and related legislation. The programme also focuses on the difference between executive and non executive councillors and the legal framework that Councillors operate within, together with effective communication and appreciating diversity. This programme feeds into the member learning and development programme which is overseen by a cross party member working group chaired by the Cabinet Member for Community Cohesion and Involvement.

The Council also delivers a Leadership Programme for all managers, which includes a variety of training courses, workshops and work-related projects. All staff within the Council receive an annual performance review and appraisal, which is linked to the council's competency framework, and results in individual work targets and development plan. Every year, the Council provides a programme of learning events for managers and staff based on the council's vision and values, aims and objectives, and key service delivery requirements.

k) Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

The Council's publishes a resident's magazine, Haringey People, ten times per year containing information on council activities. Hard copies are delivered to all residential addresses and the magazine is also available via the Council's intranet and external website. Once a year this includes a summarised annual report and set of financial statements.

The Council also runs seven Area Assemblies, which are informal, and discussions take place on issues which are important to the residents of the area. The Assemblies are open to everyone; are held in local community buildings in all parts of the borough; and are attended by council officers and members. Details of meetings are published on the Council's website and Assembly Newsletters are produced after each meeting.

The Council joined with local public agencies, community groups and businesses to create the Haringey Strategic Partnership (HSP) in April 2002. The shared vision for the future of Haringey and the HSP priorities are set out in the Sustainable Community Strategy which is published and available on the Council's website. All agendas and minutes from HSP Board and Theme Board meetings are also publicly available and are accessible via the Council's website.

The Joint Area Review report into Haringey's Children Services identified the need to improve governance of children safeguarding arrangements. The Council has recognised the need to address key governance issues but in addition, the action plan in response to the Joint Area Review also includes actions to address and improve operational practices and corporate culture within the Children and Young People's Service. The meeting of the Children and Young People Strategic Partnership Board in December 2008 proposed to move towards a Children's Trust model to take ownership of Children and Young People's issues.

At a full Council meeting on December 2008, the Leader of the Council also announced the establishment of a Corporate Parenting Working Group and a Children's Safeguarding Policy and Practice Panel. Both forums are cross-party and will provide an advisory and oversight role. Periodic updates will be provided to the Cabinet and Cabinet member for Children & Young People, including any recommendations that should be considered to improve police practice and member development activity.

- l) Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.**

The Council has identified its key partnerships, based on the Audit Commission's definition, and has reviewed the governance arrangements and structures within these. The Council has collated corporate governance assurances in the form of terms of reference and/or the Constitution of the partnership. Governance arrangements within the Haringey Strategic Partnership, the Council's key partnership, are clearly identified and defined. The Council's member services division provides secretariat support to the HSP to ensure that its governance arrangements are robust and in accordance with the agreed arrangements. During 2008/09, the HSP adopted a local code of corporate governance which complements the Council's own internal control and governance arrangements.

The Council has been working with Alexandra Palace and Park to provide additional support and resources were provided to Alexandra Palace during 2008/09 to ensure that improvements in governance and controls were implemented. Independent reviews of governance and control issues were completed and reported to appropriate officers and members. Agreed action

plans are in place and subject to follow up to ensure that key risks are appropriately managed.

4. Review of effectiveness

- 4.1 Haringey has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. Annual performance and self-assessment processes are in place for Children and Young People's Services, Adult Social Care and Housing Benefits. From 2009/10, the Audit Committee will review reports from external assessments and actions taken by management to address any recommendations made on a six-monthly basis.
- 4.2 Under the Comprehensive Performance Assessment (CPA) Haringey achieved a rating of one star (out of four), as a result of weaknesses identified in Safeguarding within the Children and Young People's Service. In the CPA Use of Resources assessment, Haringey achieved a rating of 3 (out of 4) overall. During 2008/09, the Audit Commission report on the council's Housing Allocations was finalised and a zero star rating was awarded. A project team has been working towards implementing the recommendations of the housing allocations inspection during 2008/09.
- 4.3 As part of the Council's overall improvement programme, a new electronic performance management system was implemented during 2008/09. Information on performance indicators, risk registers, business plans and governance will be held within the system and enable data quality and governance to be managed and reviewed more effectively.
- 4.4 Risk management is an area which is continuously under review and the Council's Risk Management Strategy has drawn together the various elements of risk management, including risk registers, health and safety, business continuity and emergency planning and project management into a process which is aligned to the Council's business planning cycle.
- 4.5 During 2008/09, the council implemented a new performance management system, which will be further developed to incorporate risk management and provide improved links between risk and performance issues. All managers and officers responsible for managing risk and maintaining risk registers are aware of their roles and responsibilities and this is affirmed by Directors and Assistant Chief Executives in their annual assurance statements. The new performance management system, which has been implemented in line with the Council's data quality strategy, will enable the validation of data across the council. Internal and external audit will review data quality arrangements during 2009/10 to ensure the system is robust and information is accurate.

- 4.6 Directors have submitted a statement of assurance covering 2008/09 which is informed by work carried out by internal audit, external assessment and risk management processes. The statements provide assurance that any significant control issues that have been brought to their attention have been dealt with appropriately. Key governance issues which have been identified and which remain outstanding have been incorporated into the action plan.
- 4.7 The Head of Audit and Risk Management provided an Annual Audit Report and opinion for 2008/09, which concluded that in most areas across the council there are sound internal financial control systems and corporate governance arrangements in place. All of the council's key financial systems received a 'substantial' assurance rating and the follow up programme concluded that all high priority recommendations had been appropriately addressed. The internal audit plan also includes reviews of all the key non-financial systems, which are identified from risk registers, business plans and internal audit assessment.
- 4.8 The Cabinet undertakes regular monthly reviews of financial and service performance, based on a range of key performance indicators and financial and budget management information. Cabinet also review the delegated decisions and significant actions undertaken by council officers, or urgent actions taken in consultation with Cabinet members, to ensure they comply with the scheme of delegation. Minutes of sub-bodies are also reviewed by Cabinet, including procurement decisions and actions.
- 4.9 The Council's Audit Committee has responsibility for internal and external audit, risk management and corporate governance issues included within its terms of reference. The Committee receive regular reports throughout the year detailing progress made against the internal and external audit plans, highlights of any significant control weaknesses, together with the outcome of the follow up programme of audit reviews. The Audit Committee also specified deadlines for implementation of high priority internal audit recommendations to ensure key governance and control issues were addressed in a timely manner.
- 4.10 Key governance issues, including treasury management, were also reported to the Audit Committee during 2008/09 including the recommendations made by the Council's independent review of treasury management arrangements and the generic recommendations made by the Audit Commission. Additional oversight on all external inspection reports will be provided by the Audit Committee during 2009/10, including reviewing progress on implementing recommendations. The Audit Committee provides an annual report on the work it has undertaken to full Council.
- 4.11 The Council's Standards Committee is chaired by an independent person and received reports from the Monitoring Officer on the referrals received from the Standards Board for England. An annual report on its work is presented to full Council for information.

4.12 The Overview and Scrutiny Committee undertakes a planned programme of work. Reports on the outcome of the reviews, together with any recommendations are presented. The Cabinet respond to the recommendations presented by the Overview and Scrutiny Committee. The Overview and Scrutiny Committee also provide challenge to the Cabinet's budget proposals.

4.13 The Leader of the Council and the Chief Executive have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and a plan to implement enhancements and ensure continuous improvement of the system is in place.

5. Significant governance issues


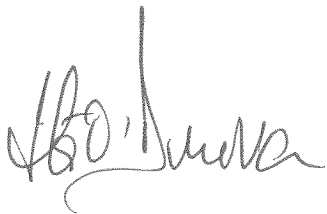
5.1 In 2007/08, a number of actions were reported in the AGS to deal with outstanding governance issues. Some of these have been incorporated into the body of the AGS as actions have been completed. The summary below highlights what the council has done to address those issues for which work has been ongoing during 2008/09 and where further work will be carried forward into 2009/10:

- The Housing Improvement Board has been working towards implementing the recommendations made by the Audit Commission review and this will be continued in 2009/10; and
- Further work will be done in 2009/10 to fully embed governance arrangements in respect of the Haringey Strategic Partnerships

5.2 The Council proposes over the coming year to take steps to further improve governance arrangements in key areas and these are set out in the action plan below. The action plan will be monitored during the year to ensure all issues are appropriately addressed.

Issue	Action	Responsibility	Due date
External assessment - Joint Area Review (JAR)	Ensure that the recommendations in the JAR action plan are implemented in accordance with the agreed timetable.	Director of Children and Young People's Service	December 2009
Performance management – treasury management	Implementation of recommendations following independent review of treasury management arrangements and revised CIPFA guidance	Chief Financial Officer	July 2009
External assessment – Adult Services	Ensure that any recommendations arising out of the independent inspection of the Adult Services function are fully addressed.	Director of Adults Culture and Community Services	March 2010
External assessment – Housing Allocations	Ensure that all recommendations arising out of the independent	Director of Urban Environment	March 2010

Issue	Action	Responsibility	Due date
	inspection of the Housing Allocations Service function are fully addressed.		
Performance Management – data quality	Implementation of Information Governance Board project timetable and actions	ACE – PPP&C	March 2010
Performance Management – data quality	Ensure that the new performance management IT system is embedded across the council for performance, risk and projects to maximise its effectiveness	ACE – PPP&C	March 2010

 Councillor Claire Kober Leader of the Council	 Dr. Ita O'Donovan Chief Executive
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Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
1a	Mechanism established to identify principal statutory obligations	Responsibilities for statutory obligations are formally established	<ul style="list-style-type: none"> • Council's Constitution. • Role of the Cabinet, and all other specific council committees, e.g. licensing, defined. • Committee terms of reference • Scheme of delegation in place and reviewed on regular basis. • Structure charts • Job descriptions of relevant managers (Head of Paid Service, Monitoring Officer, s151 Officer) • Scheme of Delegation reviewed in 2008/9 - revised scheme agreed by full Council on 30th March. 	Terms of reference for all committees reviewed annually before being agreed each year by full Council
1b	Record held of statutory obligations	Record held of statutory obligations	<ul style="list-style-type: none"> • Council Constitution and scheme of delegation identifies key statutory functions and is reviewed on regular basis. • Constitution available on intranet and in hard copy • Legal Services hold copies of relevant statutory requirements • Scheme of Delegation updated as part of recent review which was completed in March 2009 - revised scheme endorsed by CRWG and agreed by full Council on 30th March 2009 	In accordance with best practice scheme of delegation to be reviewed on a periodic basis to ensure fit for purpose and compliant with legislative requirements.
1c	Effective procedures to identify, evaluate, communicate, implement, comply with and monitor	Effective procedures to identify, evaluate, communicate, implement, comply with and monitor	<ul style="list-style-type: none"> • CRWG which is a cross-party member working group has oversight on constitutional issues and meets as required • Reports to the Cabinet, CEMB and other officer 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
		legislative change exist and are used	<p>groups and member groups on the implications of new legislation - Briefings / reports for decision prepared and considered as required by relevant bodies e.g. Leader's Conference, member briefing events</p> <ul style="list-style-type: none"> • Members and Officers Code of conduct in place; reviewed on a regular basis and re-issued to all staff. • Included within induction training for specific roles • MILD programme has specific strategy and programme on induction. • Standards Committee has oversight for ethical governance issues and responded to amendments to members' code required by recent legislation (most recent changes made in May 2008). • All newly elected members have induction training including training on Code of Conduct with annual refreshers. • Member attendance at ethical governance training monitored and reported to Standards Committee. • Working at the political interface programme for members and officers being developed and delivered during 2008/9 • Leadership programme for managers has a specific element on political and organisational awareness • Political and Organisational Awareness is a key competency in the appraisal process for officers 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
1d		<p>Effective action is taken where areas of non-compliance are found</p>	<p>and part of officer induction process</p> <ul style="list-style-type: none"> • Political Awareness is a key feature of members' PDPs. Outcomes will inform future development programmes for members and officers. <p>Evidence to demonstrate that action has been taken:</p> <ul style="list-style-type: none"> • Internal/external audit reports and external assessments e.g. OFSTED, BFI, CSCI. • Action plans in place to monitor achievement against recommendations. • Monitoring reports on actions plans re: implementation of identified key risk areas e.g. ethical governance • Evidence of corrective action taken in response to any upheld complaints • External audit report recommendations e.g. for final accounts; CPA Use of Resources - action plans in place and reported. <p>Draft JAR action plan produced and submitted to OFSTED and Children's minister in mid-April 2009 for approval</p> <ul style="list-style-type: none"> • Independent Safeguarding Board Chair appointed in Dec 2008 • All councillors received refresher safeguarding from Feb – April 2009 • New Children's Safeguarding Policy and Practice Panel established in April 2009. ToR agreed. <p>Independent member to be appointed to panel in April / May 2009. Safeguarding Panel members to</p>	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
			<p>receive additional Safeguarding training in May 2009</p> <ul style="list-style-type: none"> • Corporate Parenting Advisory Group established in April 2009 - to also have oversight for member training, briefings and communications on corporate parenting issues. The Cabinet member / Cabinet to receive periodic updates of what action has been taken / any recommendations for change. • Council Officers, Members and partners consulted in April 2009 on revised Children's Trust Governance structure. Revised structure likely to be agreed in May/June 2009 • Reviews of Alexandra Palace governance issues produced and considered by appropriate forums • Since May 2008 Standards Committee has implemented local arrangements for assessment and determination hearings councillor complaints • Independent reviews of Treasury Management arrangements have been undertaken and reported to appropriate officer and member bodies, with agreed action plans in place. 	
2a	Mechanism in place to establish corporate objectives	Consultation with stakeholders on priorities and objectives	<ul style="list-style-type: none"> • The council, together with its partners has developed the Haringey Community Strategy 2007-2016. The objectives of the strategy have been jointly agreed and its implementation is monitored through the delivery of the Local Area 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
			<p>Agreement.</p> <ul style="list-style-type: none"> • An update of achievements of Haringey's Sustainable Community Strategy was completed in March 2009 and is being distributed to all residents in April 2009 via Haringey People • Haringey's new LAA was developed and negotiated with the HSP. The final LAA agreement was formally signed by GoL in June 2008 • The Thematic Boards are charged with performance managements of their respective targets within the LAA and report quarterly to the HSP PMG • A refresh of the LAA targets were concluded in March 2009. Awaiting final sign-off by GoL. • Consultation on draft community engagement framework underway – consultation period due to finish on 21 April 2009 • Draft Community Engagement Framework to be agreed in principle by HSP in late April 2009. • Following agreement by HSP a delivery plan will be produced to assist with oversight of implementation • During 2009/10 there will be a further stage of public communications / consultation on the framework. A plain English version of the framework will be produced • HSP Code of Governance agreed in June 2008 which includes key principle on engagement. 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
2b		The Authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation)	<ul style="list-style-type: none"> The Community Strategy was developed after extensive consultation with residents and stakeholders through the; <i>Have your say Haringey – shape the future</i> campaign. The Council Plan is linked to the Community Strategy objectives and sets out the priorities of the council and how these will be achieved. The council's objectives are informed by what residents say are important in our annual residents' survey. 	
2c		Priorities and objectives are aligned to principal statutory obligations and relate to available funding	<ul style="list-style-type: none"> The Medium Term Financial Strategy sets out the three year budget for the council. It supports the Council Plan and allocates resources, including to the council's priorities. 	
2d		Objectives are reflected in departmental plans and are clearly matched with associated budgets	<ul style="list-style-type: none"> The council's objectives are reflected in the business plans for the services, setting out how each business unit will achieve these, with performance measures and costs. Progress against the business plans is reviewed mid year with the pre business plan review. 	
2e		The authority's objectives are clearly communicated to staff and all stakeholders, including	<ul style="list-style-type: none"> Individual staff appraisals contain objectives form the service's business plans with individual targets for achievement. Our staff survey results show 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
3a	Effective corporate governance arrangements are embedded within the council	<p>partners</p> <p>Code of Corporate Governance has been established</p>	<p>that 90% of staff have had an appraisal since April 2008. Staff survey results for understanding vision, values and priorities are excellent.</p> <ul style="list-style-type: none"> • Local Code of Corporate Governance formally adopted by the Council and published on Council website. • All elements of corporate governance in line with CIPFA/SOLACE guidance are in place – codes of conduct for members and officers, declarations of interest, register of gifts and hospitality etc. • Member Learning and Development Programme in place and has Corporate Governance as a specific section. • Briefings on the Member Code of Conduct have been provided. Future sessions will be scheduled based on any recommendations from the Standards Committee / monitoring officer. 	<ul style="list-style-type: none"> • 2009/10 MLD programme to be reviewed to ensure that Corporate Governance issues are adequately covered. • Member attendance at events to be more closely monitored by the MLDWG as appropriate it will be recommended that certain topics are compulsory for members to attend based in role
3b	Review and monitoring arrangements are in place	Review and monitoring arrangements are in place	<ul style="list-style-type: none"> • Constitution Working Group in place and reviews of Standing Orders, Procedure Rules. Scheme of Delegation review completed in 2008/9 • 2009/10 Work programme of activities for the CRWG to be agreed on 30 April 2009 – timetable will ensure that CEMB are provided with updated on governance issues relating to the constitution on a regular basis 	<ul style="list-style-type: none"> • Provide updates and information on governance issues on a regular basis to CEMB • Other amendments brought constitution review working group as required

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
3c	There is a committee charged with governance responsibilities		<ul style="list-style-type: none"> • Statutory Officers quarterly meeting reviews key areas of governance (Heads of Audit & Risk, Local Democracy and Legal Services) • Ongoing advice provided by Monitoring Officer • Corporate recording and monitoring of gifts and hospitality registers and register of interests • Members register maintained and updated – Reminder sent to Members • Audit Committee terms of reference include responsibility for corporate governance. • TOR include all aspects of corporate governance. • Minutes from committee meetings confirm that responsibilities have been appropriately discharged. 	
3d	Governance training provided to key officers and all members		<ul style="list-style-type: none"> • Presentation by Head of Audit to CEMB and departmental DMT's on corporate governance • Part of the Member Learning and Development programme and strategy. 	<ul style="list-style-type: none"> • Member Development Programme for 2009/10 to be agreed by MLDWG in July 2009. will take account of learning requirements on governance issues and will include <ul style="list-style-type: none"> - Specific training for Cabinet / Audit Committee members; - General training for all Members on

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence governance issues
3e		Officers, public and other stakeholder awareness of corporate governance issues.	<ul style="list-style-type: none"> • Council Constitution available on intranet and website • Whistle blowing policy on website and intranet • Anti-fraud policy, including reporting lines, available on intranet and website • Reminders given in Team Brief and Smart Talk on key governance issues • Code of Corporate Governance available on council's intranet and website 	
4a	Performance management arrangements are in place	Comprehensive and effective performance management systems operate routinely	<ul style="list-style-type: none"> • Clearly identified performance management framework in place that identifies: <ul style="list-style-type: none"> ○ All sources of performance measures – including corporate balanced scorecard ○ Who is responsible for achieving each performance measure ○ Who is responsible for collating the data for each one ○ Who determines and approves the performance measures ○ Who receives reports on performance and how often ○ How data quality is assured ○ How performance data is captured and its integrity maintained ○ How poor performance is addressed ○ How performance is driven upwards over time • Reports resulting from internal or external reviews 	<ul style="list-style-type: none"> • Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
4b	Key performance indicators are established and monitored	<ul style="list-style-type: none"> • of performance management • Year on year comparison of achievement against performance targets (e.g. in annual reports) • Value for money/efficiency reviews, including benchmarking results are part of rolling programme covering all business units • Departmental and/or business unit benchmarking results 	<ul style="list-style-type: none"> • Appropriate KPI's have been established and approved for each service element and are included in departmental and business unit plans. • A robust monitoring system has been approved and implemented. • There are monthly reports on progress on delivering KPI's. • There is an approved mechanism for reviewing the continuing suitability of KPI's and for securing continuous change by increasing the required standards 	
4c	The council is aware how well it is performing against its planned outcomes	<ul style="list-style-type: none"> • Regular reports are presented to members on the delivery of national, council-wide and departmental performance targets, including overall balanced scorecard. • External audit reports on BVPI's and KPI's. • Monthly budget monitoring meetings and reports – capital and revenue, current year and medium term. 	<ul style="list-style-type: none"> • Monitoring reports are presented to the members on the delivery of national, council-wide and departmental performance targets, including overall balanced scorecard. • External audit reports on BVPI's and KPI's. • Monthly budget monitoring meetings and reports – capital and revenue, current year and medium term. 	<ul style="list-style-type: none"> • Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness
4d	Knowledge of absolute and	<ul style="list-style-type: none"> • Monitoring reports are regularly presented to the 		

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
		<p>relative performances achieved is used to support decisions that drive improvements in outcomes.</p>	<p>Cabinet and appropriate committees.</p> <ul style="list-style-type: none"> • The reports include detailed performance results, highlighting where corrective action is necessary. • Committee reports include recommendations and action plans to improve performance. • Performance targets in subsequent corporate, departmental and business unit plans, improvement plans and people plans, are revised in light of actual performance. • Continuous improvement is strived for by increasing the difficulty of performance targets when they have been met over a period of time. • Performance trends are established and reported on over the medium term and are fed into the corporate, departmental and business unit planning processes. 	
4e		<p>The Council continuously improves its performance management</p>	<ul style="list-style-type: none"> • The performance management systems are regularly reviewed and updated to take account of changes in organisational structure, new performance measurement frameworks. • The performance management arrangements are revised in line with external or internal review of the arrangements. 	
5a	<p>The council has robust systems and processes in place for the identification and management of strategic and operational</p>	<p>There is a written strategy and policy in place for managing risk which:</p> <ul style="list-style-type: none"> • Has been formally approved at appropriate 	<ul style="list-style-type: none"> • Approved risk management strategy in place and published on the intranet. • Evidence of formal approval – by CEMB and audit committee • Evidence of formal review of risk management 	<ul style="list-style-type: none"> • JAR action plan. Ensure that the recommendations in the JAR action plan are implemented by

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5b	<p>risk</p>	<p>officer and member levels <ul style="list-style-type: none"> Is reviewed on a regular basis Has been communicated to all relevant staff </p>	<p>strategy on a regular basis by both CEMB and audit committee.</p> <ul style="list-style-type: none"> Strategic Risk Management Steering Group established to review council's corporate approach 	<p>December 2009.</p>
5c	<p>The council has implemented clear structures and processes for risk management which are successfully implemented and:</p> <ul style="list-style-type: none"> Senior management and members see risk management as a priority Decision making considers risk A senior manager has been appointed to 'champion' risk management Roles and responsibilities for risk management have been defined Risk management systems are subject to independent assessment Risk management is considered in the annual business planning process 	<p>The council has developed a</p>	<ul style="list-style-type: none"> Audit committee minutes. CPA comments on improved risk management arrangements. Annual business plans include risk management. Committee reports include appropriate risk management information. Corporate business and financial plan assess risks. Head of Audit & Risk Management has overall responsibility for monitoring risk management policy Risk Management strategy lists key officers with responsibility for risk Internal audit complete regular testing of key business unit and departmental risk registers 	<ul style="list-style-type: none"> Systematic procedures for risk identification and

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5d	<p>corporate approach to the identification and evaluation of risk which is understood by staff</p> <p>The council has well defined procedures for recording and reporting risk.</p>	<p>evaluation have been agreed and consistently applied across all business units.</p>	<ul style="list-style-type: none"> • Corporate, departmental and business unit risk registers in place • Key risks included in business plans • Project management arrangements require key risk issues to be identified recorded and monitored as part of each reporting cycle • Evidence of regular reporting of risk to appropriate officer and member level. • Evidence of risk based auditing in place • Key risks identified in audits are reported to senior managers, relevant Members and Audit Committee 	
5e	<p>The council has well established and clear arrangements for financing risk</p>	<ul style="list-style-type: none"> • All legal requirements for insurance are met. • Self-insurance provisions are subject to regular independent actuarial valuation and contributions to the fund are adjusted accordingly. • Insurance claims are being managed in accordance with the 'Woolf' protocols. • Monitoring the incidence of successful and unsuccessful claims and reporting to departments. • Council has joined the Local Authorities Mutual (LAML) • Council has contingency arrangements in place in the event that the legal challenge to LAML is 		

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5f	The authority has developed a programme of risk management training for relevant staff	<ul style="list-style-type: none"> All departmental management teams have undertaken risk management training as part of the process to develop risk registers Project managers training includes risk management All special projects have specific risk registers and staff involved are provided with risk management training Legal Services have Lexel accreditation which includes completing a risk form to highlight key/high risk issues to Head of Legal Services 	<p>successful</p> <ul style="list-style-type: none"> Risk owners detailed in corporate, departmental and business unit risk registers. Risk management responsibilities are included in risk registers, business and work plans, job descriptions where appropriate 	
5g	Managers are accountable for managing their risks.	<ul style="list-style-type: none"> Regular reporting of key risks at CEMB and audit committee Pre-Business Plan Reviews and Business Plan have specific sections for the inclusion of key risks Regular review and updating of risk registers Risk management addressed in all business planning, project management activities Management of risk strategy provides framework to ensure all key risk activities (health and safety, business continuity planning, project management and risk registers) are reviewed and updated in 	<ul style="list-style-type: none"> Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness 	
5h	Risk management is embedded throughout the council			

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5j		Risks in partnership working are fully considered	<p>line with business planning cycle</p> <ul style="list-style-type: none"> • Risk assessments undertaken before the start of major projects and reviewed during the project period. • Reports made to the appropriate officer and member level. • All key partnerships have been identified. • Risk Management framework for HSP formally agreed and in place 	
5k		Risk management information systems meet users needs	<ul style="list-style-type: none"> • Risk management information available for business planning, project management 	
5l	<p>The corporate risk management board (or equivalent) adds value to the risk management process by:</p> <ul style="list-style-type: none"> • Advising and supporting corporate mgmt team on risk strategies; • Identifying areas of overlapping risk; • Driving new risk management initiatives • Communicating risk management and sharing good practice • Providing and reviewing risk management training • Regularly reviewing the risk 		<ul style="list-style-type: none"> • CEMB act as overall corporate body with responsibility for risk management across the council and receive regular reports on implementation of risk management • Audit Committee receives regular reports on risk management, updates on risk registers and challenge processes • Internal audit support the risk management processes and provide advice to CEMB and DMT's – evidenced by CEMB and DMT agendas and minutes • The corporate risk management strategy includes references to all key risk management activities – H&S, project management, business continuity, risk registers, performance management 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5m		<ul style="list-style-type: none"> • register(s) • Co-ordinating the results for risk reporting <p>A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice and:</p> <ul style="list-style-type: none"> • Support decision making and policy formulation • Provide support in the risk identification and analysis process • Provides support in prioritising risk mitigation action • Provides advice and support in determining risk treatments • Inspires confidence in managers 	<p>Evidenced by:</p> <ul style="list-style-type: none"> • Head of Audit and Risk Management acts as corporate officer – job description includes responsibilities • Resources specified in annual internal audit programme to support the risk management process • Risk management workshop guidance notes are in place to provide assistance to managers 	
6a	<p>The Council has a robust system of internal control which includes systems and procedures to mitigate principal risks</p> <ul style="list-style-type: none"> • Council has adopted 	<p>There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff:</p> <ul style="list-style-type: none"> • Council has adopted 	<ul style="list-style-type: none"> • Financial regulations and instructions exist are formally approved, reviewed and updated regularly. • Dissemination via induction, briefings, intranet and website. • External and internal audit assessment of compliance with prudential code. 	<ul style="list-style-type: none"> • Implementation of Information Governance Board project timetable and actions • Implementation of key recommendations

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6b	<p>CIPFA Code on Treasury Management</p> <ul style="list-style-type: none"> Compliance with the Prudential code <p>There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all staff.</p>	<ul style="list-style-type: none"> Scheme of budget delegation for all budget holders. CIPFA Code on Treasury Management has been adopted Compliance with Prudential Code is tested by internal audit as part of key financial systems work Standing orders exist, are reviewed regularly and updated to cover new procedures e.g. partnering, on-line tendering. Formal approval is achieved via full Council. Communication and dissemination via intranet, procurement bulletins 	<ul style="list-style-type: none"> Whistleblowing policy exists and has been reviewed and updated regularly. Formal approval by members. Communication and dissemination via intranet, website, staff newsletter and Team Brief. 	<ul style="list-style-type: none"> Counter-fraud and corruption policy exists and has been regularly reviewed and updated. Formal approval by members. Examples of dissemination, staff newsletter, website, emails to all staff. Policy is held in intranet and website whistleblowing and confidential reporting policy for HSP approved and communicated. Codes of conduct in place for officers and members.
6c	<p>There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed, widely communicated to all staff.</p>	<p>There are codes of conduct in place which have been</p>		
6d	<p>There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed, widely communicated to all staff.</p>			
6e	<p>There are codes of conduct in place which have been</p>			

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6f		formally approved and widely communicated to all staff. A register of interests is maintained, regularly updated and reviewed.	<ul style="list-style-type: none"> Formal approval of Codes by members. Copies provided formally to all staff when updated (July 2006) and to new starters as part of corporate induction. Register of interests exists for members. The register is updated by individual members and reviewed by the Standards Committee 	<ul style="list-style-type: none"> Confirm arrangements for officers' register of interests
6g		A scheme of delegation has been drawn up, formally approved and disseminated to all relevant staff.	<ul style="list-style-type: none"> Scheme of delegation updated in 2009 and incorporates adequate controls and sanctions. Formal approval of scheme by members. Available on intranet 	
6h		A corporate procurement policy has been drawn up, formally approved and communicated to all relevant officers	<ul style="list-style-type: none"> Procurement policy exists and has been reviewed and updated regularly to take account of new initiatives e.g. framework agreements. Formal approval of policy by members. Examples of dissemination via regular procurement newsletter New Contract Management system now implemented which is used for monitoring effectiveness of procurement policies and decisions 	
6i		Business/service continuity plans have been drawn up for all critical service areas and the plans: <ul style="list-style-type: none"> Are subject to regular testing Are subject to regular 	<ul style="list-style-type: none"> Corporate, departmental and business unit business continuity plans are in place – in compliance with Civil Contingency Act Regular testing of major incident BCP Risk Management strategy includes requirements to review and update on regular basis 	Need to ensure that all departmental and business unit BCP's are fully tested on a regular basis.

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6j		review The corporate, departmental and business unit risk registers includes key controls to manage identified risks	<ul style="list-style-type: none"> Risk registers set out key risks and identify controls to manage them. Key controls are monitored, reviewed and updated regularly. Risk owners are assigned to manage key risks. 	<ul style="list-style-type: none"> Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness
6k		Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed	<ul style="list-style-type: none"> Corporate, departmental and business unit risk registers which include risk indicators, have been established Risk registers are regularly reviewed and monitored by CEMB, individual directors and business unit heads Audit Committee reviews the corporate risk register on an annual basis 	
6l		The council's internal control framework is subject to regular independent assessment.	<ul style="list-style-type: none"> Internal audit plans and reports. Annual audit report. External audit reports. CPA opinion and assessment reports. 	
6m		A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all staff.	<ul style="list-style-type: none"> Health and safety policy exists and has been regularly reviewed. Formal approval of the policy by members. Examples of dissemination e.g. website and intranet, briefings, newsletter. Evidence of effectiveness of policy e.g. HSE referrals and reports. 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6n		A corporate complaints policy and procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other relevant stakeholders, and is regularly reviewed.	<p>Evidenced by:</p> <ul style="list-style-type: none"> • Complaints policy and procedure exists and has been regularly reviewed and updated. • Procedure is compliant with all relevant statutory requirements. • Formal approval of policy by members. • Examples of dissemination e.g. website and intranet, induction programme, leaflets, posters. • Complaints files. • Committee reports summarising numbers, outcomes etc. 	
7a	<p>Appropriate assurance statements are received from designated internal and external assurance providers:</p> <ul style="list-style-type: none"> • The authority has identified appropriate sources of assurance • Appropriate external assurances are identified and obtained 	The authority has determined appropriate internal and external sources of assurance	<ul style="list-style-type: none"> • Internal director and ACE assurance statements are provided on an annual basis and are embedded in the business planning process • External assurance obtained from various assessment sources e.g. CPA and Use of Resources, external inspection functions e.g. OFSTED/CQC which are reported to CEMB and Members • Independent Member body established to cover Safeguarding • Quality Outcomes Board established • Annual independent residents survey undertaken and reported on • Internal audit undertake reviews of key financial systems on an annual basis • Performance management system reports on KPI's, finance and other performance on a monthly basis to CEMB and members 	<ul style="list-style-type: none"> • Ensure that the recommendations arising out of the independent inspections and reviews of the Housing Allocations service, Adults Service and Joint Area Review are fully addressed by March 2010

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
7b		Appropriate key controls on which assurance is to be given have been identified and agreed	<ul style="list-style-type: none"> Internal audit document the key controls in all financial systems – all held on audit files Key controls are agreed with external auditors on an annual basis 	
7c		Departmental assurances are provided	<ul style="list-style-type: none"> Internal director and ACE assurance statements are provided on an annual basis 	
7d	External assurance reports are collated centrally	<ul style="list-style-type: none"> Reports are reviewed by relevant senior management team and reported to appropriate committee Action plans are prepared and approved as appropriate Follow up reports on recommendations are requested and reviewed by relevant senior management team and progress is regularly reported to relevant committee 	<ul style="list-style-type: none"> All key assurance reports (internal and external) are reported to CEMB and Members Audit Committee receives all relevant reports from external auditors and various inspection functions e.g. Office of Surveillance Commissioner All action plans are monitored – Audit Committee includes follow up of audit recommendations as part of regular quarterly reporting process 	
7e		Internal audit arrangements	<ul style="list-style-type: none"> Council has an internal audit division which fully complies with the CIPFA Code of Practice and evidenced by report to Audit Committee and full 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
7f		Corporate governance arrangements	<ul style="list-style-type: none"> reliance by external audit on its work. Reports on key financial systems provided to Audit Committee 	<ul style="list-style-type: none"> Review and update the Local Code of Corporate Governance to reflect current issues
7g	Performance monitoring arrangements		<ul style="list-style-type: none"> Local Code of Corporate Governance formally adopted by the Council and published on Council website. All elements of corporate governance in line with CIPFA/SOLACE guidance are in place – codes of conduct for members and officers, declarations of interest, register of gifts and hospitality etc. 	
8a	Performance monitoring arrangements	Performance monitoring arrangements	<ul style="list-style-type: none"> Performance monitoring system in place and provides regular reports to CEMB and Cabinet on financial and service performance 	
8b	Responsibilities for the evaluation of assurances are clearly defined throughout the organisation	Responsibilities for the evaluation of assurances are clearly defined throughout the organisation	<ul style="list-style-type: none"> Responsibilities for key Committees contained within their terms of reference e.g. Audit committee includes corporate governance arrangements 	
8b	Mechanism established for collecting governance assurances <ul style="list-style-type: none"> Overall responsibility allocated to governance senior officer group 	<ul style="list-style-type: none"> Head of Audit & Risk Management, Head of Member Services, Head of Legal Services form core group to assess governance assurances Assurances identified and recorded using AGS matrix Details of where evidence is held (electronically or 		

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
		<ul style="list-style-type: none"> • Required assurances are agreed and recorded • Central record of all assurances (either evidence file, or showing clear link to where evidence is held) • Clear guidance as to evaluation procedure including assurance over risks, independence and objectivity of assurances • Defined evaluation mechanism • Timetable for completion by statutory deadline • Gap assessment – performed and challenged 	<p>manually) is recorded in the AGS matrix</p> <ul style="list-style-type: none"> • Regular meetings in place between key officers and timetable agreed to meet statutory deadlines 	
9a	There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored	An action plan is drawn up and approved	<ul style="list-style-type: none"> • AGS evidence matrix forms the basis of the action plan 	
10a	An Annual Governance Statement has been	Responsibility for the compilation of the AGS has	<ul style="list-style-type: none"> • Head of Audit, Head of Legal Services and Head of Member Services act as core working group to 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
	drafted in accordance with the statutory requirements and timetable set out in the Accounts and Audit Regulations 2003, as revised by the A&A (amendment) (England) Regulations 2006, and is in accordance with CIPFA guidelines	been assigned	<ul style="list-style-type: none"> compile AGS Draft AGS presented to CEMB on 7 April 2009. 	
10b		There is an AGS production timetable that meets the statutory deadline	<ul style="list-style-type: none"> Timetable in place and monitored by Head of audit & risk management 	
10c		The AGS is reviewed, challenged and approved by the authority	<ul style="list-style-type: none"> Review and challenge process by CEMB and Audit Committee 	
11a	An annual report to the authority (or delegated committee) on the AGS is presented, in accordance with the CIPFA pro-forma	Responsibility for reporting is clearly defined	<ul style="list-style-type: none"> Head of Audit & Risk Management provides draft AGS for review by CEMB, Cabinet and Audit Committee 	
11b		The signatories to the AGS and SIC are defined and are appropriate in accordance with statutory requirements (i.e. most senior officer and most senior member of the organisation)	<ul style="list-style-type: none"> Chief Executive and Leader of the Council are signatories of AGS 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
11c		The report is likely to be published in a timely fashion with the statutory accounts	<ul style="list-style-type: none"> Production of AGS in line with statutory deadlines, AGS on agendas for key meetings, no reason to assume they will not be met. 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
1a	Mechanism established to identify principal statutory obligations	Responsibilities for statutory obligations are formally established	<ul style="list-style-type: none"> • Council's Constitution. • Role of the Cabinet, and all other specific council committees, e.g. licensing, defined. • Committee terms of reference • Scheme of delegation in place and reviewed on regular basis. • Structure charts • Job descriptions of relevant managers (Head of Paid Service, Monitoring Officer, s151 Officer) • Scheme of Delegation reviewed in 2008/9 - revised scheme agreed by full Council on 30th March. 	Terms of reference for all committees reviewed annually before being agreed each year by full Council
1b	Record held of statutory obligations	Record held of statutory obligations	<ul style="list-style-type: none"> • Council Constitution and scheme of delegation identifies key statutory functions and is reviewed on regular basis. • Constitution available on intranet and in hard copy • Legal Services hold copies of relevant statutory requirements • Scheme of Delegation updated as part of recent review which was completed in March 2009 - revised scheme endorsed by CRWG and agreed by full Council on 30th March 2009 	In accordance with best practice scheme of delegation to be reviewed on a periodic basis to ensure fit for purpose and compliant with legislative requirements.
1c	Effective procedures to identify, evaluate, communicate, implement, comply with and monitor	Effective procedures to identify, evaluate, communicate, implement, comply with and monitor	<ul style="list-style-type: none"> • CRWG which is a cross-party member working group has oversight on constitutional issues and meets as required • Reports to the Cabinet, CEMB and other officer 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
		legislative change exist and are used	<p>groups and member groups on the implications of new legislation - Briefings / reports for decision prepared and considered as required by relevant bodies e.g. Leader's Conference, member briefing events</p> <ul style="list-style-type: none"> • Members and Officers Code of conduct in place; reviewed on a regular basis and re-issued to all staff. • Included within induction training for specific roles • MLD programme has specific strategy and programme on induction. • Standards Committee has oversight for ethical governance issues and responded to amendments to members' code required by recent legislation (most recent changes made in May 2008). • All newly elected members have induction training including training on Code of Conduct with annual refreshers. • Member attendance at ethical governance training monitored and reported to Standards Committee. • Working at the political interface programme for members and officers being developed and delivered during 2008/9 • Leadership programme for managers has a specific element on political and organisational awareness • Political and Organisational Awareness is a key competency in the appraisal process for officers 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
1d	Effective action is taken where areas of non-compliance are found		<p>and part of officer induction process</p> <ul style="list-style-type: none"> • Political Awareness is a key feature of members' PDPs. Outcomes will inform future development programmes for members and officers. <p>Evidence to demonstrate that action has been taken:</p> <ul style="list-style-type: none"> • Internal/external audit reports and external assessments e.g. OFSTED, BFI, CSCI. • Action plans in place to monitor achievement against recommendations. • Monitoring reports on actions plans re: implementation of identified key risk areas e.g. ethical governance • Evidence of corrective action taken in response to any upheld complaints • External audit report recommendations e.g. for final accounts; CPA Use of Resources - action plans in place and reported. • Draft JAR action plan produced and submitted to OFSTED and Children's minister in mid-April 2009 for approval • Independent Safeguarding Board Chair appointed in Dec 2008 • All councillors received refresher safeguarding from Feb – April 2009 • New Children's Safeguarding Policy and Practice Panel established in April 2009. ToR agreed. Independent member to be appointed to panel in April / May 2009. Safeguarding Panel members to 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
			<p>receive additional Safeguarding training in May 2009</p> <ul style="list-style-type: none"> • Corporate Parenting Advisory Group established in April 2009 - to also have oversight for member training, briefings and communications on corporate parenting issues. The Cabinet member / Cabinet to receive periodic updates of what action has been taken / any recommendations for change. • Council Officers, Members and partners consulted in April 2009 on revised Children’s Trust Governance structure. Revised structure likely to be agreed in May/June 2009 • Reviews of Alexandra Palace governance issues produced and considered by appropriate forums • Since May 2008 Standards Committee has implemented local arrangements for assessment and determination hearings councillor complaints • Independent reviews of Treasury Management arrangements have been undertaken and reported to appropriate officer and member bodies, with agreed action plans in place. 	
2a	Mechanism in place to establish corporate objectives	Consultation with stakeholders on priorities and objectives	<ul style="list-style-type: none"> • The council, together with its partners has developed the Haringey Community Strategy 2007-2016. The objectives of the strategy have been jointly agreed and its implementation is monitored through the delivery of the Local Area 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
			<p>Agreement.</p> <ul style="list-style-type: none"> • An update of achievements of Haringey's Sustainable Community Strategy was completed in March 2009 and is being distributed to all residents in April 2009 via Haringey People • Haringey's new LAA was developed and negotiated with the HSP. The final LAA agreement was formally signed by GoL in June 2008 • The Thematic Boards are charged with performance managements of their respective targets within the LAA and report quarterly to the HSP PMG • A refresh of the LAA targets were concluded in March 2009. Awaiting final sign-off by GoL. • Consultation on draft community engagement framework underway – consultation period due to finish on 21 April 2009 • Draft Community Engagement Framework to be agreed in principle by HSP in late April 2009. • Following agreement by HSP a delivery plan will be produced to assist with oversight of implementation • During 2009/10 there will be a further stage of public communications / consultation on the framework. A plain English version of the framework will be produced • HSP Code of Governance agreed in June 2008 which includes key principle on engagement. 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
2b		The Authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation)	<p>Action plan which is also corporate governance statement for HSP produced for which cross-partnership governance group has oversight of implementation. Annual statement on implementation to be presented to HSP in June 2009</p> <ul style="list-style-type: none"> The Community Strategy was developed after extensive consultation with residents and stakeholders through the; <i>Have your say Haringey – shape the future</i> campaign. The Council Plan is linked to the Community Strategy objectives and sets out the priorities of the council and how these will be achieved. The council's objectives are informed by what residents say are important in our annual residents' survey. 	
2c		Priorities and objectives are aligned to principal statutory obligations and relate to available funding	<ul style="list-style-type: none"> The Medium Term Financial Strategy sets out the three year budget for the council. It supports the Council Plan and allocates resources, including to the council's priorities. 	
2d		Objectives are reflected in departmental plans and are clearly matched with associated budgets	<ul style="list-style-type: none"> The council's objectives are reflected in the business plans for the services, setting out how each business unit will achieve these, with performance measures and costs. Progress against the business plans is reviewed mid year with the pre business plan review. 	
2e		The authority's objectives are clearly communicated to staff and all stakeholders, including	<ul style="list-style-type: none"> Individual staff appraisals contain objectives form the service's business plans with individual targets for achievement. Our staff survey results show 	

Appendix 2

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
3a	Effective corporate governance arrangements are embedded within the council	partners Code of Corporate Governance has been established	<p>that 90% of staff have had an appraisal since April 2008. Staff survey results for understanding vision, values and priorities are excellent.</p> <ul style="list-style-type: none"> Local Code of Corporate Governance formally adopted by the Council and published on Council website. All elements of corporate governance in line with CIPFA/SOLACE guidance are in place – codes of conduct for members and officers, declarations of interest, register of gifts and hospitality etc. Member Learning and Development Programme in place and has Corporate Governance as a specific section. Briefings on the Member Code of Conduct have been provided. Future sessions will be scheduled based on any recommendations from the Standards Committee / monitoring officer. 	<ul style="list-style-type: none"> 2009/10 MLD programme to be reviewed to ensure that Corporate Governance issues are adequately covered. Member attendance at events to be more closely monitored by the MLDWG as appropriate it will be recommended that certain topics are compulsory for members to attend based in role
3b	Review and monitoring arrangements are in place		<ul style="list-style-type: none"> Constitution Working Group in place and reviews of Standing Orders, Procedure Rules. Scheme of Delegation review completed in 2008/9 2009/10 Work programme of activities for the CRWG to be agreed on 30 April 2009 – timetable will ensure that CEMB are provided with updated on governance issues relating to the constitution on a regular basis 	<ul style="list-style-type: none"> Provide updates and information on governance issues on a regular basis to CEMB Other amendments brought constitution review working group as required

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
3c		There is a committee charged with governance responsibilities	<p>Evidenced by:</p> <ul style="list-style-type: none"> • Statutory Officers quarterly meeting reviews key areas of governance (Heads of Audit & Risk, Local Democracy and Legal Services) • Ongoing advice provided by Monitoring Officer • Corporate recording and monitoring of gifts and hospitality registers and register of interests • Members register maintained and updated – Reminder sent to Members • Audit Committee terms of reference include responsibility for corporate governance. • TOR include all aspects of corporate governance. • Minutes from committee meetings confirm that responsibilities have been appropriately discharged. 	
3d	Governance training provided to key officers and all members	Governance training provided to key officers and all members	<ul style="list-style-type: none"> • Presentation by Head of Audit to CEMB and departmental DMT's on corporate governance • Part of the Member Learning and Development programme and strategy. 	<ul style="list-style-type: none"> • Member Development Programme for 2009/10 to be agreed by MLDWG in July 2009. will take account of learning requirements on governance issues and will include <ul style="list-style-type: none"> - Specific training for Cabinet / Audit Committee members; - General training for all Members on

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence governance issues
3e		Officers, public and other stakeholder awareness of corporate governance issues.	<ul style="list-style-type: none"> • Council Constitution available on intranet and website • Whistle blowing policy on website and intranet • Anti-fraud policy, including reporting lines, available on intranet and website • Reminders given in Team Brief and Smart Talk on key governance issues • Code of Corporate Governance available on council's intranet and website 	
4a	Performance management arrangements are in place	Comprehensive and effective performance management systems operate routinely	<ul style="list-style-type: none"> • Clearly identified performance management framework in place that identifies: <ul style="list-style-type: none"> ○ All sources of performance measures – including corporate balanced scorecard ○ Who is responsible for achieving each performance measure ○ Who is responsible for collating the data for each one ○ Who determines and approves the performance measures ○ Who receives reports on performance and how often ○ How data quality is assured ○ How performance data is captured and its integrity maintained ○ How poor performance is addressed ○ How performance is driven upwards over time • Reports resulting from internal or external reviews 	<ul style="list-style-type: none"> • Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
4b		Key performance indicators are established and monitored	<p>of performance management</p> <ul style="list-style-type: none"> • Year on year comparison of achievement against performance targets (e.g. in annual reports) • Value for money/efficiency reviews, including benchmarking results are part of rolling programme covering all business units • Departmental and/or business unit benchmarking results <ul style="list-style-type: none"> • Appropriate KPI's have been established and approved for each service element and are included in departmental and business unit plans. • A robust monitoring system has been approved and implemented. • There are monthly reports on progress on delivering KPI's. • There is an approved mechanism for reviewing the continuing suitability of KPI's and for securing continuous change by increasing the required standards 	
4c	The council is aware how well it is performing against its planned outcomes		<ul style="list-style-type: none"> • Regular reports are presented to members on the delivery of national, council-wide and departmental performance targets, including overall balanced scorecard. • External audit reports on BVPI's and KPI's. • Monthly budget monitoring meetings and reports – capital and revenue, current year and medium term. 	<ul style="list-style-type: none"> • Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness
4d	Knowledge of absolute and		<ul style="list-style-type: none"> • Monitoring reports are regularly presented to the 	

Appendix 2

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
	relative performances achieved is used to support decisions that drive improvements in outcomes.	<ul style="list-style-type: none"> • Cabinet and appropriate committees. • The reports include detailed performance results, highlighting where corrective action is necessary. • Committee reports include recommendations and action plans to improve performance. • Performance targets in subsequent corporate, departmental and business unit plans, improvement plans and people plans, are revised in light of actual performance. • Continuous improvement is strived for by increasing the difficulty of performance targets when they have been met over a period of time. • Performance trends are established and reported on over the medium term and are fed into the corporate, departmental and business unit planning processes. 		
4e	The Council continuously improves its performance management	<ul style="list-style-type: none"> • The performance management systems are regularly reviewed and updated to take account of changes in organisational structure, new performance measurement frameworks. • The performance management arrangements are revised in line with external or internal review of the arrangements. 		
5a	The council has robust systems and processes in place for the identification and management of strategic and operational risk which: <ul style="list-style-type: none"> • Has been formally approved at appropriate 	<ul style="list-style-type: none"> • Approved risk management strategy in place and published on the intranet. • Evidence of formal approval – by CEEM and audit committee • Evidence of formal review of risk management 	<ul style="list-style-type: none"> • JAR action plan. • Ensure that the recommendations in the JAR action plan are implemented by 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
	risk	<ul style="list-style-type: none"> • officer and member levels • Is reviewed on a regular basis • Has been communicated to all relevant staff 	<p>strategy on a regular basis by both CEMB and audit committee.</p> <ul style="list-style-type: none"> • Strategic Risk Management Steering Group established to review council's corporate approach 	December 2009.
5b	<p>The council has implemented clear structures and processes for risk management which are successfully implemented and:</p> <ul style="list-style-type: none"> • Senior management and members see risk management as a priority • Decision making considers risk • A senior manager has been appointed to 'champion' risk management • Roles and responsibilities for risk management have been defined • Risk management systems are subject to independent assessment • Risk management is considered in the annual business planning process 	<ul style="list-style-type: none"> • The council has implemented clear structures and processes for risk management which are successfully implemented and: • Senior management and members see risk management as a priority • Decision making considers risk • A senior manager has been appointed to 'champion' risk management • Roles and responsibilities for risk management have been defined • Risk management systems are subject to independent assessment • Risk management is considered in the annual business planning process 	<ul style="list-style-type: none"> • Audit committee minutes. • CPA comments on improved risk management arrangements. • Annual business plans include risk management. • Committee reports include appropriate risk management information. • Corporate business and financial plan assess risks. • Head of Audit & Risk Management has overall responsibility for monitoring risk management policy • Risk Management strategy lists key officers with responsibility for risk • Internal audit complete regular testing of key business unit and departmental risk registers 	
5c	<p>The council has developed a</p>		<ul style="list-style-type: none"> • Systematic procedures for risk identification and 	

Appendix 2

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5d	<p>corporate approach to the identification and evaluation of risk which is understood by staff</p> <p>The council has well defined procedures for recording and reporting risk.</p>	<p>evaluation have been agreed and consistently applied across all business units.</p> <ul style="list-style-type: none"> • Corporate, departmental and business unit risk registers in place • Key risks included in business plans • Project management arrangements require key risk issues to be identified recorded and monitored as part of each reporting cycle • Evidence of regular reporting of risk to appropriate officer and member level. • Evidence of risk based auditing in place • Key risks identified in audits are reported to senior managers, relevant Members and Audit Committee 		
5e	<p>The council has well established and clear arrangements for financing risk</p>	<ul style="list-style-type: none"> • All legal requirements for insurance are met. • Self-insurance provisions are subject to regular independent actuarial valuation and contributions to the fund are adjusted accordingly. • Insurance claims are being managed in accordance with the 'Woolf' protocols. • Monitoring the incidence of successful and unsuccessful claims and reporting to departments. • Council has joined the Local Authorities Mutual (LAML) • Council has contingency arrangements in place in the event that the legal challenge to LAML is 		

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5f		The authority has developed a programme of risk management training for relevant staff	<p>successful</p> <ul style="list-style-type: none"> • All departmental management teams have undertaken risk management training as part of the process to develop risk registers • Project managers training includes risk management • All special projects have specific risk registers and staff involved are provided with risk management training • Legal Services have Lexel accreditation which includes completing a risk form to highlight key/high risk issues to Head of Legal Services 	
5g	Managers are accountable for managing their risks.		<ul style="list-style-type: none"> • Risk owners detailed in corporate, departmental and business unit risk registers. • Risk management responsibilities are included in risk registers, business and work plans, job descriptions where appropriate 	
5h	Risk management is embedded throughout the council		<ul style="list-style-type: none"> • Regular reporting of key risks at CEMB and audit committee • Pre-Business Plan Reviews and Business Plan have specific sections for the inclusion of key risks • Regular review and updating of risk registers • Risk management addressed in all business planning, project management activities • Management of risk strategy provides framework to ensure all key risk activities (health and safety, business continuity planning, project management and risk registers) are reviewed and updated in 	<ul style="list-style-type: none"> • Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5j		Risks in partnership working are fully considered	<ul style="list-style-type: none"> line with business planning cycle Risk assessments undertaken before the start of major projects and reviewed during the project period. Reports made to the appropriate officer and member level. All key partnerships have been identified. Risk Management framework for HSP formally agreed and in place 	
5k		Risk management information systems meet users needs	<ul style="list-style-type: none"> Risk management information available for business planning, project management 	
5l	The corporate risk management board (or equivalent) adds value to the risk management process by:	<ul style="list-style-type: none"> Advising and supporting corporate mgmt team on risk strategies; Identifying areas of overlapping risk; Driving new risk management initiatives Communicating risk management and sharing good practice Providing and reviewing risk management training Regularly reviewing the risk 	<ul style="list-style-type: none"> CEMB act as overall corporate body with responsibility for risk management across the council and receive regular reports on implementation of risk management Audit Committee receives regular reports on risk management; updates on risk registers and challenge processes Internal audit support the risk management processes and provide advice to CEMB and DMT's – evidenced by CEMB and DMT agendas and minutes The corporate risk management strategy includes references to all key risk management activities – H&S, project management, business continuity, risk registers, performance management 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
5m		<p>register(s)</p> <ul style="list-style-type: none"> • Co-ordinating the results for risk reporting <p>A corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice and:</p> <ul style="list-style-type: none"> • Support decision making and policy formulation • Provide support in the risk identification and analysis process • Provides support in prioritising risk mitigation action • Provides advice and support in determining risk treatments • Inspires confidence in managers 	<p>Evidenced by:</p> <ul style="list-style-type: none"> • Head of Audit and Risk Management acts as corporate officer – job description includes responsibilities • Resources specified in annual internal audit programme to support the risk management process • Risk management workshop guidance notes are in place to provide assistance to managers 	
6a	<p>The Council has a robust system of internal control which includes systems and procedures to mitigate principal risks</p>	<p>There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff:</p> <ul style="list-style-type: none"> • Council has adopted 	<ul style="list-style-type: none"> • Financial regulations and instructions exist are formally approved, reviewed and updated regularly. • Dissemination via induction, briefings, intranet and website. • External and internal audit assessment of compliance with prudential code. 	<ul style="list-style-type: none"> • Implementation of Information Governance Board project timetable and actions • Implementation of key recommendations

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6b	<p>CIPFA Code on Treasury Management</p> <ul style="list-style-type: none"> • Compliance with the Prudential code <p>There are written contract standing orders in place which have been formally approved, regularly reviewed and widely communicated to all staff.</p>	<ul style="list-style-type: none"> • Scheme of budget delegation for all budget holders. • CIPFA Code on Treasury Management has been adopted • Compliance with Prudential Code is tested by internal audit as part of key financial systems work • Standing orders exist, are reviewed regularly and updated to cover new procedures e.g. partnering, on-line tendering. • Formal approval is achieved via full Council. • Communication and dissemination via intranet, procurement bulletins 	<p>following independent review of treasury management arrangements and revised CIPFA guidance</p>	
6c	<p>There is a whistleblowing policy in place which has been formally approved, regularly reviewed, widely communicated to all staff.</p>	<ul style="list-style-type: none"> • Whistleblowing policy exists and has been reviewed and updated regularly. • Formal approval by members. • Communication and dissemination via intranet, website, staff newsletter and Team Brief. 		
6d	<p>There is a counter fraud and corruption policy in place which has been formally approved, regularly reviewed and widely communicated to all staff.</p>	<ul style="list-style-type: none"> • Counter-fraud and corruption policy exists and has been regularly reviewed and updated. • Formal approval by members. • Examples of dissemination, staff newsletter, website, emails to all staff. • Policy is held in intranet and website • whistleblowing and confidential reporting policy for HSP approved and communicated. 		
6e	<p>There are codes of conduct in place which have been</p>	<ul style="list-style-type: none"> • Codes of conduct in place for officers and members. 		

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6f		formally approved and widely communicated to all staff. A register of interests is maintained, regularly updated and reviewed.	<ul style="list-style-type: none"> Formal approval of Codes by members. Copies provided formally to all staff when updated (July 2006) and to new starters as part of corporate induction. Register of interests exists for members. The register is updated by individual members and reviewed by the Standards Committee 	<ul style="list-style-type: none"> Confirm arrangements for officers' register of interests
6g		A scheme of delegation has been drawn up, formally approved and disseminated to all relevant staff.	<ul style="list-style-type: none"> Scheme of delegation updated in 2009 and incorporates adequate controls and sanctions. Formal approval of scheme by members. Available on intranet. 	
6h		A corporate procurement policy has been drawn up, formally approved and communicated to all relevant officers	<ul style="list-style-type: none"> Procurement policy exists and has been reviewed and updated regularly to take account of new initiatives e.g. framework agreements. Formal approval of policy by members. Examples of dissemination via regular procurement newsletter New Contract Management system now implemented which is used for monitoring effectiveness of procurement policies and decisions 	
6i		Business/service continuity plans have been drawn up for all critical service areas and the plans: <ul style="list-style-type: none"> Are subject to regular testing Are subject to regular 	<ul style="list-style-type: none"> Corporate, departmental and business unit business continuity plans are in place – in compliance with Civil Contingency Act Regular testing of major incident BCP Risk Management strategy includes requirements to review and update on regular basis 	Need to ensure that all departmental and business unit BCP's are fully tested on a regular basis.

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6j	The corporate, departmental and business unit risk registers includes key controls to manage identified risks	review The corporate, departmental and business unit risk registers includes key controls to manage identified risks	<ul style="list-style-type: none"> Risk registers set out key risks and identify controls to manage them. Key controls are monitored, reviewed and updated regularly. Risk owners are assigned to manage key risks. 	<ul style="list-style-type: none"> Ensure that the new performance management IT system is embedded across the council for performance, risk and projects by March 2010, to maximise its effectiveness
6k	Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed	Key risk indicators have been drawn up to track the movement of key risks and are regularly monitored and reviewed	<ul style="list-style-type: none"> Corporate, departmental and business unit risk registers which include risk indicators, have been established Risk registers are regularly reviewed and monitored by CEMB, individual directors and business unit heads Audit Committee reviews the corporate risk register on an annual basis 	
6l	The council's internal control framework is subject to regular independent assessment.	The council's internal control framework is subject to regular independent assessment.	<ul style="list-style-type: none"> Internal audit plans and reports. Annual audit report. External audit reports. CPA opinion and assessment reports. 	
6m	A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all staff.	A corporate health and safety policy has been drawn up, formally approved, is subject to regular review and has been communicated to all staff.	<ul style="list-style-type: none"> Health and safety policy exists and has been regularly reviewed. Formal approval of the policy by members. Examples of dissemination e.g. website and intranet, briefings, newsletter. Evidence of effectiveness of policy e.g. HSE referrals and reports. 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
6n		<p>A corporate complaints policy and procedure has been drawn up, formally approved, communicated to all relevant staff, the public and other relevant stakeholders, and is regularly reviewed.</p>	<p>Evidenced by:</p> <ul style="list-style-type: none"> • Complaints policy and procedure exists and has been regularly reviewed and updated. • Procedure is compliant with all relevant statutory requirements. • Formal approval of policy by members. • Examples of dissemination e.g. website and intranet, induction programme, leaflets, posters. • Complaints files. • Committee reports summarising numbers, outcomes etc. 	
7a	<p>Appropriate assurance statements are received from designated internal and external assurance providers:</p> <ul style="list-style-type: none"> • The authority has identified appropriate sources of assurance • Appropriate external assurances are identified and obtained 	<p>The authority has determined appropriate internal and external sources of assurance</p>	<ul style="list-style-type: none"> • Internal director and ACE assurance statements are provided on an annual basis and are embedded in the business planning process • External assurance obtained from various assessment sources e.g. CPA and Use of Resources, external inspection functions e.g. OFSTED/CQC which are reported to CEMB and Members • Independent Member body established to cover Safeguarding • Quality Outcomes Board established • Annual independent residents survey undertaken and reported on • Internal audit undertake reviews of key financial systems on an annual basis • Performance management system reports on KPI's, finance and other performance on a monthly basis to CEMB and members 	<ul style="list-style-type: none"> • Ensure that the recommendations arising out of the independent inspections and reviews of the Housing Allocations service, Adults Service and Joint Area Review are fully addressed by March 2010

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
7b		Appropriate key controls on which assurance is to be given have been identified and agreed	<ul style="list-style-type: none"> Internal audit document the key controls in all financial systems – all held on audit files Key controls are agreed with external auditors on an annual basis 	
7c		Departmental assurances are provided	<ul style="list-style-type: none"> Internal director and ACE assurance statements are provided on an annual basis 	
7d	External assurance reports are collated centrally	<ul style="list-style-type: none"> Reports are reviewed by relevant senior management team and reported to appropriate committee Action plans are prepared and approved as appropriate Follow up reports on recommendations are requested and reviewed by relevant senior management team and progress is regularly reported to relevant committee 	<ul style="list-style-type: none"> All key assurance reports (internal and external) are reported to CEMB and Members Audit Committee receives all relevant reports from external auditors and various inspection functions e.g. Office of Surveillance Commissioner All action plans are monitored – Audit Committee includes follow up of audit recommendations as part of regular quarterly reporting process 	
7e		Internal audit arrangements	<ul style="list-style-type: none"> Council has an internal audit division which fully complies with the CIPFA Code of Practice and evidenced by report to Audit Committee and full 	

Annual Governance Statement 2008/09 – Matrix of supporting evidence

Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
7f		Corporate governance arrangements	<p>reliance by external audit on its work.</p> <ul style="list-style-type: none"> • Reports on key financial systems provided to Audit Committee • Local Code of Corporate Governance formally adopted by the Council and published on Council website. • All elements of corporate governance in line with CIPFA/SOLACE guidance are in place – codes of conduct for members and officers, declarations of interest, register of gifts and hospitality etc. 	<ul style="list-style-type: none"> • Review and update the Local Code of Corporate Governance to reflect current issues
7g		Performance monitoring arrangements	<ul style="list-style-type: none"> • Performance monitoring system in place and provides regular reports to CEMB and Cabinet on financial and service performance • Responsibilities for key Committees contained within their terms of reference e.g. Audit committee includes corporate governance arrangements 	
8a	The authority has made adequate arrangements to identify, receive and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls	<p>Responsibilities for the evaluation of assurances are clearly defined throughout the organisation</p> <p>Mechanism established for collecting governance assurances</p> <ul style="list-style-type: none"> • Overall responsibility allocated to governance senior officer group 		
8b			<ul style="list-style-type: none"> • Head of Audit & Risk Management, Head of Member Services, Head of Legal Services form core group to assess governance assurances • Assurances identified and recorded using AGS matrix • Details of where evidence is held (electronically or 	

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Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
		<ul style="list-style-type: none"> Required assurances are agreed and recorded Central record of all assurances (either evidence file, or showing clear link to where evidence is held) Clear guidance as to evaluation procedure including assurance over risks, independence and objectivity of assurances Defined evaluation mechanism Timetable for completion by statutory deadline Gap assessment – performed and challenged 	<p>manually) is recorded in the AGS matrix</p> <ul style="list-style-type: none"> Regular meetings in place between key officers and timetable agreed to meet statutory deadlines 	
9a	There is a robust mechanism to ensure that an appropriate action plan is agreed to address identified control weaknesses and is implemented and monitored	An action plan is drawn up and approved	<ul style="list-style-type: none"> AGS evidence matrix forms the basis of the action plan 	
10a	An Annual Governance Statement has been	Responsibility for the compilation of the AGS has	<ul style="list-style-type: none"> Head of Audit, Head of Legal Services and Head of Member Services act as core working group to 	

Appendix 2

Annual Governance Statement 2008/09 – Matrix of supporting evidence

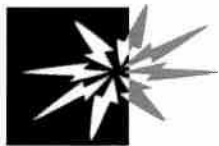
Ref:	Key elements of the corporate governance environment:	Sources/examples of assurance:	Evidenced by:	Actions to address identified gaps in assurance or evidence
	drafted in accordance with the statutory requirements and timetable set out in the Accounts and Audit Regulations 2003, as revised by the A&A (amendment) (England) Regulations 2006, and is in accordance with CIPFA guidelines	been assigned	<ul style="list-style-type: none"> compile AGS Draft AGS presented to CEMB on 7 April 2009. 	
10b		There is an AGS production timetable that meets the statutory deadline	<ul style="list-style-type: none"> Timetable in place and monitored by Head of audit & risk management 	
10c		The AGS is reviewed, challenged and approved by the authority	<ul style="list-style-type: none"> Review and challenge process by CEMB and Audit Committee 	
11a	An annual report to the authority (or delegated committee) on the AGS is presented, in accordance with the CIPFA pro-forma	Responsibility for reporting is clearly defined	<ul style="list-style-type: none"> Head of Audit & Risk Management provides draft AGS for review by CEMB, Cabinet and Audit Committee 	
11b		The signatories to the AGS and SIC are defined and are appropriate in accordance with statutory requirements (i.e. most senior officer and most senior member of the organisation)	<ul style="list-style-type: none"> Chief Executive and Leader of the Council are signatories of AGS 	

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11c		The report is likely to be published in a timely fashion with the statutory accounts	<ul style="list-style-type: none"> Production of AGS in line with statutory deadlines, AGS on agendas for key meetings, no reason to assume they will not be met. 	

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Haringey Council

Agenda item:

Audit Committee

On 30 July 2009

Report Title: **Risk Management update – Quarter 1 2009/10**

Report authorised by: **Chief Financial Officer**

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

Tel: 020 8489 5973

Email: anne.woods@haringey.gov.uk

Wards(s) affected: **All**

Report for: **Information**

1. Purpose of the report

1.1 To inform the Audit Committee of the current position on risk management implementation across the Council and provide a revised risk management strategy for consideration and approval.

2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by ensuring that the Council's risk management framework is in place and operating effectively. Internal audit reviews key risk registers, the controls in place to manage the identified risks. Recommendations for improvement are made, where appropriate.

2.2 Risk management forms a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on the implementation of the Council's risk management policy and strategy ensure that the requirements of the CAA assessment are fulfilled.

3. Recommendations

3.1 The Audit Committee is recommended note the implementation of the risk management strategy across the Council.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for approving the Council's Risk Management

Policy as part of its Terms of Reference. In order to facilitate this, and provide information on its implementation across the Council, progress reports are provided on a regular basis for review and consideration by the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The internal audit service makes a significant contribution to ensuring the implementation of the Council's risk management framework throughout the authority. This report focuses on the work undertaken during the first quarter of 2009/10 to ensure the risk management framework is complied with.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal issues arise out of the contents.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer has no additional comments to make.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with how risks are managed across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

11. Consultation

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of risk registers and internal audit reports. Their comments are included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work within

internal audit to implement the risk management framework is part of the contract with Deloitte and Touche which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. Service departments manage risks as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

13. Use of appendices

13.1 Appendix A – Update on risk registers

14. Local Government (Access to Information) Act 1985

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

15. Background

15.1 The Council's Risk Management strategy is reviewed on an annual basis to ensure that it reflects current operational requirements and best practice. The latest version was approved by the Audit Committee at its meeting on 23 April 2009.

15.2 The Chair of the Audit Committee requested that a report on risk management and compliance with the Council's strategy be presented to the Committee on a quarterly basis. The review and testing of risk registers formed part of the 2009/10 annual audit plan which was approved at the Audit Committee meeting on 23 April 2009. This is an ongoing process to ensure the key controls to manage identified risks are effective and operate as intended.

16. Risk Registers

16.1 The Council has been implementing a new performance management system (Covalent) which also includes a risk management module. Risk registers will be managed electronically at business unit, department and corporate level.

16.2 Appendix A shows the latest position for all Business Units and Directorates as at 30 June 2009. During 2009/10, a number of organisational changes have taken place across the Council. Within Urban Environment, the Enforcement Business Unit is now contained within Frontline Services Business Unit. Within PPP&C, Neighbourhood Management Business Unit is now contained within Safer Communities Business Unit. The risk registers for Enforcement and Neighbourhood Management have been incorporated into the new Business Unit structure and will be reported within this for 2009/10.

16.3 The majority of risk registers have been reviewed in accordance with the planned programme of audit work. The electronic Covalent system will replicate the existing

format for the council's risk registers, but will provide Business Unit Managers with a more effective and flexible reporting and monitoring process than the previous manual process. The electronic system is able to produce a variety of reports and information to suit the managers' requirements. The electronic system allows managers to view and sort their current risks individually, or by risk rating; RAG status; or actions due.

16.4 The process to input the current risk registers on to the performance management system started in the first quarter of 2009/10. This was undertaken by Internal Audit, supported by the Policy and Performance team. During the first quarter 2009/10, risk registers from Corporate Resources, PPP&C, and ACCS have been loaded onto the Covalent system and training has been provided to the departmental representatives. The risk registers for Urban Environment, OD&L and CYPS will be loaded onto Covalent by Internal Audit during quarter 2 and training will be provided to departmental representatives. It is anticipated that electronic reporting will be in place across all departments of the Council by October 2009. During the transition period, managers across all departments are still undertaking regular reviews of their risk registers in accordance with the risk management strategy.

16.5 Covalent automatically sends email reminders to the business unit representatives when updates are due and the system will provide an audit trail to allow for monitoring and follow up by Internal Audit. Internal Audit will also provide resources (as part of the annual audit plan) to assist business units on an ongoing basis and to ensure that all actions and updates are being done in accordance with the relevant timescales.

Progress Report Quarter 1 2009/10 - Risk Register Update Summary

	Department	Level	Risk Register Title	Date of most recent update
1	Corporate - CEMB	Corporate	Corporate Register	April 2009
2	CE - Policy Performance Partnerships & Communication	Dept	Policy Performance Partnerships & Communication	April 2009
3	CE - PPPC	BU	Safer Communities	May 2009
4	CE - PPPC	BU	Communications	May 2009
5	CE - PPPC	BU	Policy & Performance	April 2009
6	CE - Organisational Development	Dept	Organisational Development	June 2009
7	CE - OD	BU	Human Resources	June 2009
8	CE - OD	BU	Local Democracy and Member Support	June 2009
9	CE - OD	BU	Organisational Development & Learning	June 2009
10	Corporate Resources (CR)	Dept	Corporate Resources	June 2009
11	CR	BU	Legal Services	April 2009
12	CR	BU	IT Services	April 2009
13	CR	BU	Customer Services	March 2009
14	CR	BU	Benefits & Local Taxation	April 2009
15	CR	BU	Corporate Finance	April 2009
16	CR	BU	Audit & Risk Management	April 2009
17	CR	BU	Corporate Procurement	April 2009
18	CR	BU	Corporate Property Services	April 2009
19	Children and Young People's Service (CYPS)	Dept	Children & Young People's Service	June 2009
20	CYPS	BU	Children & Families	June 2009
21	CYPS	BU	School Standards and Inclusion	June 2009
22	CYPS	BU	Business Support & Development	June 2009
23	CYPS	BU	Children's Networks	June 2009
24	Adults Culture and Community Services (ACCS)	Dept	Adults Culture and Community Services	May 2009

Progress Report Quarter 1 2009/10 - Risk Register Update Summary

	Department	Level	Risk Register Title	Date of most recent update
25	ACCS	BU	Commissioning & Strategy	May 2009
26	ACCS	BU	Adult Services	May 2009
27	ACCS	BU	Recreation Services	May 2009
28	ACCS	BU	Culture, Learning & Libraries	May 2009
29	Urban Environment (UE)	Dept	Urban Environment	September 08
30	UE	BU	Strategic & Community Housing	July 2009
31	UE	BU	Frontline Services	April 2009
32	UE	BU	Planning & Policy Development	January 09

All risk registers have been reviewed in the past 12 months, with the exception of:

- Safer Communities; and
- Neighbourhood Management.

The above risk registers are currently being updated to reflect the current Business Planning Process.



Haringey Council

Agenda item:

[No.]**Audit Committee****On 30 July 2009**Report Title: **Whistleblowing – implementation and use of the Council policy**Report authorised by: **Chief Financial Officer**

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

Tel: 020 8489 5973**Email:** anne.woods@haringey.gov.ukWards(s) affected: **All**Report for: **Information****1. Purpose of the report**

1.1 To advise the Audit Committee of the operation and use of the Council's Whistleblowing policy.

2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing referrals made under the Council's Whistleblowing policy and undertaking investigations, where appropriate, to reduce risks and improve controls.

3. Recommendations

3.1 That the Audit Committee notes the content of the report.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for monitoring council policies on Whistleblowing and Anti-fraud and Corruption as part of its Terms of Reference. In order to facilitate this, the Audit Committee reviews and approves the Council's policies for these areas.

4.2 This report provides further information on the implementation and usage of the Council's Whistleblowing policy.

<p>5. Other options considered</p> <p>5.1 Not applicable</p>
<p>6. Summary</p> <p>6.1 The Head of Audit and Risk Management acts as one of the lead officers in relation to the Whistleblowing policy. This report outlines the implementation and use of the Council's policy.</p>
<p>7. Head of Legal Services Comments</p> <p>7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal issues arise out of the contents</p>
<p>8. Chief Financial Officer Comments</p> <p>8.1 The Chief Financial Officer has no additional comments to add.</p>
<p>9. Head of Procurement Comments</p> <p>9.1 Not applicable</p>
<p>10. Equalities and Community Cohesion Comments</p> <p>10.1 This report deals with how the Whistleblowing policy is used within the Council. It is best practice for local authorities to implement and publicise a Whistleblowing policy which will allow employees to report and raise concerns. Providing opportunities to report concerns can enable the council to improve conditions for those who live and work in the borough.</p>
<p>11. Consultation</p> <p>11.1 No external consultation was required or undertaken in the production of this report. Consultation has been undertaken with Human Resources in the development of the Whistleblowing policy and to ensure that all reports made under the policy are appropriately recorded.</p>
<p>12. Service Financial Comments</p> <p>12.1 There are no direct financial implications arising from this report. The costs of ensuring the Council complies with the Whistleblowing policy are contained and managed within the Audit and Risk Management and relevant service departments' revenue budgets.</p>
<p>13. Use of appendices</p> <p>13.1 N/A</p>
<p>14. Local Government (Access to Information) Act 1985</p> <p>14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.</p>

15. Background

- 15.1 As part of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2006 Code of Practice, Haringey needs to ensure that there are appropriate processes in place for the reporting and investigation of allegations of fraud and corruption.
- 15.2 The Comprehensive Area Assessment (CAA) – Use of Resources – includes the requirements to have appropriate arrangements in place which are designed to promote and ensure probity. It is therefore important to ensure that the Council can demonstrate compliance with the CAA and best practice requirements.
- 15.3 The Council fulfils these requirements by having an Anti-fraud and corruption strategy and Fraud Response Plan. In addition, the Council has a Whistleblowing Policy which complements and supports the anti-fraud and corruption strategy. These policies and strategies are reviewed and approved by the Audit Committee on a regular basis. The last update was approved at the Audit Committee meeting on 22 July 2008.
- 15.4 The Whistleblowing policy is within the remit and ownership of the Council's Monitoring Officer, and is drawn up in consultation with Human Resources and Audit and Risk Management. The Head of Audit and Risk Management is responsible for recording any concerns or reports received under the Whistleblowing policy and liaises with the Head of Human Resources and directorates across the Council to ensure that the policy is complied with.

16. Implementation and use of the policy

- 16.1 The Council's Whistleblowing policy has been in place since November 1998, following the publication of the Public Interest Disclosure Act 1998 and central government guidance which stated that every local authority should instigate such a policy to enable workers to raise concerns about malpractice confidentially inside and, if necessary, outside the organisation. The Council's Whistleblowing policy applies to all Council employees and any member of staff can raise concerns using the policy.
- 16.2 The Council's Whistleblowing policy has been regularly reviewed since its introduction and conforms to the best practice guidance from Public Concern at Work, the independent charitable organisation which advises on whistle-blowing and governance matters.
- 16.3 The Whistleblowing policy is published on the Council's intranet site. In addition, The Council utilises its corporate newsletters – Smart Talk and Team Brief – on an annual basis to:
- Remind all staff that the Council has a Whistleblowing policy;
 - What the policy covers;
 - How to report or raise concerns; and
 - What the Council will do to respond to any concerns raised in good faith.

- 16.4 In addition to the annual articles in Smart Talk and Team Brief, the Chief Executive writes to all staff individually on a regular basis to remind staff of the Council's expectations in respect of standards of behaviour and fraud and corruption and how to report and raise concerns. The latest reminder was sent to all staff in July 2009.
- 16.5 The Whistleblowing policy applies internally to all Council employees. The Council's anti-fraud and corruption policy has a wider remit and applies externally as well as internally within the Council and incorporates the email and telephone reporting facility 'Fraudcall'. Use of the Fraudcall facility is reported to the Audit Committee on a quarterly basis, as part of the routine progress reporting process. During 2008/09, a total of 22 referrals were made via Fraudcall. These referrals are all reviewed by internal audit and either passed to the relevant department to enable further review, or investigated by internal audit.
- 16.6 During 2008/09, the Council's Whistleblowing policy has not been used by any members of staff. Reports made anonymously via Fraudcall and anonymous allegations sent in from outside the organisation may have been made by staff, but because the concerns and allegations have been raised anonymously, it was not possible to confirm the source. During 2007/08, one referral was made under the Council's Whistleblowing policy. The subsequent investigation revealed that the alleged fraud related to Enfield council and was referred to their fraud investigation team.



Haringey Council

Agenda item:

[No.]**Audit Committee****On 30 July 2009**Report Title: **Report on the work of the Audit Committee 2008/09**Report authorised by: **Chief Financial Officer**

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

Tel: 020 8489 5973**Email:** anne.woods@haringey.gov.ukWards(s) affected: **All**Report for: **Non-key decision****1. Purpose of the report**

1.1 To advise the Audit Committee of the proposed report to Full Council in respect of the work undertaken by the Audit Committee during 2008/09.

2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing key services and making recommendations for improvement where appropriate. Follow up work is undertaken to ensure that managers implement agreed recommendations and improvements.

2.2 Internal audit forms a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on progress against the agreed audit plan and the implementation of audit recommendations ensure that the requirements of the CAA assessment are fulfilled.

2.3 External audit is also a key part of the overall governance and control framework and their work to the Audit Committee gives further independent assurance and reporting.

3. Recommendations

3.1 That the Audit Committee approves the draft report on the work of the Committee during 2008/09.

3.2 That the final version of the report is presented to the next available Full Council

meeting for information.
<p>4. Reason for recommendation(s)</p> <p>4.1 The Audit Committee Terms of Reference require it to report the work it has undertaken to full Council. In order to facilitate this, a draft report is provided for review and consideration by the Audit Committee.</p>
<p>5. Other options considered</p> <p>5.1 Not applicable</p>
<p>6. Summary</p> <p>6.1 The Audit Committee has responsibility for audit, governance and risk management across the Council. Regular reports are presented to the Audit Committee and additional work is requested during the year to ensure that the Audit Committee fulfils its responsibilities.</p> <p>6.2 This report looks at the work undertaken by the Audit Committee during 2008/09. The details within the report have been compiled from the agendas, reports and minutes of the Audit Committee during the 2008/09 municipal year.</p>
<p>7. Head of Legal Services Comments</p> <p>7.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that no specific legal issues arise out of the contents.</p>
<p>8. Chief Financial Officer Comments</p> <p>8.1 The Chief Financial Officer has no additional comments to add.</p>
<p>9. Head of Procurement Comments</p> <p>9.1 Not applicable</p>
<p>10. Equalities and Community Cohesion Comments</p> <p>10.1 This report deals with the work of the Audit Committee during 2008/09 which includes any recommendations made to improve governance and service delivery across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.</p>
<p>11. Consultation</p> <p>11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with the Audit Committee to review and approve the final version of the report in accordance with the committee's agreed terms of reference.</p>

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work undertaken to produce the report is contained and managed within the Audit and Risk Management revenue budget.

13. Use of appendices

13.1 Appendix A – Annual report to Full Council

14. Local Government (Access to Information) Act 1985

14.1 Audit Committee Agendas and Minutes 2008/09.

5. Introduction

5.1 Haringey Council's Audit Committee has been established for a number of years, in accordance with best practice, with agreed Terms of Reference which match CIPFA guidance. In fulfilling its Terms of Reference the Audit Committee produces an annual report of the work it has completed during the year which is submitted to a meeting of the Full Council for information.

6. Reporting Process

6.1 Members requested that a draft version of the Committee's annual report be presented to the Audit Committee to ensure that all Members had the opportunity to review and provide input to the report.

6.2 The draft annual report of the Audit Committee is attached as Appendix A to this report. The draft report has been compiled using the agreed agendas, reports and minutes of the 2008/09 municipal year. During this year, the Audit Committee met on five occasions: 24 June, 22 July, and 28 October 2008; 3 February and 23 April 2009.

6.3 Agreed recommendations and Member comments, where appropriate, have been included to reflect the outcome of the meetings. The report is structured against headings which reflect the Audit Committee's agreed terms of reference, rather than chronological order of committee meetings in order to prevent repetition and duplication.

1. Background

- 1.1 The Terms of Reference of the Audit Committee require it to maintain an overview of the Council's arrangements for corporate governance and the regulatory framework; internal control; risk management; and internal and external audit. This report has been produced to advise Full Council of the matters considered by the Audit Committee at its meetings during the municipal year 2008/09, in fulfilment of its Terms of Reference. It is presented to Full Council for information.
- 1.2 The Audit Committee is required to meet at least four times per year in accordance with the Council's reporting and financial cycles. During 2008/09, the Committee has met on five occasions and each meeting was quorate. Members' attendance is recorded in Appendix B attached to this report.
- 1.3 CIPFA best practice guidance recommends that the Council's Section 151 Officer (or his deputy) and Head of Audit and Risk Management should attend each meeting, with other Chief and Senior Officers attending as required. The Council's external auditors, Grant Thornton, also attended all meetings of the Committee during 2008/09. Actual attendances are recorded in Appendix B to this report.

2. Summary

- 2.1 The Audit Committee takes its responsibilities very seriously and considers its role in enhancing the Council's internal control environment to be significant in assisting the Council achieve the highest possible rating as part of the Comprehensive Performance Assessment (CPA) process. During 2008/09, key achievements for the Committee were:
- Contributing to the CPA process and assisting the Council achieve a score of 3 out of 4 for Internal Control, including an improved score for risk management arrangements, as part of the Use of Resources assessment;
 - Providing input into to the Internal Audit function thorough review and approval of the annual audit plan and quarterly review process, including monitoring implementation of audit recommendations as part of the formal follow up reporting process;
 - Reviewing and approving the Council's internal audit strategy; and
 - Contributing to and approving the Council's Annual Governance Statement.
- 2.2 The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process. Over the last year the Audit Committee has fulfilled its purpose and terms of reference and presented a challenge in relation to the Council's system of internal control and financial reporting arrangements. Over the next 12 months it is intended that the proposed developments will continue to enhance and develop the Committee's role and provide an effective challenge to all areas of the Council.

2.3 The following sections describe the work of the Audit Committee in relation to the key tasks identified within the committee's agreed Terms of Reference which were in effect during 2008/09. The Audit Committee agrees and maintains a work programme for its main areas of activity. The reports received during the 2008/09 municipal year are shown at Appendix C.

3. Corporate Governance and regulatory framework

3.1 The core functions of the Audit Committee in this area are:

- To maintain an overview of the Council's Constitution in respect of finance and contract procedure rules and codes of conduct and behaviour.
- To maintain an overview of the Council's arrangements for Corporate Governance and agreeing necessary actions to enable the authority to implement best practice as set out in statutory and other guidance.
- To receive and recommend for adoption the Council's Statement on Internal Control (now Annual Governance Statement).
- To monitor council policies on 'Whistleblowing' and Anti-fraud and Corruption.
- To review any issue referred to it by the Chief Executive, a Director, or any Council body.
- To consider the Council's compliance with its own and other published standards and controls.

3.2 During the 2008/09 municipal year, the Audit Committee has:

- Received reports on a quarterly basis on compliance with the Council's finance and contract procedure rules as part of the annual programme of internal audit work
- Received reports on a quarterly basis on counter-fraud activity relating to Housing Benefit and Council Tax benefit
- Received and approved the revised and updated Council policies for Whistleblowing, Anti-fraud and Corruption, and Fraud Response Plan
- Received and approved the anti-fraud and corruption strategy relating to Housing Benefit and Council tax Benefit fraud
- Received and approved the revised and updated Council anti-money laundering policy
- Received a report on the implementation and use of the Regulation of Investigatory Powers (RIPA) Act 2000 across the Council
- Received a report from the Office of the Surveillance Commissioner detailing their findings following an inspection of the Council's use and applications of RIPA

4. Risk Management

4.1 The core functions of the Audit Committee in this area are:

- To approve the Council's Risk Management Policy and receive regular reports on compliance with the policy across the authority.
- To review the effectiveness of systems for the assessment and management of material areas of risk within Haringey and monitor their maintenance and development in accordance with the Risk Management Policy.

4.2 During the 2008/09 municipal year, the Audit Committee has:

- Received and approved the revised and updated Risk Management Policy and Strategy
- Received reports on a quarterly basis on implementation of the Council's risk management strategy
- Received and reviewed the Council's corporate risk register on an annual basis

5. Audit activity

5.1 **Internal Audit.** The core functions of the Audit Committee in this area are:

- To consider the Head of Audit and Risk Management's annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.
- To consider and approve the Council's Annual Internal Audit Plan and ensure that it is consistent with the scope of the audit engagement or service delivery arrangements.
- To consider reports dealing with the management and performance of the Council's providers of Internal Audit Services.
- To consider quarterly reports in respect of internal audit activity including ethical oversight issues and any major findings arising from internal audit reviews and ensure that appropriate corrective action has been taken.
- To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
- To approve any significant changes to the strategic or annual audit plan as requested by officers
- To receive reports from the Head of Audit and Risk Management on appropriate matters

5.2 During the 2008/09 municipal year, the Audit Committee has:

- Received the Head of Audit's annual report and assurance statement for 2007/08, including a summary of internal audit activity
- Received and approved the Council's 2008/09 annual internal audit plan and internal audit strategy
- Received quarterly reports detailing internal audit activity of the Council's internal audit service provider (Deloitte and Touche), and the in-house audit team, including details of agreed performance management indicators
- Received quarterly reports on implementation of all recommendations made internal audit
- Received a report on the internal audit of governance arrangements at Alexandra Palace and Park (APP Trust and APTL Company)
- Received and approved the Terms of Reference for Internal Audit
- Received and approved revised reporting formats and approach for internal audit activity

5.3 **External Audit.** The core functions of the Audit Committee in this area are:

- To receive and note the Annual Audit Plan from the external auditor.
- To receive the Annual Audit Letter from the external auditor and make any appropriate recommendations to the Council or The Executive in respect of these matters.
- To receive quarterly and annual reports in respect of external audit activity including ethical oversight issues.

- To question officers and Executive Members on the above matters
- To make any appropriate recommendations to full Council or The Executive in respect of these matters.
- To commission work from Internal and External Audit.
- To liaise with the Audit Commission over the appointment of the Council's external auditor.

5.4 During the 2008/09 municipal year, the Audit Committee has:

- Received and considered the 2008/09 external audit and inspection plan
- Received quarterly reports providing updates on key external audit issues and progress against the agreed 2008/09 external audit plan
- Received the external auditor's report detailing the outcome of their review of Health Inequalities in Haringey, covering the Council, Primary Care Trust and the Haringey Strategic Partnership.
- Received a follow up report in respect of progress against the agreed action plan for the Health Inequalities review.
- Received a report detailing the external auditor's report in respect of the Comprehensive Performance Assessment – Use of Resources for 2008.
- Received the external auditor's report on the outcomes of the annual grant work
- Received the external auditor's report following their review of probity and propriety arrangements within the Council.
- Received a report detailing the audit and inspection fees for 2009/10.

6. Accounts

6.1 The core functions of the Audit Committee in this area are:

- To review the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts.

6.2 During the 2008/09 municipal year, the Audit Committee has:

- Received a report detailing the accounting policies and 2007/08 annual statement of accounts
- Received a report detailing the outcome of the annual audit of the 2007/08 statement of accounts, reporting an unqualified audit opinion.
- Received a report detailing the accounting policies for the 2008/09 statement of accounts
- Received a presentation on the new International Financial Reporting Standards (IFRS) and the Council's proposed preparation work over the next two years

7. Other issues

7.1 During the 2008/09 municipal year, The Audit Committee also:

- Received and approved the Audit Committee 2008/09 work plan

- Received and approved a report on the work of the Audit Committee for the 2007/08 municipal year
- Received a report on the results of the CIPFA benchmarking exercise for internal audit in 2008/09
- Agreed to receive progress reports from 2009/10 onwards on action plans from external inspections

Appendix B

Member/Officer attendance at Audit Committee Meetings 2008/09

Member/Officer	24 June 2008	22 July 2008	28 October 2008	3 February 2009	23 April 2009
Members					
Cllr Khan (Chair)	√	√	√	√	√
Cllr Mallett (Vice-chair)	√	√	√	√	√
Cllr Diakides	√	√	√	√	√
Cllr Bull	√	√	√	√	A
Cllr Gorrie	A	A	√	√	√
Cllr Davies	A	√	√	A	√
Cllr Mughal	√	-	A	-	A
Other Member attendances					
Cllr Wilson	√	N/A	N/A	N/A	N/A
Cllr Adje	N/A	√	N/A	N/A	√
Officers					
Chief Financial Officer	√	√	√	√	√
Head of Audit & Risk Management	√	√	√	√	√
Head of Corporate Finance	√	√	√	√	√
Deputy Head of Benefits & Local Taxation	-	√	√	√	√
External Auditor (Grant Thornton)	√	√	√	√	√
Head of Finance – Accounting & Control	√	-	√	-	√
Joint Director of Public Health	√	-	-	-	-
Acting Head of Benefits & Local Taxation	√	-	-	-	-

Notes/key

√= attended

A = apologies for absence recorded

N/A = not a member

Audit Committee Activity 2008/09

Function/Issue	24 June 2008	22 July 2008	28 October 2008	3 February 2009	23 April 2009
Corporate Governance and regulatory framework					
Whistleblowing Policy, Anti-fraud and corruption Policy, Fraud response Plan		Approved			
Housing Benefit and council tax benefit counter fraud progress report		Noted	Noted	Noted	Noted
Housing Benefit and council tax benefit anti-fraud strategy		Approved			
Anti-money laundering policy		Agreed			
Implementation and use of RIPA		Noted			
Office of Surveillance Commissioner's inspection report and action plan					Approved
Risk Management					
Risk Management Policy and Strategy					Approved
Corporate Risk Register					Agreed
Risk Management Progress		Noted		Noted	Noted
Audit Activity – Internal audit					
Internal audit strategy & plan 2008/09					Approved
Annual internal audit report	Noted & referred to full Council				
Progress report 2008/09		Noted	Approved	Noted	Noted
Internal audit terms of reference	Approved				
Internal audit reporting	Approved				

Function/Issue	24 June 2008	22 July 2008	28 October 2008	3 February 2009	23 April 2009
arrangements					
Review of governance arrangements at Alexandra Palace			Approved		
Audit Activity – External audit					
Audit and inspection plan 2008/09	Noted				
Progress report 2008/09		Noted	Noted	Noted	
Health Inequalities report	Noted				
Health Inequalities update report and action plan			Noted		
Probity and Propriety Report				Agreed	
CPA Use of Resources report				Noted	
Annual grant work				Agreed	
Audit and inspection fees 2009/10					Approved
Accounts					
Statement of accounts 2007/08 and accounting policies		Agreed			
Outcome of the 2007/08 external audit and action plan			Agreed		
Accounting policies 2008/09					Approved
Presentation on IFRS					Noted
Other issues					
Committee work programme 2008/09	Approved				
Internal audit benchmarking report			Noted		
National Fraud Initiative			Noted		
Annual report on Audit Committee work		Approved and referred to full Council			

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