Audit Committee

MONDAY, 1ST FEBRUARY, 2010 at 19:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors 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 20 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 matter 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 - 12)**

To confirm and sign the minutes of the Audit Committee held on the 5 November 2009.

5.   **DEPUTATIONS AND PETITIONS**

6.   **GRANT THORNTON PROGRESS REPORT (PAGES 13 - 14)**

7.   **GRANTS REPORT 2008/09 (PAGES 15 - 40)**

Report of the Chief Financial Officer to report to the Committee the outcomes of the annual grant work by Grant Thornton and to get approval for the action plan resulting from the report of the auditors.

8.   **EXTERNAL AUDIT PLAN 2009/10 (PAGES 41 - 60)**

Report of the Chief Financial Officer to inform the Committee of the external audit plan for 2009/10 proposed by Grant Thornton and to agree the revised audit fees.

9.   **TACKLING HEALTH INEQUALITIES IN HARINGEY - FOLLOW UP REPORT (PAGES 61 - 80)**

Report of Grant Thornton.

10.   **JAR ACTION PLAN UPDATE (PAGES 81 - 126)**

To provide an overview of progress in delivery of the Safeguarding Plan up to the month of December, for the Committee to note the programme management arrangements for the Safeguarding Plan, progress against the milestones set out within the Plan, progress against safeguarding performance indicators and the Safeguarding Plan risk management report.

11.   **DATA QUALITY - UPDATE REPORT (PAGES 127 - 156)**

Report of the Assistant Chief Executive, Performance, Policy, Partnership and Communication to provide an update on work being done to improve data quality across the council.

12.   **HOUSING BENEFITS 3RD QUARTER PROGRESS REPORT ON COUNTER FRAUD ACTIVITY (PAGES 157 - 162)**

Report of the Chief Financial Officer to advise and update Members of the Counter Fraud performance of the Benefit and Local Taxation Service from the 1st October 2009 – 31st December 2009.

13. **IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - PROGRESS REPORT (PAGES 163 - 172)**

    Report of the Chief Financial Officer to inform the Committee of the progress made in respect of the implementation of International Financial Reporting Standards (IFRS) and the actions that are proposed in order to secure full implementation.

14. **TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) AND INVESTMENT STRATEGY 2010/11 TO 2012/13 (PAGES 173 - 202)**

    Report of the Chief Financial Officer to present the Treasury Management Strategy Statement 2010/11 to 2012/13 for scrutiny prior to its adoption by the Cabinet and Council and following its agreement by the General Purposes Committee.

15. **INTERNAL AUDIT 3RD QUARTER PROGRESS REPORT (PAGES 203 - 248)**

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

16. **INTERNAL AUDIT - CIPFA BENCHMARKING (PAGES 249 - 258)**

    Report of the Head of Audit and Risk Management to advise the Audit Committee of the results of the CIPFA Benchmarking exercise completed in 2009/10.

17. **REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE (PAGES 259 - 272)**

    Report of the Head of Audit and Risk Management to advise Members of the level of compliance with the Institute of Public Finance (IPF) Toolkit in relation to local authority Audit Committees and their effectiveness and to provide Members with the results of the review and options for discussion and approval to ensure that the requirements of the IPF guidance are fulfilled and the Audit Commission feedback in relation to the Use of Resources assessments is appropriately addressed.

18. **ANTI MONEY LAUNDERING REGULATIONS AND COUNCIL POLICY (PAGES 273 - 282)**

    Report of the Head of Audit and Risk Management to advise the Audit Committee of the updated Corporate Anti-money laundering policy.

19. QUARTER 3 RISK MANAGEMENT UPDATE AND REVISED CORPORATE RISK MANAGEMENT POLICY (PAGES 283 - 318)

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 to provide an updated Corporate Risk Management Policy and Strategy for review and approval.

20. NEW ITEMS OF URGENT BUSINESS

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

21. DATE OF NEXT MEETING

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Friday, 22 January 2010

MINUTES OF THE AUDIT COMMITTEE
THURSDAY, 5 NOVEMBER 2009

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

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PRAC123.	**APOLOGIES** There were no apologies for absence. The Chair announced that he had heard that this would be the last meeting of the Audit Committee attended by Tim Fisher, Deputy Head of Benefits and Local Taxation, who was leaving the Council. The Committee thanked Mr Fisher for his work for the Committee.	
PRAC124.	**URGENT BUSINESS** There were no items of urgent business.	
PRAC125.	**DECLARATIONS OF INTEREST** There were no declarations of interest.	
PRAC126.	**MINUTES** **RESOLVED** That the minutes of the meeting of the Audit Committee held on 30 July 2009 be approved and signed by the Chair.	
PRAC127.	**DEPUTATIONS AND PETITIONS** There were no deputations or petitions.	
PRAC128.	**AUDIT OF ACCOUNTS 2008/09** Kevin Bartle, Corporate Finance, introduced the report on the Audit of Accounts 2008/09. It was noted that the final report on the Audit and the accounts 2008/09 had been approved by the General Purposes Committee, and the Audit Committee was asked to agree the management responses contained in the action plan. Graham Oliver, Corporate Finance, reported that the accounts had been signed off by the auditors on 25th September 2009, five days in advance of the statutory deadline of 30th September, and that the auditors had given an unqualified audit opinion. The Committee was advised that there were 14 recommendations from the audit, all of which had been agreed with the Council. Grant Thornton confirmed that they were satisfied with the management responses provided. In relation to recommendation 2 on fixed asset accounting, the	

Committee asked about the Major Repairs Allowance, and whether this had any impact on revenue such as to affect council tax. Mr Oliver confirmed that this was completely separate and would have no impact on council tax. The Committee asked about related party transactions and the number of declarations that were not returned, in response to which Mr Oliver reported that all the declarations not received at the start of the audit had been returned by completion of the audit. Mr Oliver reported that measures were being put in place to address the number of declarations outstanding at the start of the audit. In response to a question from the Committee regarding the number of outstanding related party transaction returns relating to Members, Mr Oliver agreed to supply this information outside the meeting. Committee members suggested that Members should be provided with more information about related party transaction declarations, in order to fully understand their importance.

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In response to a question from the Committee regarding the recommendation on fixed asset accounting and capitalisation, Mr Oliver confirmed that the auditors had needed to request additional evidence in this area and the recommendation was to highlight the need to strengthen the audit trail to ensure that all the necessary evidence was provided. Grant Thornton confirmed that in line with the new accounting standards coming into practice for the 2010/11 accounts, clarity was needed in relation to capitalised expenditure and it was important that there was a clear audit trail. It was confirmed that this applied to all areas of the Council and would have no budget implications.

The Committee asked when the accounts had been available for public inspection, and it was reported that this had been for a four week period from 2 August 2009, and had been publicised in advance.

The Chair thanked officers for their achievement in obtaining an unqualified audit opinion and thanked the auditors. Referring to the executive summary of Grant Thornton, the Chair requested that, in order to establish best practice and transparency of process, officers exercise their professional judgement in making calculations to ensure as far as possible that subsequent adjustments were not necessary. The Chair emphasised the importance of addressing the problems identified in relation to use of data, and noted the role of the Audit Committee in monitoring this area. The Chair expressed determination to address this issue, but emphasised that this was only possible if officers provided the Committee with full and accurate reports, periodically, in respect of the Council's use of data.

The Chair stated that it was his view that, although governance controls at the Alexandra Palace and Park Trust had improved, the controls in place remained insufficient and it was essential for the Council to have adequate assurance, as the Council had overall responsibility for subsidising the Trust. The Chair noted that the Audit Committee relied on the professional advice of the Chief Financial Officer and the Council's auditors. The Chair indicated that he wished to move that a recommendation be added that arrangements be put in place to ensure

that the amount of subsidy for Alexandra Palace and Park did not exceed the amount agreed and set out in the budget.

Committee members expressed concern that the Alexandra Palace and Park Trust should be singled out, when the same should be true of all areas of the Council, in response to which the Chair reported that the Council was responsible for subsidising the Trust, as a result of which it should be ensured that the budget set out in accordance with the advice of the Chief Financial Officer should not be exceeded. Committee members questioned the authority of the Audit Committee to impose a budget constraint in this way, in response to which the Chair stated that it was his personal observation that a system should be in place to ensure that the subsidy for the Alexandra Palace and Park Trust did not exceed the budgeted amount, because as per the terms of reference of the Audit Committee was required to provide independent assurance of the financial and non financial performance of the Council. Committee members indicated that they would support a recommendation to ensure that all Council services were subject to the same arrangements, and not just the Alexandra Palace and Park Trust, in response to which the Chair responded that, while all other Council services were required to abide by the advice of the Chief Financial Officer, it had been demonstrated that the Trust had previously not abided by the guidance of the Chief Financial Officer and that this was why specific arrangements were necessary.

The Committee expressed concern that the Audit Committee did not have the power to impose any mechanism such as the one suggested within the legal framework. In response to questions from the Committee, the Chief Financial Officer confirmed that any funding required by the Trust in excess of the budgeted amount had to be requested from and approved by the Council, and that budget monitoring reports for the Trust were reported to Cabinet and monitored in the same way as other Council bodies via the Chief Financial Officer.

The Chair stated that the Trust must abide by the professional judgement of the Chief Financial Officer and as per the earlier advice of the Head of Legal Services, the section 151 officer had responsibility for the proper administration of the financial affairs of the Council as a whole, including the finances of the Alexandra palace and Park Trust, and that a mechanism was required to ensure that the amount agreed in the budget, in accordance with the professional judgement of the Chief Financial Officer, was not exceeded.

Committee members noted that the Council did not have the authority to limit the expenditure of the Alexandra Palace and Park Trust, nor to refuse to finance the deficit of that body, as it had a legal obligation to do so. In response to a question from the Committee and the Chair, the Committee Manager advised that the recommendation relating to arrangements to ensure that subsidy for the Alexandra Palace and Park Trust did not exceed the amount set out in the budget did not fall within the remit of the Audit Committee, in accordance with its terms of reference. The additional recommendation was withdrawn.

	RESOLVED That the management responses contained in the action plan be agreed by the Committee, and that the Committee receive an update on agreed actions at a future meeting of the Audit Committee.	
PRAC129.	**COMPREHENSIVE AREA ASSESSMENT (CAA): USE OF RESOURCES (UOR) - AUDITOR'S REPORT ON THE 2008/09 ASSESSMENT** Gerald Almeroth, Chief Financial Officer, reported that the Council's overall Use of Resources score was 3 out of 4, the same as for the previous year. Scores for managing other resources were positive, especially in the area of making effective use of natural resources. Particular concern had been identified in respect of the use of data, which had obtained a score of 1. Grant Thornton introduced their report. It was reported that, as a component of the new Comprehensive Area Assessment, the scope of the Use of Resources had expanded. The Council's scores were reported as follows: Managing Finances - 3, Governing the Business - 2 and other resources – 3. The Committee was advised of the high priority actions that had been identified in relation to demonstrating improving outcomes, articulating the benefits of Haringey Forward and core efficiency programmes, demonstrating the improvement in commissioning and data quality arrangements with regard to inter agency child protection practice, addressing weaknesses in data quality management and reporting in child protection and developing data quality checking mechanisms for housing and council tax benefits claims. Management responses to these were contained in the action plan. The Chair expressed satisfaction that a score of three had been attained. In response to a question from the Committee, Grant Thornton explained the basis on which the scores were calculated. The Chief Financial Officer reported that work to improve the areas identified in the action plan had been going on for some time, and that named officers had been identified with responsibility for each action. It was reported that there were specific action plans in place to address the data quality issues in child protection as part of the Joint Area Review action plan and in benefits and local taxation. The Committee suggested that there should be a single senior officer with overall responsibility for all the actions, who would act as the point of contact for the Audit Committee on these issues. In respect of the data quality issues, Grant Thornton confirmed that the concern of the auditor was a lack of confidence in the accuracy of the information being provided. It was reported that follow up audit work would include data quality in benefits and local taxation and child protection, as well as other areas for testing. The Committee emphasised that if problems had been identified relating to quality of data, it was essential that this be put right. The Chief Financial Officer	

advised that the action plan included information on what had been done to address the issues raised, and the further work that was planned, and confirmed that further reports on progress could be produced if required by the Committee.

In response to a question from the Committee regarding the other areas that were tested in respect of data quality, Grant Thornton confirmed that these were listed in the report under data quality spot-check results. For the majority of the areas tested, no significant concerns had been raised.

In response to the Committee's suggestion that there be a single senior officer responsible for data quality issues, the Chief Financial Officer advised that the new data quality strategy was the responsibility of the Assistant Chief Executive, Policy, Performance, Partnership and Communication and it was agreed that he should attend the next meeting of the Audit Committee to provide an update on data quality issues, including the specific areas of benefits and local taxation and child protection.

The Committee asked for an update on the present performance for initial and core assessments in children's services. The Director of the Children and Young People's Service, Peter Lewis, reported that currently just below 40% of initial assessments were undertaken within 7 days; this was below target, but it was anticipated that the target of 53% would be achieved by the end of December 2009. It was also reported that for core assessments, 70% were being completed within 7 days, which was ahead of the target of 63%. Mr Lewis reported that the issue of data quality was being taken extremely seriously, and that significant internal audit and external audit work had been undertaken to assess the quality and timeliness of assessments. In response to a question from the Committee regarding the reasons for the percentage of initial assessments being completed within 7 days not meeting the target, it was reported that the demand for assessments was 50% higher than it had been the previous year, and that difficulties within the service had led to a deterioration in performance, although this was now improving steadily. Mr Lewis reported that the police had introduced a new system for referrals, to ensure that incoming referrals were managed according to priority. Meetings were being held with the police on a daily basis to prioritise incoming referrals. The Committee was advised that the service was confident that the target of 53% of initial assessments being completed within 7 days would be met by the end of the year.

The Chair asked the auditors for their advice on the most effective model by which the Audit Committee could monitor progress against the action plan. Grant Thornton reported that the production by officers of progress reports for the Committee, with specific identified issues highlighted, would be the most effective, and that the auditors would also produce reports for the Committee.

RESOLVED

   i)   That the Audit Committee note the Use of Resources

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	assessment and scores and the Council's intended actions to implement auditor recommendations. ii) That the Audit Committee receive a progress report from the Assistant Chief Executive, Policy, Performance, Partnership and Communication on data quality issues at the next meeting.	
PRAC130.	**GRANT THORNTON - AUDIT PROGRESS REPORT** Grant Thornton presented their audit progress report to the Committee. It was noted that the full annual audit plan for the forthcoming year and an update against the 2009/10 audit plan would be presented at the next meeting of the Committee. **RESOLVED** That the Committee note the content of the report.	
PRAC131.	**PROGRESS REPORT ON COUNTER FRAUD ACTIVITY RELATING TO HOUSING BENEFIT AND COUNCIL TAX BENEFIT** Tim Fisher, Deputy Head of Benefits and Local Taxation, presented the update on the Counter Fraud performance of the Benefit and Local Taxation Service from the 1 July 2009 to 30 September 2009. It was reported that 19 sanctions had been issued for the second quarter, which compared favourably with the previous year, where 10 sanctions had been issued in the second quarter. Year to date, 30 sanctions had been issued in comparison with 34 the previous year, and it was noted that 21 cases had been referred for prosecution. It was reported that £496,997 in overpaid benefit had been identified, against £499,835 the previous year. The Committee requested that comparisons with the previous year be incorporated into the reports to the Committee in future. Mr Fisher reported that the National Fraud Initiative was one of the main activities for the Benefits and Local Taxation team, and that 2,977 of the referrals received from the Audit Commission had been identified as of interest and would be looked into over the course of the year and forwarded for investigation as appropriate. It was reported that the Fraud Investigation Team were working with the DWP on the National Fraud Initiative, and that partnership working with Job Centre Plus was also increasing. The Committee congratulated officers for the increase in cases going to prosecution, and welcomed that this increase had been publicised. In response to a question regarding some of the report descriptions used in the table of priority areas relating to data matching – Mr Fisher explained that the descriptions consisted of the source of the data being compared, for example licensing details for taxi drivers, and the quality of the data in identifying potential fraud cases, for example high quality would mean that there was a high likelihood that a match in this area warranted further investigation. The Committee noted that the number of cases referred for further investigation following comparison with the borough	

	payroll was a concern. In response to a question regarding the use of the electoral register, Mr Fisher reported that the electoral register was used in the course of the team's enquiries, but not as part of the national fraud initiative. The Chief Financial Officer advised that, as the register was updated less frequently than other sources of data, more up to date sources of information were considered to be of higher quality, although the electoral register was cross-checked as part of counter fraud activities. It was reported that the Audit Commission was currently focussing on fraud, especially tenancy and single-person discount issues, and that the auditors would be examining the Council's arrangements in this respect as part of their audit work for 2009/10. **RESOLVED** That the report and the work carried out by the Benefits and Local Taxation Service in relation to Counter Fraud activity be noted.	
PRAC132.	**INTERNAL AUDIT 2ND QUARTER PROGRESS REPORT** Anne Woods, Head of Audit and Risk Management, presented the internal audit progress report for the second quarter. It was reported that significant progress had been made on the implementation of outstanding audit recommendations, and it was reported that 100% of Priority 1 recommendations reviewed during quarter 2 (17 recommendations) had been completed by the follow up audit and only 2 recommendations from previous years remained outstanding. The Committee welcomed the progress on the implementation of recommendations. In response to a question regarding the recommendations relating to external storage and whether these matters had already been covered in a previous report on this issue, it was agreed that Ms Woods would look into the recommendations and actions taken following the incident when records had been found in a disused property in the borough some years previously, and why these issues had been identified as still requiring action. The Committee expressed concern regarding the limited assurance in relation to the Decent Homes Standard. It was reported that management responses had been obtained from Homes for Haringey and from the Council as client, and the Committee emphasised the importance of ensuring that no actions fell between the two bodies and were not followed up as a result. The Head of Audit advised that as all recommendations were due for implementation before the end of November, that Internal Audit complete a follow up review and present the findings at the next meeting of the Audit Committee. The Committee agreed the suggested approach. The Chair expressed satisfaction at the progress in implementing Priority 1 recommendations, and thanked the Chief Financial Officer and Head of Audit and Risk Management for this achievement.	**AW** **AW**

	RESOLVED		
	i) That the audit coverage and progress during the second quarter 2009/10 be noted.		
	ii) That progress and responses received in respect of outstanding audit recommendations be noted.		
	iii) That the actions taken during quarter 2 to address outstanding recommendations be confirmed as appropriate.		
PRAC133.	**RISK MANAGEMENT UPDATE - QUARTER 2 2009/10**		
	Anne Woods, Head of Audit and Risk Management, presented the report on the current position on risk management implementation across the Council. It was reported that risk registers for every business unit and department were now loaded onto the Covalent electronic system and, as at the review at the end of September, these were all completed and up to date. As a result of organisational changes, the number of risk registers had reduced from 34 to 32, all of which were reviewed in line with the risk management strategy and Covalent system.		
	The Chair noted that the corporate risk register was reviewed on a quarterly basis by the Chief Executive's Management Board, and asked whether there was any feedback from the last meeting at which this was considered. Ms Woods reported that there were no significant changes to the key risks, but that the separation of risks relating to children's services and adult services had been highlighted, as recommended by the Audit Committee. The main change had been an increase in the impact of the risk relating to the recession. In response to a question from the Chair, the Chief Financial Officer confirmed that it was his opinion that risk management arrangements were adequately managed, including for the Haringey Strategic Partnership.		
	RESOLVED		
	That the implementation of the risk management strategy across the Council be noted.		
PRAC134.	**ALEXANDRA PALACE - FOLLOW UP AUDIT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS AT THE CHARITABLE TRUST AND TRADING COMPANY**		
	Anne Woods, Head of Audit and Risk Management, presented a report on the follow up audit work completed following the original review of corporate governance and internal control arrangements at Alexandra Palace and Park Charitable Trust and Alexandra Palace Trading Limited. As a result of the findings of the follow up audit work, changes in management had taken place at Alexandra Palace, and the changes to the management response reflected this. It was reported that positive progress was now being made and that the Trust and trading company had now appointed their own internal auditors. The Committee was		

advised that some of the items on the management response remained partly achieved and that progress on these would be covered as part of the internal audit progress reports and in the annual governance assurance process and would be reported to the Audit Committee.

The Committee expressed concern that progress in implementing recommendations had been so slow, particularly in relation to contract management; while it was noted that arrangements were now compliant, concern was expressed that issues had remained unaddressed for so long. The Committee asked whether there were any legacy issues as a result of previous tendering arrangements and Ms Woods reported that the new management were in the process of reviewing all contracts. Ms Woods had met with the new internal auditors for the Palace to discuss the risks relating to the Trust and the trading company, and a new audit programme had been developed up to the end of the next financial year. In response to a question from the Committee regarding how progress would be reported to the Audit Committee, it was confirmed that a further follow up review would be carried out by the new internal auditors and a report provided to the Committee. It was reported that management had accepted the recommendations and timescales. A further review would be carried out in March 2010 and would be reported back to the Audit Committee following the results of that review.

Grant Thornton reported that when the International Financial Reporting Standards came into force for the 2010/11 accounts, it was expected that the accounts for Alexandra Palace and Park Trust and APTL would need to be incorporated into the Council's accounts. The Trust and APTL would be covered by the Annual Governance Statement and, as with the ALMO, the auditors would expect proper governance processes to be in place. If these expectations were not met, the issues would be raised by the auditors and would be reflected in the Annual Governance Statement and an action plan would need to be in place to address the concerns identified.

The Committee asked what the implications of grouping the accounts would be for the Council. The Chief Financial Officer advised that there were issues that would need to be resolved in preparation for the application of the International Financial Reporting Standards, of which the Trust's debt would be the primary issue. The Committee requested a report on the options for addressing the issue of the debt, in response to which the Chief Financial Officer reported that work on this issue was ongoing and that a report would be presented to Committee Members as soon as possible, once due process had been followed.

The Chair noted that the Audit Committee had previously requested that all recommendations of the first audit be implemented by 31 March 2009, but that revised deadlines of March 2010 had now been introduced and asked whether this had been in anticipation of the revised deadlines being approved by the Audit Committee. Ms Woods reported that revised deadlines had been agreed where the original deadlines had not been achieved; the Council's concerns had been made clear to the Board, and management had agreed the revised

deadlines as final.

The Chair highlighted areas of the report where the Alexandra Palace and Park Board had not accepted the audit recommendations, and expressed serious concern regarding this. The Chief Financial Officer reported that all the recommendations had now been accepted by the management as necessary to ensure proper governance and value for money at Alexandra Palace. The Chair noted that the report confirmed the responsibility of the Audit Committee to monitor progress in implementing the audit recommendations. In accordance with the advice of the Head of Legal Services that the section 151 officer had responsibility for ensuring that adequate controls were in place at the Palace, the Chair noted, as per the reports of the Chief Finance Officer, that positive progress was being made.

The Committee asked what action could be taken if the Trust and trading company were found not to be implementing the recommendations as agreed. The Chief Financial Officer reported that, where this had been found to be the case in the course of the follow up audit, the Council had requested in the strongest terms that these issues be addressed, as a result of which changes had been made at the Palace. The Chief Financial Officer reported that it was the responsibility of the Trust and trading company to implement the recommendations and to ensure that adequate governance arrangements were in place. The Chair advised that the advice of the Monitoring Officer was that the section 151 officer had responsibility over all areas of the Council, including the Alexandra Palace and Park Trust and Alexandra Palace Trading Limited, and that the Audit Committee had responsibility for monitoring this.

RESOLVED

That the contents of the report and actions agreed and being taken to address the findings and recommendations be noted.

PRAC135.	**NATIONAL FRAUD INITIATIVE**	

Anne Woods, Head of Audit and Risk Management, presented the report on progress made in investigating potential data matches across the Council as part of the National Fraud Initiative (NFI). Ms Woods reported that of the 31,594 potential data matches notified to the Council as part of the NFI, 2,130 had been recommended for further investigation by the Audit Commission. It was reported that half of these investigations had been carried out to date, the highest number of these relating to housing and council tax benefits, and the Council was on track to complete all investigations by the end of 2009 in accordance with the Audit Commission deadline.

The Committee asked what the cost to the Council was of undertaking these investigations as part of the NFI. It was agreed that the Committee would be provided with an estimate of the costs involved. The Chief Financial Officer confirmed that the Council had raised the issue of resources required to participate in the NFI with the Audit Commission

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	directly, particularly as the Council also already undertook proactive work in this area. Grant Thornton advised that the Audit Commission was likely to increase activities of this nature, as a significant amount of fraud was detected in this way nationally, regardless of the fact that very few cases had been identified in Haringey to date. A Committee member suggested that if a significant amount of fraud had been identified, the Committee would have been expressing concerns regarding the high figures and how this could be addressed, but that as only small numbers had been identified, concern was instead being raised regarding the resources required with little outcome. It was felt that the fact that the amount of fraud detected was very low in the borough should be welcomed. It was agreed that as a statutory requirement of the Audit Commission, the work on the NFI had to be done, but that it was essential to know what the cost to the Council was, in order to assess whether value for money was being achieved. The Committee advised that it was necessary to ensure that no duplication of effort was happening in the course of the NFI work. The Chief Financial Officer advised that it was the Council's duty to detect fraud and any potential control issues, and that the Council took a proactive approach to this work. It was agreed that the cost of this work should, however, be calculated and compared to the value of fraud uncovered. **RESOLVED** That the contents of the report be noted.	
PRAC136.	**ANTI-FRAUD AND CORRUPTION STRATEGY** Anne Woods, Head of Audit and Risk Management, presented the report on the revised Corporate Anti-fraud and Corruption Strategy, Fraud Response Plan and Whistle-blowing Policy. It was reported that these were reviewed on a regular basis to ensure that the corporate policy was consistent with best practice. Ms Woods reported that the main changes were the inclusion of specific strategies for the Haringey Strategic Partnership and Homes for Haringey. The Committee requested that changes to documents be indicated as track changes in the reports, for ease of reference in future. **RESOLVED** That the revised Corporate Anti-fraud and Corruption Strategy, Fraud Response Plan and Whistle-blowing Policy be approved.	
PRAC137.	**NEW ITEMS OF URGENT BUSINESS** There were no new items of urgent business.	

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PRAC138.	**DATE OF NEXT MEETING** Monday, 1 February 2010 at 19:30hrs. The meeting closed at 21:55hrs.	

COUNCILLOR GMMH RAHMAN KHAN

Chair

Agenda Item 6

GrantThornton

LONDON BOROUGH OF HARINGEY

AUDIT PROGRESS REPORT

FEBRUARY 2010

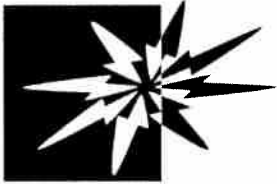| Work	Progress
Audit Plan 2009-10	We agreed our indicative fees letter with the Council and presented this to the April 2009 Audit Committee meeting. Our full audit plan and updated audit fee has been agreed with management and will be presented to this Audit Committee.
2009/10 accounts audit	As part of our 2009/10 plan, we will begin work with the Council this month to help prepare for the 2009/10 accounts audit. This will include members of the Corporate Finance team attending a half day accounts workshop on 10 February at our offices. Interim - we will complete our interim audit work in March 2010 and provide an update on key messages to the Audit Committee. Final - we will audit the year end accounts between July and September 2010 and report our results to members as part of the Report to those charged with governance (ISA260).
International Financial Reporting Standards (IFRS)	In 2009, we held a workshop with the Council and issued an IFRS conversion report planner to management which highlighted the areas of greatest likely impact for the Council and proposes a number of actions for the Council over the coming months. We are continuing to work with management as preparations for IFRS continue.
Use of resources and data quality 2010	The use of resources assessment, using the key lines of enquiry prescribed by the Audit Commission, needs to be completed around a month earlier than last year. We will issue our Use of Resources report in September 2010 and key messages will be presented to the October 2010 Audit Committee. We have begun our discussions with management to help prepare for the 2010 assessment, including sharing of emerging good practice from the 2009 assessment. We intend to meet with management, in the next month, to assist in the timely completion of the 2010 assessment. In accordance with our plan, local UoR projects on workforce management, leaseholder service charges and partnership working are underway. We will report the results of these reviews to the Council in February and March 2010.

Work	Progress
Use of resources and data quality 2010 (continued)	Following last year's UoR assessment of inadequate (level 1) for data quality we will carry out additional risk based data quality spotcheck work in June/July 2010. We have recently completed a mandatory National Fraud Initiative (NFI) RAG risk assessment for the Audit Commission, based on the Council's progress in investigating potential data matches. It is expected that the Commission will carry out NFI spotchecks in a sample of bodies assessed as "red." In common with most of our audited bodies, we assessed the Council as "amber" on the basis of progress made to date and we will continue to monitor progress as part of our 2009/10 plan. We will plan and perform any other local UoR work required to support our UoR conclusion between now and September 2010.
Grants 2008-09	Our work is complete and we will present our report of summary findings to this Audit Committee.

Grant Thornton UK LLP

February 2010

Agenda Item 7

Haringey Council

Agenda Item

Audit Committee | On 1st February 2010

Report title: Grants Report 2008/09

Report of: **Chief Financial Officer**

| **Ward(s) affected:** All | **Report for:** Information |

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1. Purpose

1.1 To report to the committee the outcomes of the annual grant work by Grant Thornton and to obtain approval for the action plan resulting from the report of the auditors.

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2. Recommendations

2.1 That the Committee agrees the management responses contained in the action plan.

Report authorised by: Gerald Almeroth – Chief Financial Officer

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Contact officer: Kevin Bartle – Head of Corporate Finance
Telephone 020 8489 3743

3. Executive Summary

3.1 The attached report from Grant Thornton details the Council's performance in relation to Grant Thornton's certification of external grant claims for the financial year 2008/09. The accompanying action plan from the auditors contains the Council's response and deadline dates for action.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 None.

5. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report:

Grant Thornton Report: London Borough of Haringey Grants Report 2008-09

6.   Background

6.1   Each year the Council is required to obtain certification of a number of its external grant claims by the council's external auditors Grant Thornton. The attached report from Grant Thornton details their findings from these certifications and provides details of the Council's overall performance in relation to grant claims.

6.2   As can be seen from section 2.2 of the Grant Thornton report the Council's performance in relation to grants has improved in 2008/09, when compared to 2007/08, in all areas except for number of claims amended. In addition the table in Appendix B details the level of fees charged for this work.

6.3   However there are still areas where further improvements are required, particularly in the areas of amendments to claims, and the action plan is intended to bring about the required improvements.

7.   Action Plan arising from Grants Report 2008/09

7.1   The action plan contained within the auditors' report has the Council's responses included, along with key actions, responsibilities and target dates. The action plan will be monitored over the coming months in conjunction with the auditors.

8.   Financial Implications

8.1   There are no direct financial implications arising from the recommendations in this report. However if improvements to the grants processes and certification continue to occur there is scope for further savings to be made on the fees charged to the Council for this work.

9.   Recommendations

9.1   That the Committee agrees the management responses contained in the action plan.

10.   Head of Legal Services comments

10.1   The Head of Legal Services has been consulted on the content of this report and has no specific comment to make.

Grant Thornton

London Borough of Haringey

Grants Report 2008-09

DRAFT - 18 January 2009

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Appendices

A Approach and context to certification

B Details of claims and returns certified in 2008-09

C Action plan

1 Executive summary

Introduction

1.1 The Council received 14 grant claims and returns from government departments and other bodies requiring external audit certification in 2008-09, representing income in excess of £362 million.

1.2 Grant Thornton, as the Council's auditors and acting as agents of the Audit Commission, is required to certify the claims submitted by the Council. This certification typically takes place some 6-12 months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

1.3 This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification:
- **amounts claimed below £100,000 - no certification**
- **amounts claimed between £100,000 - £500,000 - agreement to underlying records**
- **amounts claimed over £500,000 - agreement to underlying records and assessment of control environment. Where full reliance cannot be placed, detailed testing.**

1.4 We provide a certificate on the accuracy of grant claims and returns to various government departments and other agencies. Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency and issues auditors with a Certification Instruction (CI) for each specific claim or return.

1.5 Appendix A sets out an overview of the approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform.

Key messages and areas for action

1.6 A summary of all claims and returns subject to certification is provided at Appendix B, together with the certification fee and outcome of our review.

1.7 The key messages from our review are summarised in Exhibit One below, and set out in detail in the next section of the report.

Exhibit One: Key messages and areas for action

Aspect of certification arrangements	Action
Performance has improved against 3 of the 5 performance measures and 100% performance was maintained on another measure. Finally, the number of claims requiring amendment in 2008/09 is the same as in 2007/08; however this performance measure falls as the total number of claims submitted has reduced.	Officers should give attention to ensuring fewer claims are amended in 2009/10.

Aspect of certification arrangements	Action
BEN01 - Housing and Council Tax Benefit - significant improvement is required in respect of Housing Benefits where the claim was qualified due to a number of issues with the quality of data. This was the only claim or return to be qualified in 2008/09	The issues revealed by the certification work should be discussed within the Benefits and Local Taxation team, and extra training be provided to officers to avoid the same issues arising again
BEN01 - high error rates were found in the Single Person Discount (SPD) applied to Council Tax Benefit (CTB) claimants	The Council should undertake regular checks of SPD cases, by matching all cases in both the CT system and the benefits system where there appears to be single occupancy and SPD has not been awarded in the CT system
BEN01 - in response to the issues identified the Council has introduced more stringent quality control (QC) measures within Benefits and Local Taxation. This includes the purchase of improved QC software	The successful implementation and use of this software should be monitored by senior management on a regular basis
PEN05 - Teachers' Pensions Return - in response to the 2007/08 qualification of this return it was agreed that Internal Audit would complete detailed testing of schools with external payroll providers. The process of securing these testing results proved to be more time consuming than anticipated and should be improved upon in future years.	The Council officers with responsibility for the PEN05 return should liaise closely with Internal and External audit (IA and EA) to ensure that IA complete the required testing prior to EA coming on site for their certification work

The way forward

1.8 We have made a number of recommendations to address the key messages above and other findings arising from our certification work at Appendix C.

1.9 Implementation of the agreed recommendations will assist the council in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional certification fees.

1.10 The new use of resources assessment in 2009 required auditors to consider the results of certification work when undertaking the Use of Resources assessment, including, in particular, the impact of housing benefit and council tax testing on data quality. The 2010 assessment will be further integrated with grant certification work, including consideration of the outcome of a wider range of grant claims.

Acknowledgements

1.11 We would like to take this opportunity to thank the grant claim co-ordinator and Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
18 January 2009

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2 Detailed findings

Introduction

2.1 This section of the report summarises the main issues arising from the certification of grants and returns in 2008-09. Further details of the individual grants that have been certified are provided at Appendix B and the Action Plan at Appendix C sets out our recommendations and improvement opportunities arising from the certification of individual grants.

Performance against targets

2.2 Exhibit Two summarises the Council's performance against key certification performance targets for the 14 claims and returns submitted for certification in 2008-09 compared to 17 claims and returns in 2007-08:

Exhibit Two: Achievement against key performance measures

Performance measure	Target	Achievement in 2008-09		Achievement in 2007-08		Direction of travel
		No.	%	No.	%	
Number of claims submitted on time	100%	14	100	15	88	↑
Number of claims certified on time *	100%	14	100	17	100	→
Number of claims amended by the auditor	0%	5	36	5	29	↓
Number of claims qualified by the auditor †	0%	1	7	5	29	↑
Number of claims for which certification fee exceeded budget	0%	3	21	4	24	↑

* the certification deadline is that prescribed by the grant paying body as advised by the Audit Commission, or if a claim is received after the submission deadline, within three months of receipt.

† the qualification of a grant claim or return has a much lower threshold than for a set of accounts. We are required to qualify for any non-compliance with Audit Commission / Departmental requirements even where they are not significant to the claim as a whole.

2.3 This analysis of performance against targets shows that:

- All grant claims and returns were submitted for certification on time. This is an improvement on the prior year when 88% were submitted on time

- Only one claim was qualified, the BEN01 Housing and Council Tax Benefit claim. This represents 7% of all claims, an improvement on the prior year performance when 29% of claims were qualified

- The number of amended claims remained the same at 5, although in percentage terms this was a deterioration on the prior year's performance (36% as opposed to 29%)

- The fee exceeded budget on 21% of claims. This was an improvement on the prior year performance of 24%.

2.4 We charged a total fee of £84,000 against a budget of £90,000 for the certification of claims and returns in 2008-09. In the majority of cases we charged less than budgeted as certification took less time than anticipated. This can be credited to improved working papers and processes at the Council. The most significant budget over-spend was on the BEN01 Housing and Council Tax Benefit claim, for which we billed £11,000 more than anticipated. This was due to the complicated nature of the qualifications on the claim, and the fact that additional testing was required beyond our initial sample. Further details can be found in paragraphs 2.16 - 2.24. Details of fees charged for specific claims are included within Appendix B.

Management arrangements

2.5 Good arrangements are required for successful management of the certification of grant claims and returns. The results of our review of aspects of the Council's management arrangements are set out below. Associated recommendations for improvement are included at Appendix C.

Grants co-ordination

2.6 The Council has a grants co-ordinator who effectively liaises with key officers and external audit on all grants claims and returns. This is an area of strength for the Council, as shown by the overall improvement in key targets this year (see Exhibit Two above).

Compilation procedures

2.7 As part of our Control Environment and Testing Assessment we reviewed the compilation procedures for each claim or return. We generally found that the person compiling the claim was of sufficient experience to do so, or if new to the role was given adequate supervision and guidance. In one case, on the HOU02 Housing Subsidy Base Data Return, we found there was a new compiler this year and that some errors occurred due to lack of adequate supervision. In future when there is a change of compiler thorough instructions and sufficient supervision should be arranged.

Quality of working papers

2.8 Adequate working papers were provided in a timely fashion for all claims and returns. These were appropriate to our needs and in most cases were easy to follow, or could be explained swiftly by the key officers who made themselves available to us.

Sign off arrangements

2.9 The Head of Corporate Finance has delegated authority to sign off all grant claims. This allowed the certification process to run without unnecessary delays, as both he and the Chief Financial Officer were able to sign off the claims and returns.

Submission procedures

2.10 The grants co-ordinator actively seeks to be provided with the Audit Commission's monthly Certification Instruction index. This gives an up to date list of the claims and returns that need to be submitted by each Council and by the submission deadlines. As agreed within the

Grants Plan for 2008-09, the grants co-ordinator emails us an electronic copy of the signed claim or return and this year all claims and returns were submitted to us by the required deadlines.

Officer availability

2.11 We give the Council as much notice as possible of our proposed dates for the certification of each claim or return. Where these dates are not convenient for the Council, we are as flexible as we can be in order to facilitate a successful certification process. We found officers to be helpful, co-operative and available as planned. In one case, the key officer was only available for three of the five days that had been agreed, but through working together with the Council we were still able to certify on time.

Independent review

2.12 For each grant claim or return there is a cover sheet in the working papers, which includes an independent review checklist. We were satisfied that for each claim or return the working papers had been independently reviewed by somebody who had not compiled the claim. This person was usually a manager or somebody with more experience than the compiler.

Significant findings in relation to individual claims and returns

2.13 A summary of all claims and returns we have certified is attached at Appendix B, together with the certification fee and outcome of our review.

2.14 Of the claims and returns submitted for certification the most significant findings were in relation to the following claims:

- BEN01 - Housing and Council Tax Benefit
- CFB06 - Pooling of Housing Capital Receipts
- EYC02 - General Sure Start Grant
- HOU02 - HRA Subsidy Base Data Return
- HOU21 - Disabled Facilities Grant
- LA01 - National Non-Domestic Rates Return
- PEN05 - Teachers' Pensions Return
- RG31 - Single Programme LDA (Mayor's Offer)

2.15 Recommendations for improvement are included at Appendix C.

BEN01 - Housing and Council Tax Benefit

2.16 The Council submitted the BEN01 claim on time and provided well referenced working papers. The deadline for completion of the HBCOUNT workbooks was earlier than in prior years, due to it having an impact on our Use of Resources conclusion and Accounts Opinion, which had to be given by the end of September. The certification deadline for the claim was not until the end of November.

2.17 The Council co-operated effectively with us on this complex claim. For example, in order to facilitate being able to complete the HBCOUNT workbooks by the required deadline the Council provided us with a split screen terminal. This enabled us to input information from the Housing Benefit (HB) and scanned document systems in a more time efficient manner.

2.18 As part of our initial testing we agree the claim form back to subsidy reports from the HB system. We found some inconsistencies which required an amendment to the claim, resulting in an £18k increase in the amount of grant due to the Council from the DWP.

2.19 Our detailed testing of individual claims looked at an initial sample of 80 cases, in which we found 19 errors. These errors fell into three main areas: incorrect start dates, incorrect recording of earned income and incorrect application of single person discount (SPD) on Council Tax Benefit (CTB). In 8 of the 20 CTB cases tested, SPD had not been applied where the claimant was eligible for the discount against their bill.

2.20 The Council has undertaken a complete check of SPD cases, by matching all cases in both the council tax system and the housing benefits system where there appeared to be single occupancy and SPD had not been awarded in the council tax system. The Council has corrected all errors identified as part of that process. In addition to the work completed in response to our audit findings, the Council completed a National Fraud Initiative (NFI) data matching exercise that identified potential cases where SPD had been awarded erroneously in the council tax system.

2.21 The Council has estimated that the combined impact of the above checks is to increase the SPD granted and therefore reduce the council tax liability by £427k. This then has the effect of reducing council tax benefit by the same amount and, since the corrections have been made in the 2009-10 year, will automatically be included in the 2009-10 Housing Benefits grant claim. It should be noted that our work has not involved directly verifying this figure, although the corrections will form part of the 2009-10 certification.

2.22 The Council also agreed to undertake additional testing on the two other key areas in which we had found errors - start date and earned income. All errors identified have been adjusted for within the 2009/10 claim.

2.23 The ultimate outcome was for the 2008/09 claim to be qualified on several counts, however the extrapolated errors have not at this stage resulted in any amendments to the amount claimed in 2008/09. The DWP raised further queries in response to the qualification letter, about which we have now provided further information. We await confirmation from the DWP that the 2008/09 claim can be considered closed.

2.24 In response to the issues identified the Council has introduced more stringent quality control (QC) measures within the Benefits and Local Taxation team. This includes the purchase and implementation of improved QC software. We will be reviewing these enhanced procedures as part of our work on the 2009/10 claim.

CFB06 - Pooling of Housing Capital Receipts

2.25 Part of the testing required for this claim looks at invoices for improvement works. Some of the invoices that are required to be sampled are for costs incurred over 3 years ago. Upon selection of our sample we were told that these old invoices had been archived and that it would take up to a fortnight to retrieve them, which in order to certify by the deadline would not have been possible. For additional assurance over the improvement costs we tested a further 10 invoices with no issues to note, and were satisfied that this did not mean the claim had to be qualified.

2.26 As far as possible the Council needs to anticipate our visit with regards supporting paperwork for any grant claim. However, as we can appreciate the need to archive old paperwork due to space restrictions, we have reached an agreement with the Council that during our final accounts audit in July we will be provided with the working papers to support the improvement cost expenditure within the CFB06 claim. This will enable us to select our sample at that early stage, enabling the Council to retrieve the necessary invoices from archive prior to our certification work commencing in September.

EYC02 - General Sure Start Grant

2.27 Under the terms of the EYC02 grant, the Council must demonstrate that assets funded from the Sure Start grant are included in an asset register. Following a recommendation last year, the Council agreed to provide an appropriate extract from the Council Asset Register cross referenced to the Sure Start assets within the General Sure Start grant file for 2008/09. However, this was not initially provided and the process of agreeing the assets to the corporate asset register caused delays to the certification process.

HOU02 - HRA Subsidy Base Data Return

2.28 An amendment was required to the return due to 13 properties which had been included in the return in error.

2.29 In seven cases the error related to properties for which the Council had a formal resolution to demolish or dispose. These properties should have been removed from the return but this did not occur. This oversight was picked up by the Council as part of the review process which, due to the independent reviewer being on leave, was not finalised until after the draft HOU02 return had been submitted to audit.

2.30 In addition, the Council normally reconciles both Right to Buy (RTB) and Non-Right to Buy (NRTB) capital receipts to the HOU02 return. The compiler of the return in 2008/09 had no prior experience, and had not been made aware that both types of receipts needed to be reconciled to the return. As a result there were six additional NRTB disposals that should have been incorporated into the return. The compiler now knows that all capital receipts as a result of dwelling sales will need to be properly reconciled to the HOU02. Furthermore, this will now be built into the review process.

HOU21 - Disabled Facilities Grant

2.31 There were no issues with the HOU21 claim this year. However, subsequent to certification of the claim we worked together with the Council to clarify our minimum paperwork requirements for the claim. After the recent merger of the Homes for Haringey and Adult Social Services adaptations services, the Council is trying to streamline its processes regarding administration of the HOU21 claim. The proactive approach of the adaptations team should lead to future savings for the Council as officer time spent administering the grant will be reduced. Within the Action Plan we have recommended that the minimum paperwork requirement list be applied to the preparation of future HOU21 claims.

LA01 - National Non-Domestic Rates Return

2.32 The LA01 needs to be completed as per the Certification Instructions, whereby the Losses in Collection figure must accurately reflect the change in the bad debt provision for the year and the amounts written off in the year. In order to gain assurance over this figure we agree it back to supporting working papers and our findings from the accounts audit.

2.33 We found that the figure for NNDR write-offs incorporated into the annual accounts was an estimated figure, which differed to the actual authorised write-offs. Of the £3.4m estimated write-offs, £2.0m were authorised for write-off in August 2009. The majority of the balance consists of write-offs under £5k, which at time of LA01 certification had not yet been written off.

2.34 As agreed with the Council, any write-offs that have not yet occurred cannot be included within this year's return. Once the remaining write-offs (those below £5k totalling £1.3m) are authorised, they can be included within the 2009/10 NNDR3 form.

2.35 In addition to the above, we found that the working papers provided did not tie back to the change in bad debt provision that had been incorporated into the Losses in Collection figure in the LA01. The combined impact of these errors was to increase the Losses in Collection

figure on the return by £672k, which in turn reduced the Contribution to the Pool figure by the same amount.

PEN05 - Teachers' Pensions Return

2.36 In 2007/08 the PEN05 was qualified due to a lack of assurance over schools with external payroll providers. The Council accepted our recommendations that it explore the option of Internal Audit doing some CI testing at schools that have external payroll providers on an annual basis, and that it should put in place arrangements to confirm that non-pensionable salary items have been excluded from the contributory salary figure.

2.37 In April we provided Internal Audit with full details of the certification work they needed to complete in order for qualification to be avoided. Due to us not having access to the records kept by individual schools this testing could not be carried out by ourselves.

2.38 An internal audit review was conducted of the schools with external payroll providers, but unfortunately this only went so far as to provide general controls assurance over arrangements at those schools, rather than specifically completing the CI testing that was required. After further discussions with ourselves Internal Audit were able to complete the required testing, but this did not happen until a few days before the certification deadline at the end of November. The process of securing these testing results proved to be time consuming for both external and internal audit, and has led to costs on this claim being higher than anticipated.

RG31 - Single Programme LDA (Mayor's Offer)

2.39 Two amendments were required to the Mayor's Offer claim. The date of the CFO's certificate was incorrect, and the figure for total grant received to date did not include the payment already received for quarter 4 of £80k. This amendment meant that the balance due to the Council was in fact zero.

2.40 In addition, on two of the five RG31 claims (the North London Pledge and Sub Regional programme) we suffered delays in receiving the information requested which had an adverse impact upon the amounts billed for these claims.

A Approach and context to certification

Introduction

In addition to our responsibilities under the Code of Audit Practice, we also act as agents for the Audit Commission in reviewing and providing a certificate on the accuracy of grant claims and returns to various government departments and other agencies.

The Audit Commission agrees with the relevant grant paying body the work and level of testing which should be completed for each grant claim and return, and set this out in a grant Certification Instruction (CI). Each programme of work is split into two parts, firstly an assessment of the control environment relating to the claim or return and secondly, a series of detailed tests.

In summary the arrangements are:

- for amounts claimed below £100,000 - no certification required
- for amounts claimed above £100,000 but below £500,000 - work is limited to certifying that the claim agrees to underlying records of the Council
- for amounts claimed over £500,000 - certifying that the claim agrees to underlying records of the Council and an assessment of the control environment. Where reliance is not placed on the control environment, detailed testing is performed.

Assessment of the control environment

Our assessment of the control environment for a claim is a balanced judgement taking into consideration the following factors:

- the relative risk attached to the particular claim i.e. volume of transactions, complexity of scheme
- cumulative knowledge about the history of the claim, and how the Council has addressed past qualification issues
- how the claim is compiled and monitored, including any changes from the previous year
- arrangements to ensure claims and returns are completed accurately and in accordance with the scheme terms and conditions
- internal financial controls e.g. cost codes for each claim/return, with controls over data posted from other systems/journals and reconciliations that ensure transactions are properly authorised and coded
- for claims/returns based on complex financial systems, internal audit assurance that systems have operated satisfactorily over the period covered by the claim
- procedures to demonstrate funding passed to third parties has been used for the intended purpose
- quality of working papers
- expertise and relevant knowledge of preparers, including the adequacy of supervision and review
- analytical review of the claim, including comparison of expected with actual outcomes and comparison with other authorities or national statistics

Where we judge that we can place full reliance on the control environment, only the CI Part A tests need be completed. Where we judge that we cannot place full reliance on the control environment, Part B of the CI tests must also be completed. We assign a level of risk to the claim which impacts upon the sample size required for Part B tests. Where a claim is deemed to be low risk, the sample size is smaller, whereas where the risk is deemed to be medium or high, the sample size increases accordingly.

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The level of risk assigned takes into consideration the control environment assessment combined with reliance on other external or internal audit work.

Roles and responsibilities

The following table sets out the roles and responsibilities of the parties involved in the certification of claims and returns.

Party	Role and responsibility
Grant paying body	Sets grant conditions and the deadlines for submission of the pre-certificated and certified claim
Audit Commission	Issues certification instructions
Council	Submits claims and returns to the Appointed Auditor within grant paying body submission deadlines. Ensures adequate documentation is maintained to support compilation of claims and returns.
Appointed Auditor	Certifies claims in accordance with Audit Commission instructions and within certification deadlines.

Scope

We assess the Council's arrangements for submission of grant claims for certification. We do not review the Council's wider arrangements for managing external funding or maximising its entitlement to external funding. However, in 2009/10 the Council's Internal Audit function will be carrying out reviews of Voluntary Organisations and the Area Based Grant. Their findings will inform our assessment.

B Details of claims and returns certified in 2008-09

Ref	Claim	Draft claim value (£)	Amended? Y/N	Amendment value (£)	Qualified?	Budgeted fee (£)	Actual fee (£)
BEN01	Housing and Council Tax Benefit Scheme	259,160,541	Y	£18,106 increase	Y	29,500	40,220
CFB06	Pooling of Housing Capital Receipts	1,598,384	N	-	N	4,600	3,433
EYC02	General Sure Start Grant	11,411,660	N	-	N	5,300	3,833
HOU01	HRA Subsidy	17,307,842	Y	N/A - amendment to cell on form due to change made to HOU02 but no impact on subsidy receivable	N	6,700	2,988
HOU02	HRA Subsidy Base Data Return	N/A	Y	N/A. Number of properties reduced by 13, impacts upon various cells on form	N	8,200	5,965
HOU21	Disabled Facilities Grant	716,000	N	-	N	5,000	4,233
LA01	National Non Domestic Rates Return	50,916,743	Y	£671,972.23 decrease in contribution to pool	N	10,300	5,290
PEN05	Teachers' Pensions Return	16,264,015	N	-	N	6,900	7,788
RG03	New Deal for Communities	3,885,000	N	-	N	4,200	4,160

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Ref	Claim	Draft claim value (£)	Amended? Y/N	Amendment value (£)	Qualified?	Budgeted fee (£)	Actual fee (£)
RG31	Single Programme LDA – 5 separate claims	1,341,460	Y - 1 of 5 claims (Mayor's Offer)	-£80,297	N	4,400	5,815
	TOTAL	362,601,645		609,781		90,000*	83,723†

* Includes £4,500 budgeted for Grants planning, administration and reporting. The actual cost of this is included in the fees for each individual claim.

† As at December 2009. The DWP requested clarification on aspects of the BEN01 qualification letter and we have responded to their queries. This could potentially lead to further certification work being required.

C   Action plan

Ref	Claim	Recommendation	Priority	Management response and implementation details
Appendix A	All	The Council should consider the requirements of our assessment of the control environment for each claim, and be able to evidence the control environment that is in place. This could potentially lead to more reliance being placed on the control environment for a claim, resulting in smaller sample sizes for Part B testing and therefore reduced costs to the Council.	Medium	Agreed. The grants co-ordinator will work with external audit to determine which grants required Part B testing in 2008/09. For these grants, the control environment will be reviewed.

John Holden
Grants Co-ordinator
March 2010 |

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.19	BEN01 - Housing and Council Tax Benefit	The Housing and Council Tax Benefit (CTB) Scheme was qualified for a number of reasons, including: incorrect start dates for benefit calculations; incorrect calculation of earned income, incorrect classification of backdated expenditure as normal expenditure; incorrect rent liability for a rent allowance case; and incorrect application of single person discount on CTB cases. It is recommended that the issues revealed by the certification work be discussed within the Benefits and Local Taxation team, and extra training be provided to officers to avoid the same issues arising in the future.	High	Agreed. The Head of Service has ordered an in depth review of all new claims assessed in 2009/10. Given the numbers of cases subject to review and correction, a risk based approach has been adopted which targets the work of individuals where there is evidence of a high error rate in start dates, earned income and SPD. Remedial training is being provided and more robust quality monitoring undertaken to avoid errors recurring. Additionally we have procured a Training Needs Analysis tool to identify gaps in knowledge and inform our training and quality strategies. All staff are being required to undertake a 10 question test on start dates. This will confirm which staff have understood the rules on start dates. Those who fail will be required to have every claim signed off by their Team Leader or start date champion (an officer who got all the questions correct) before they are authorised to calculate their claim. Ian Biggadike: ongoing

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.20	BEN01 - Housing and Council Tax Benefit	CTB Single Person Discount - The Council should undertake regular checks of SPD cases, by matching all cases in both the council tax system and the housing benefits system where there appears to be single occupancy and SPD has not been awarded in the council tax system.	High	Agreed. Extensive checking is in place and regular matching exercises between the Housing Benefit and Council Tax system will be undertaken. Head of Service has briefed every member of staff about the importance of this. A pilot is taking place where HB staff will apply the SPD's themselves rather than requesting this from CTAX staff. Ian Biggadike - Acting Head of Benefits & Local Taxation Implemented from Dec 2009
2.24	BEN01 - Housing and Council Tax Benefit	In response to the issues identified the Council has introduced more stringent quality control (QC) measures within the Benefits and Local Taxation team. This includes the purchase and implementation of improved QC software. The successful use of this software should be monitored by senior management on a regular basis.	High	Agreed The software has been implemented and results are monitored regularly by senior management. Ian Biggadike- Acting Head of Benefits & Local Taxation Implemented from June 2009

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.25	CFB06 - Pooling of Housing Capital Receipts	The Council needs to ensure that documents supporting all grant claims are available for inspection. During the final accounts audit in July the Council should provide us with working papers to support the improvement cost expenditure within the CFB06 claim. This will enable us to select our sample at that early stage, enabling the Council to retrieve any necessary invoices from archive prior to our certification work commencing in September.	Medium	Agreed. The working papers supporting the improvement cost expenditure related to capital receipts will be prepared expeditiously in order that an early sample can be requested from the Council. Ajit Sohi – Head of Finance Capital & Financial Planning July 2010
2.27	EYC02 - General Sure Start Grant	The working papers provided for the Sure Start claim should include an appropriate extract from the Council Asset Register cross referenced to the Sure Start assets.	Medium	Agreed. The working papers for the Sure Start claim will include SAP extracts detailing the Sure Start assets where local asset registers have not been provided. Neville Murton – Head of Finance CYPS May 2010

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.29	HOU02 - HRA Subsidy Base Data Return	The Council should ensure that the HOU02 return is fully reviewed prior to submission.	Medium	Agreed. Peter Willett, Deputy Director of Finance HfH and Dave Palmer, Head of Finance (Projects). Implementation date: the 2009-10 grant year.
2.30		In addition, where the compilation arrangements change, for example a new officer being given responsibility for compilation of the return, thorough instructions should be issued and suitable supervision arranged.		
2.31	HOU21 - Disabled Facilities Grant	The adaptations team should utilise the minimum paperwork requirements list provided by external audit in order to streamline administration of the HOU21.	Low	Agreed. The Council will consider the minimum paperwork requirements list in preparation of the 2009/10 claim Graham Oliver – Head of Finance ACCS June 2010

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.33	LA01 - National Non-Domestic Rates Return	We recommend that the Council improve its control processes around the timely authorisation of write-offs to ensure that in future years the figure reflected within the accounts and the LA01 return are in unison.	Medium	Agreed. The Council will ensure that write-offs are processed in a timely fashion and that only authorised write-offs are included in the return. Measures have already been introduced by the Service to bring about more regular in year authorisation of write-offs which will enable the NNDR3 grant claim to be closed on a final, rather than estimated, figure in the future Jacqui McIntosh – BLT Finance Manager June 2010
2.35	LA01 - National Non-Domestic Rates Return	The Council should ensure that all working papers provided tie back to the figures within the draft return.	Medium	Agreed. The Council always endeavours to ensure the working papers provided agree to the draft claims. Jacqui McIntosh – BLT Finance Manager June 2010

Haringey Council
Grants Report 2008-09

Ref	Claim	Recommendation	Priority	Management response and implementation details
2.38	PEN05 - Teachers' Pensions Return	Schools with external payroll providers - The Council officers with responsibility for the PEN05 return should liaise closely with Internal and External audit (IA and EA) to ensure that IA complete the required testing prior to EA coming on site for their certification work.	High	Agreed. The Council will proactively liaise with Internal audit about the additional audit work required prior to External Audit beginning their certification work. Neville Murton – Head of Finance CYPS June 2010
2.39	RG31 - Single Programme LDA (Mayor's Offer)	The Council should ensure that all RG31 claims are checked for accuracy before submission, and that the information included is accurate up to and including the date of CFO sign-off.	Medium	Agreed. All claims are reviewed and checked for accuracy prior to being submitted to external audit. Neville Murton – Head of Finance CYPS April 2010
2.40	RG31 - Single Programme LDA (North London Pledge and Sub Regional programme)	Key officers should ensure that information requested is provided promptly so as to avoid unnecessarily high bills due to the delays incurred.	Medium	Agreed. The requirement to respond in a prompt fashion to external audit enquiries during the certification period will be reiterated to the compiling officers Matthew Gaynor – Head of Finance UE April 2010

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Haringey Council

Agenda Item

Audit Committee	On 1 February 2010

Report title: **External Audit Plan 2009/10**

Report of: **Chief Financial Officer**

Ward(s) affected: All	**Report for:** Decision

1. Purpose

1.1 To inform the Committee of the external audit plan for 2009/10 proposed by Grant Thornton and to agree the revised audit fees.

2. Recommendation

2.1 That the Committee approves the proposed audit plan and fees for 2009/10.

Report authorised by: Gerald Almeroth – Chief Financial Officer

Contact officer: Kevin Bartle – Head of Corporate Finance
Telephone 020 8489 3743

3. Executive Summary

3.1 The proposed audit plan for 2009/10 sets out the work that Grant Thornton, the Council's external auditors are proposing to carry out in discharging their responsibilities to provide an opinion on the Council's financial statements and to be able to provide an opinion on the value for money arrangements the Council has in place. This includes the work for the Use of Resources judgement under the Comprehensive Area Assessment (CAA).

3.2 The plan also includes the proposed fees for the audit and this shows an increase of £10k on the indicative figure provided originally to the Audit Committee in April 2009.

3.3 The proposed plan has been discussed with senior officers of the Council and it is recommended for approval.

4. Reasons for any change in policy or for new policy development (if applicable)

4.1 None.

5. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report:

5.1 None.

6. Background

6.1 The content of the work in the external audit plan is proposed by Grant Thornton on a risk based approach to audit planning and reflects national and local risk issues. The outputs from this are contained in the appendix in section 5 and include appropriate reporting back to Members on completion of the work.

6.2 The key risk areas highlighted in the proposed audit plan include:

- Implementation of the new International Financial Reporting Standards for the accounts from 2010/11;
- Changes in the Statement of Recommended Practice for the accounts from 2009/10, particularly in respect of prior year adjustments in accounting for council tax and business rates, and;
- Follow up on issues raised in last years assessments including around data quality.

6.3   The fees charged by Grant Thornton are for the work they carry out for the statutory audit and the Use of Resources assessment under the CAA. The proposals do not include the Audit Commission fees for the other parts of the work under CAA including service inspections.

6.4   The £10k proposed increase on the total indicative fee of £505k previously reported is in relation to the risks areas and issues in respect of the value for money judgement particularly around follow up work on data quality.

7.   Recommendation

7.1   That the Committee approves the proposed audit plan and fees for 2009/10.

Grant Thornton

London Borough of Haringey

Audit Plan 2009/10

18 December 2009

Contents	Page

1   Introduction

Purpose of this plan

1.1   This is our audit plan for the financial year 2009-10 for the London Borough of Haringey ('the Council'). It sets out the work that we will carry out in discharging our responsibilities to give an opinion on the Council's financial statements and a conclusion on the Council's arrangements for achieving value for money.

1.2   In March 2009, we issued an indicative fee letter to the Council to outline our proposed fee levels for the 2009/10 external audit process. The purpose of this was to provide an outline of the likely fees to be incurred by the Council in the 2009/10 financial year.

Accounts audit

1.3   In setting the indicative accounts audit fee, we assumed that the general level of risk in relation to the audit would not be significantly different from that identified for 2008/09. Based on the outcome of the 2008/09 accounts audit and consideration of risks relevant to the 2009/10 audit, we confirm that the general level of risk, and anticipated accounts fee, remains as set out in the indicative fees letter.

1.4   Section 2 of this plan sets out our assessment of the 2009/10 accounts audit risks and our proposed response.

Value for money audit

1.5   In our indicative fee letter we also set out a number of risks in relation to our value for money conclusion and indicated our proposed work in these areas. We have since agreed detailed specifications for a number of local value for money projects and work is underway. We have also begun our work with the Council to prepare for the 2009/10 use of resources assessment using the nationally specified key lines of enquiry (KLoEs).

1.6   Section 3 of this plan provides an update to our value for money risk assessment and planned audit response.

1.7   Section 4 covers details of the audit team and the proposed update to the 2009/10 audit fee. Planned outputs arising from the audit are summarised in Section 5, including a summary of the content of our work and the timing of our fieldwork and reporting deadlines.

1.8   We have considered our independence and objectivity in respect of the Audit and do not believe there are any matters which should be brought to your attention. We comply with the Audit Commission's requirements in respect of independence and objectivity as summarised at Appendix A.

2 Accounts risk assessment and approach

Introduction

2.1 This section of the plan sets out the work we propose to undertake in relation to the audit of the 2009/10 accounts at the Council. The plan is based on our risk-based approach to audit planning and reflects:

- our responsibilities under the Audit Commission's Code of Audit Practice in respect of the accounts audit

- current national risks affecting local government relevant to the Council's local circumstances

- local risks, based on the outcome of our audit of the Council's 2008/09 accounts.

The Council's responsibilities

2.2 The Council's accounts are an essential means by which it accounts for the stewardship of resources and its financial performance in the use of those resources. It is the responsibility of the Council to:

- ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority

- maintain proper accounting records

- prepare accounts, which give a true and fair view the financial position of the Council and its expenditure and income in accordance with the Statement of Recommended of Practice on Local Authority Accounting in the United Kingdom 2009 (SoRP).

Our responsibilities

2.3 We are required to audit the financial statements and to give an opinion as to:

- whether they give a true and fair view of the financial position of the Council and its expenditure and income for the period in question

- whether they have been prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements

- whether the Annual Governance Statement (AGS) has been presented in accordance with relevant requirements and to report if it does not meet these requirements, or if the statement is misleading or inconsistent with our knowledge.

Accounting risks and planned audit response

2.4   The accounts audit risks and our planned response are set out in the table below.

Table 1: Accounting risks and planned audit response

Risk	Planed audit response
The Council must prepare its annual accounts under International Financial Reporting Standards (IFRS), from 2010/11. The most significant issues to note in relation to the transition to IFRS accounting are: • potential consolidation of Alexandra Park and Palace into the group accounts • lease classification and accounting • calculating the employee benefits 'holiday pay' accrual • fixed asset component accounting • fixed asset valuation. Early preparation is essential and there is a risk that the Council may not be adequately prepared for the transition and for dealing with specific issues such as those listed above.	We have already engaged with the Council on a number of IFRS related issues and have included our IFRS accounting specialist in those discussions. The IFRS issues most likely to be significant for the Council were shared with management in July 2009. These are reproduced at Appendix B. We will continue to liaise on a regular basis with officers and monitor the Council's progress against the IFRS project plan. We will also review the implications of any developing issues through reference to IFRS guidance and the finalised IFRS Code due for release on 16 December 2009. We have performed a high level review of the Council's IFRS preparedness in November 2009, following a mandated national IFRS survey requested by the Audit Commission.
The Council is required to comply with the 2009 SoRP in preparing its 2009/10 accounts. The principal change in the 2009 SoRP is around current and prior year adjustments to accounting for Council Tax (CT) and National Non-Domestic Rate (NNDR) income. From 1 April 2009 the Council's accounts should: • disclose CT balances net of any amounts that relate to other precepting bodies • only recognise NNDR cash collected in excess of the Council's cost of collection allowance. This change in accounting policy requires an adjustment to the prior year comparator figures shown in the 2009/10 accounts. There is no anticipated impact on the Council's general fund balance.	We will work with management to agree the prior year adjustment required to the Council's income and expenditure account, balance sheet and cashflow statement.
Following our 2008/09 accounts audit we made a number of recommendations to the Council in areas where there was scope to improve arrangements, primarily around fixed asset valuation and accounting. A detailed response to the recommendations, including implementation plans was presented by management to the Audit Committee on 5 November 2009.	We will monitor the Council's progress in implementing the agreed actions when we carry out our interim audit and update our accounts planning in March / April 2010.

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Audit approach

2.5   We will work 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.

2.6   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, including IT controls, 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.

2.7   We will perform these tasks and complete our accounts audit around two phases of fieldwork, the interim audit in March 2010 and the final accounts audit in July - September 2010.

2.8   In carrying out our audit, we will update our assessment of internal audit against the CIPFA Code of Practice for Internal Audit and seek to use relevant internal audit work to assist in our review of internal financial control systems.

2.9   Following completion of the interim audit we will issue our 2009/10 Audit Strategy Document, which will be used to update the Council with the key elements of our accounts audit strategy and begin the process of formally communicating more detailed aspects of our approach along with relevant findings from our interim work, under the mandatory requirements of International Standard on Auditing (UK and Ireland) 260 ('ISA260').

2.10   Once the final accounts audit is substantially complete, we will complete our mandatory ISA260 reporting through communicating our findings and recommendations to the Council in our Annual Report to those Charged with Governance. We will consider the materiality of transactions when planning our audit and when reporting our findings.

2.11   As part of our work on the accounts audit, we will review the Annual Governance Statement (AGS) to determine if it is consistent with our knowledge of the Council. We will also review the Whole of Government Accounts (WGA) consolidation pack for consistency with the Council's accounts.

3 Value for money risk assessment and approach

Introduction

3.1 The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money conclusion. In our indicative fees letter, we set out our initial assessment of risk in relation to the value for money conclusion.

3.2 This section of the plan updates this risk assessment and highlights the current status of our work in addressing these specific risks and in working with the Council to prepare for the 2009/10 use of resources (UoR) assessment using the nationally specified key lines of enquiry (KLoEs).

2009/10 VFM conclusion

3.3 The KLoEs specified for the (UoR) assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. As for 2008/09, the assessment is based around the three themes of:

- managing finances
- governing the business
- managing resources.

3.4 Although this is the second year of assessment under the new UoR framework there is an increased challenge this year arising from the first time inclusion of the workforce management KLoE in the 2009/10 assessment and the deadline for completion of our assessment being brought forward by a month. We are working with the Council to help prepare for timely completion of the assessment, including carrying out early work in assessing workforce management arrangements (see below).

3.5 Our indicative fees letter set out our initial assessment of the local risk based use of resources work we plan to carry out to support our VFM conclusion. We confirm that these assumptions remain relevant and we have begun to address these as part of our 2009/10 programme of work, as follows:

- Additional risk based work on data quality - additional risk based work in adult social services reported to management in March 2009, with key messages from this and our other spot check testing included in our Use of Resources report (October 2009)

- Partnership working project carried out jointly with the PCT - specification agreed and work underway

- Early work in assessing workforce management arrangements - specification agreed and work underway

- Ongoing review of treasury management arrangements - complete and reported to the Audit Committee during the year, including in the Annual Audit Letter 2008/09 (December 2009).

3.6 Since issue of the fees letter in March, we have completed our 2008/09 use of resources audit and updated our risk assessment. There are four main areas where we have concluded that there is an increased audit risk:

- Data quality - following the UoR assessment of inadequate (level 1). We included additional provision in the indicative fee for the work required to reach this conclusion so there is no further fee implication for 2009/10. We will, however, include additional work in next year's plan to fund the additional work required to address the increased audit risk.

- Leasehold service charges - we have assessed this as an area of increased risk that requires audit work, on the basis of several high profile issues across London where leaseholders have challenged costs proposed by authorities, and contractor fraud in the housing sector is a concern identified by the Audit Commission's National Fraud Initiative. We therefore determined that a diagnostic review was required at our London Borough audit clients and we have agreed a specification and commenced our work.

- Questions and objections from the public - since we agreed the indicative audit fee with the Council, we have experienced an increase in the level of communications from local electors and other interested parties. With the exception of the leasehold service charges review above, which was in part prompted by communication from the local MP, we are dealing with the other communications with the public from within the audit fee. We will keep this under review and communicate if any additional audit fees need to be charged as a result of further increases in our work in this area.

- National Fraud Initiative - We have recently completed a mandatory National Fraud Initiative (NFI) RAG risk assessment for the Audit Commission, based on the Council's progress in investigating potential data matches. It is expected that the Commission will carry out NFI spotchecks in a sample of bodies assessed as "red." In common with most of our clients, we assessed the Council as "amber" on the basis of progress made to date and we will continue to monitor progress as part of our 2009/10 plan. There will be no additional fee for this work.

3.7 We will report the findings from our programme of value for money work to management and the Audit Committee during the year. We have included a schedule of anticipated outputs at section 5. The amendment to the value for money fee for 2009/10 is shown in section 4.

4   Audit fee and engagement team

Audit fee

4.1   The Audit Commission published its work programme and scales of fees 2009/10, in December 2008. From 2009/10, the Audit Commission clarified that the starting point for any fee proposal is the scale fee, which is calculated using a prescribed formula. Any variation from scale fee must be approved by the Audit Commission, following agreement of the proposed fee with the audited body.

4.2   In March 2009, we agreed an indicative 2009/10 fee of £505,000 (excluding VAT). The indicative fee was 14% above the Audit Commission scale fee of £444,000 (from 10% above scale fee last year). This is due to increased risks relevant to our Code responsibilities, relating to data quality, treasury management, managing performance through partnerships and workforce management arrangements.

4.3   In setting the indicative fee, we assumed that the general level of risk in relation to the audit of the 2009/10 accounts is not significantly different from that identified to 2008/09. As set out in section 2, we confirm that there is no substantial change to the accounts audit risk for 2009/10 and we confirm the indicative fee.

4.4   Taking into account the additional areas of high value for money risk identified since we issued the fees letter in March 2009 (set out in section 3), we propose to increase the fee to £515,000 for the 2009/10 year.

4.5   A summary of the updated 2009/10 audit fee is shown in the table below.

Table 2: 2009/10 audit fee

Audit area	Indicative fee 2009/10	Revised fee 2009/10
Financial statements, including WGA	£340,000	£340,000
Use of resources/VFM conclusion, including data quality	£165,000	£175,000
Total audit fee	£505,000	£515,000
Certification of claims and returns*	-	£100,000 (est)

*The quoted fee for grant certification work is an estimate only and will be charged at published hourly rates.

4.6   The audit fee is being billed in quarterly instalments from June 2009.

Engagement team

4.7   The key members of the audit team for 2009/10 are:

Table 3: Engagement team

Name	Contact details	Responsibility
Paul Dossett Engagement Lead	020 7728 3180 paul.dossett@gtuk.com	Responsible for the overall delivery of the audit including the quality of outputs, signing the opinion and conclusion, and liaison with the Chief Executive, other senior officers and the Audit Committee.
Paul Hughes Engagement Manager	020 7728 2256 paul.hughes@gtuk.com	Manages and coordinates the different elements of the audit work. Key point of contact for the Council.
Caroline Glitre Assistant Manager	020 7728 2078 caroline.glitre@gtuk.com	Responsible for supervising the on site fieldwork during the accounts, use of resources and grant claims audits.
Justin Collings Technical and Grants Manager	01223 225501 justin.collings@gtuk.com	Responsible for provision of specialist technical support to the audit team, and overall management of the grants audit programme.
Andy Ka IFRS Specialist	020 7728 2716 andy.ka@gtuk.com	Responsible for provision of specialist IFRS support to the audit team and corporate finance team.
Negat Sultan IT Audit Manager	0116 257 5590 negat.sultan@gtuk.com	Responsible for review of the IT systems in place that complement the financial accounts process. Also will carry out ad hoc reviews if our risk assessment warrants it.

5   Planned outputs

Introduction

5.1   The planned outputs from the audit are set out in the table below:

Table 4: Planned outputs

Report	Planned issue date
Audit Plan	December 2009
Workforce management (interim report to management)	January / February 2010
Partnership working	January / February 2010
Leaseholder service charges	January / February 2010
Audit Strategy Document	June 2010
Annual Report to those Charged with Governance	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of Resources 2010	September 2010
Annual Audit Letter	December 2010

5.2   Reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee. Reports are addressed to the Audit Committee and management and are prepared for the sole use of the Council, and no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

Appendix A Independence and objectivity

We are not aware of any relationships that may affect the independence and objectivity of the audit team, which we are required by auditing and ethical standards to communicate to you.

We comply with the ethical standards issued by the APB and with the Commission's requirements in respect of independence and objectivity as summarised below.

Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of my appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).

The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.

International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:

- discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client

- confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.

The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the audit committee. The auditor reserves the right, however, to communicate directly with the authority on matters which are considered to be of sufficient importance.

The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows.

- Appointed auditors should not perform additional work for an audited body (i.e. work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the audit plan as being 'additional work' and charged for separately from the normal audit fee.

- Auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission.

- The Engagement Lead responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years.

- The Engagement Lead and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body.

  - The Engagement Lead and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.
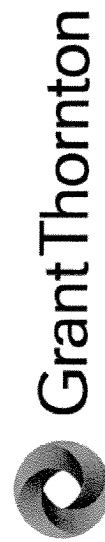
Appendix B   Expected areas of IFRS impact

The key impact issues for LB Haringey are summarised below classified by level of expected impact.

Area	Standard	Impact
Alexandra Park and Palace - Under IFRS, control of an entity is considered to exist if a parent has the 'power to control' as opposed to 'ability to control'. This could mean that even where an entity does not have a controlling interest, if they have the power to govern, regardless of whether the power is exercised, control is deemed to exist. Alexandra Park and Palace may therefore be consolidated.	IAS 27 and IFRS 3	High
Leases - Under IFRS, the UK GAAP 90% fair value vs present value of minimum lease payments test is replaced by eight indicators. From experience, a higher number of leases are classified as finance leases hence would come onto the authorities balance sheet. Besides the accounting issues, another common problem is locating these lease agreements. Some of which would have been signed some years ago.	IAS 17	High
Employee Benefits - Under IFRS, any benefits earned but not yet taken by an employee, e.g. holiday pay, time off in lieu, termination benefits, will need to be accrued. It is believed that the Haringey systems should capture the required data but the quality may vary from department to department. This will impact on the Councils transitional reserves. There is no guarantee that DCLG will mitigate this adjustment.	IAS19	Medium

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Area	Standard	Impact
Component Accounting - Under IFRS, the local Council will need to separate out significant components from non-current assets (tangible fixed assets) and depreciate these separately. LB Haringey are in the process of implementing system updates including the fixed asset register. Components will be identified and included in the register. The Council should however engage with valuers to assist in identifying the components.	IAS16	Medium
Valuation - The draft CIPFA Code requires non specialised assets to be valued under an existing use basis and specialised assets to be based on depreciated replacement cost (Modern Equivalent Asset). The authority will need to consider past valuations to ensure they were prepared on the right basis. Consideration should also be made towards the current climate where property values are falling and whether assets not due for review in the five year cycle requires updating for impairment.	IAS16	Medium
Segmental Reporting - IFRS 8 requires management to report it's balance sheet and income statement via a note is segments that are used to report to management. LB Haringey should therefore the system will permit retro analysis by segments for both primary statements. Some recoding will be required but no issues in retrieving the information is expected. This will be on top of BVACOP reporting.	IFRS8	Low
PFI - LB Haringey's PFI schemes are now all on balance sheet, however the SORP 2009 does prescribe the entries required and method of accounting, e.g. life cycle costs. The Council should review the treatment of the PFI schemes retrospectively as if IFRS has always been applied. Minimal impact is expected but should still be carefully assessed to determine if liabilities and assets are fairly stated in accordance with IAS 17 and IFRIC 12	IFRIC 12 and IAS 17	Low

Audit Plan 2009/10

IFRS is currently being applied in the public sector for the first time. Therefore, there is not yet a significant body of established practice on which to draw on in forming opinions regarding the interpretation and application of these standards. We also note that IFRS is subject to revision. Consequently, practice in relation to the adoption of IFRS by public sector bodies is continuing to evolve. Therefore, at this stage, the full financial effect of reporting under IFRS as it will be applied and reported in the Council's first IFRS financial statements for the year ended 31 March 2011 may be subject to change. We will discuss with you if we become aware of changes to IFRS accounting through amended Guidance or establishment of public sector practice.

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Tackling Health Inequalities in Haringey - follow-up report

3 September 2009

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1 Executive Summary

Introduction

1.1 As part of our 2007/08 external audits of London Borough of Haringey (the Council) and Haringey Teaching Primary Care Trust (the PCT), we carried out a joint risk based review of Health Inequalities (HIs), to support our 2007/08 use of resources conclusions at the Council and PCT.

1.2 In June 2008 we issued "Tackling Health Inequalities in Haringey", a joint performance report across local government and the health economy in the borough. This raised a number of recommendations around the Joint Strategic Needs Assessment (JSNA), the structure of the Wellbeing Strategic Partnership Board (WBSPB) and the need to address capacity issues.

1.3 This follow-up report looks at progress made to date against the recommendations raised within our June 2008 report.

Key messages

1.4 In general, good progress has been made in implementing our recommendations, with eight of the original eleven recommendations either implemented or on track to be implemented by the agreed deadlines. However, there are some areas where progress has not been made as quickly as planned and the Council and PCT will need to work together, with other partners, to ensure implementation to agreed timescales. We recognise that other pressing challenges faced by the Council and PCT may have played a part in delaying some of the actions in this area. The key messages are summarised in the table below:

Table 1: Summary of progress on implementation of our recommendations

Areas of good progress	Areas where more action is needed
The JSNA has been progressed, with the Phase 1 report being circulated to stakeholders in August 2008 and Phase 2 is underway and due for completion by December 2009	The PCT, Council and other partners will need to ensure that the new partnership structures are finalised as soon as possible and, subsequently, kept under review to ensure that they are working effectively.
Capacity issues have been addressed, with the PCT having now recruited four public health consultants	Ensuring better engagement with acute trusts so that they can effectively contribute to the agenda
The Wellbeing Scorecard is now reviewed on an exception basis which avoids unnecessary detail being presented to the WBSPB	More training on HI issues is needed to support the further development of the JSNA

1.5 These messages are described below, with further detail of our findings and recommendations at Appendix A.

Joint Strategic Needs Assessment (JSNA)

1.6 In June 2008, we recommended that the PCT and Council continue with the development of the JSNA, with Phase 2 to be started by March 2009.

1.7 In August 2008, as a result of Phase 1 of the JSNA the Council and PCT published a report "Towards Joint Strategic Needs Assessment in Haringey." This document provides a high level picture of need in the borough and identifies areas where further work is required to understand need.

1.8 The Phase 2 topics under the JSNA have been agreed as mental health, sexual health, vulnerable children & young people, and population change and growth and its impact on services. Later the vulnerable children and young people's needs assessment was subsumed into the children and young people's needs assessment commissioned by the new Children's Trust.

1.9 The Health Inequalities challenge in Haringey is exacerbated by population changes including short term migration. Together the Council and the PCT need to ensure that services continue to be delivered to their maximum effect to reduce health inequalities, in the context of local population changes and short term migrants that might be excluded from population statistics. The JSNA addresses this issue in that it looks at sources of population change in Haringey and identifies gaps in understanding, for example around mobile populations. The ability to better interrogate data and link data sets via a new IT platform would facilitate better understanding of these issues, and provide the Council and the PCT with a powerful tool to more effectively target HIs in the borough.

1.10 The Newham model IT platform has been agreed as the most appropriate, and a business case is currently being formed. It is planned for the IT platform to be introduced adjacent to the Phase 2 topics. The PCT and the Council need to ensure this IT platform is introduced and supported as soon as possible if further progress is to be made.

Capacity

1.11 We recommended that capacity issues needed to be addressed by August 2008 to ensure that the Phase 1 data set could be developed in a timely manner.

1.12 This recommendation has been fully met, with the PCT having now recruited four Whole Time Equivalent public health consultants. Of these, two were newly created posts, the others were vacancies being filled.

Wellbeing scorecard

1.13 In June 2008, we suggested that the Wellbeing scorecard should be reviewed on an exception basis, due to the high level of information within it and the risk that this would impair the effectiveness of scrutiny.

1.14 This process was introduced in the Autumn of 2008, and we therefore consider this recommendation to be met.

Wellbeing Strategic Partnership Board (WBSPB)

1.15 We recommended that the structure of the WBSPB should be improved, to ensure an appropriate balance between strategy and performance issues.

1.16 Following some delay, the wellbeing partnership arrangements are now being changed. The Wellbeing Chairs Executive has been disbanded in light of new partnership structures being implemented, designed to separate strategic decision-making about the common client group in the NHS and adult social care, and the broader healthy communities agenda.

1.17 These consist of the Joint Health and Social Care Leadership group which has recently had its third meeting, and an emerging set of arrangements for healthy communities which will span the Council and partnerships. A presentation is being made to the Cabinet Policy Forum on 17 September to get direction on taking this forward. An agreed next step is a workshop with previous members of the Wellbeing Chairs Executive on 14 October.

1.18 Although some outcome focused subgroups were working well this was not consistent. The agenda of the 'Improved quality of life and economic wellbeing' group will now sit with the new healthy communities arrangements, while the 'Joint commissioning and performance' group has been subsumed into the new Joint Leadership group.

1.19 The PCT, Council and other partners will need to ensure that the new partnership structures are finalised as soon as possible and, subsequently, kept under reviews to ensure that they are working effectively.

Acute trust engagement

1.20 A further recommendation from June 2008 was that involvement of provider trusts in the HIs agenda could be improved. We agreed an implementation date for this of Autumn 2008.

1.21 However, formal consideration of the most effective ways to engage better with acute trusts has only recently begun to take shape. Acute trusts are included in the membership of the WBSPB. However, the Council and PCT recognise the need to engage with them better to ensure attendance and contribution. The reworked agenda of the WBSPB (first meeting to be held on 22 September) is intended to achieve this. In addition, the upcoming National Support Team health inequalities visit provides opportunities to engage on specific areas of health care delivery and we will use this to identify the best ways to engage with acute trusts on both of the new agendas.

1.22 Partners will need to ensure the effective implementation of current plans for better involvement of the acute sector in the health inequalities agenda.

Health inequalities training and engagement

1.23   We recommended that more training was needed on HI issues to support the development of the JSNA, and an implementation deadline of November 2008 was agreed.

1.24   At time of writing, the Director of Public Health has established a Council corporate public health group focusing on the development of the JSNA. One of the aims is for training to be cascaded through the Council. This has been discussed and the first training session will be on Needs Assessment, led by one of the Public Health Consultants. The date is yet to be confirmed, therefore we do not consider that our recommendation was fully met by the agreed deadline.

1.25   However, progress has been made in that the Overview and Scrutiny Committee (OSC) is becoming more involved in the Health Inequalities agenda. The Committee hosted a workshop in November 2008 which was attended by Councillors, Non-Executive Directors (NEDs) of the PCT and officers, and highlighted how to consider HIs in the work that is being done across both organisations. Delegates were encouraged to come up with ideas of what else could be done to combat HIs, both if resources were not a barrier, or if no resources were available. The session resulted in health inequalities areas being picked up by the OSC work programme. In 2009/10 reviews will be undertaken on sexual health, carers, transport and support to young people at risk of substance abuse. This is a positive example of the proactive work that is being done within Haringey.

1.26   A visit by the Department of Health (DH) National Support Team (NST) for Health Inequalities was planned for July 2009 but has been postponed as two other sets of inspectors were due to come in July. It will now occur in October 2009 and will look at the HIs agenda at an organisational and operational level. There is an extensive list of delegates including Council, PCT, voluntary sector and acute trust staff, and the visit will involve stakeholder discussions and workshops. The multi-disciplinary workshops will look at, for example, Coronary Heart Disease, seasonal excess deaths, cancer, strokes etc. There will also be community engagement focus groups.

1.27   After the visit the DoH will issue a report, including suggested areas of improvement. There will be expertise available from the DoH to support the implementation of recommendations. The NST is visiting bodies nationally, and will therefore be able to share best practice gleaned from their visits.

Way forward

1.28   Further detail on progress in implementing our June 2008 recommendations can be found at Appendix A. Areas for remaining action are highlighted in the Appendix along with updated management plans for implementation.

1.29   We would like to take this opportunity to remind the Audit Committees of the Council and PCT of the need to monitor implementation of these outstanding points.

Acknowledgements

1.30   We would like to thank the Joint Director of Public Health, the Associate Director of Adults & Older People at the PCT, the Head of Corporate Policy at the Council, the Head of Systems Development and Performance at the Council, and the other Council and PCT officers who contributed to this follow-up.

1.31   This report has been prepared for the London Borough of Haringey and Haringey Teaching Primary Care Trust, and should not be relied upon by any third parties.

Grant Thornton UK LLP
3 September 2009

Appendix A   Detailed findings and recommendations

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
1.	**To continue the development of the Joint Strategic Needs Assessment (JSNA)** **Priority: High** **Deadline: March 2009**	The Phase 1 Core data set report has now been uploaded onto the JSNA area of the Council's website. News of the report, 'Towards Joint Strategic Needs Assessment in Haringey', was circulated in a letter in August 2008 from the Council and the PCT. The letter was sent to the Haringey Strategic Partnership (HSP) members, chair and thematic boards, GPs, Haringey People magazine, PCT staff and schools amongst others. Criteria were set for selecting the Phase 2 areas of need for the JSNA. There were three first order criteria: 1. Local area agreement (and sustainable community strategy) target 2. Gap identified in *Towards JSNA in Haringey* 3. Impact on commissioning/ financial sustainability as well as several second order criteria. Three areas are being progressed in Phase 2: mental health, sexual health, and population change & growth and its impact on services. Discussions have been	On track (Joint Director of Public Health December 2009)	N/A	N/A

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No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
		occurring on what will happen after Phase 2 i.e. the process of developing the JSNA is ongoing. Phase 2 is due for completion by December '09. A web based consultation of officers across the partnership lasted for a month from mid-April 2009. The questions were around the Phase 1 core data set and respondents were asked to identify the areas they had found most helpful. Responses were received from thirteen officers. Key findings were: • 75% of respondents said they had used the information within the JSNA document; • 67% of respondents said they had used the information for commissioning or designing; and • 58% had used it for assessing need in Haringey.			
2.	**To improve cost/ benefit analysis of options to reduce Health Inequalities (His)** **Priority: Medium** **Deadline: Ongoing**	The principles of cost/benefit analysis were applied to the PCT's investment prioritisation exercise during Autumn 2008, which was part of the 3 year Investment strategy as agreed by the Board in July 2008. The Investment strategy is in line with the Commissioning strategy. Planned investment has been mapped against expected performance on key targets. Individual projects have	On track (Joint Director of Public Health and Director of Finance Ongoing)	N/A	N/A

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
		been reviewed for outputs, outcomes and for expected financial phasing. The prioritisation criteria for suggested projects included 'Cost effectiveness - How many people will benefit from the proposed investment? How much do they benefit? (relative to the proposed level of investment) and / or Will the proposed investment deliver a significant improvement in quality or safety of clinical service to existing patients?' The mapping of expenditure to health outcomes was a key component of the recent World Class Commissioning (WCC) assessment. Although the WCC panel scored the PCT at the minimum level of 1 overall on the Competency of 'Prioritise investment according to local needs, service requirements and the values of the NHS', within their feedback the panel stated that the PCT had described a process of prioritising proposed initiatives, and evaluating the impact on activity, health benefit and costs. This is in line with our understanding of the processes in place at the PCT. The PCT has changed its internal risk rating status for this recommendation from red to amber as a result - i.e. this recommendation is not yet fully implemented but good progress has been made.			

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
3.	**Improve structure of Health and Wellbeing Partnership Board (WBSPB)** **Priority: High** **Deadline: July 2009** .	In preparation for the suggested Overview and Scrutiny Committee (OSC) review of HIs in 2009/10, the Joint Director of Public Health ran a training session for Councillors, NEDs of the PCT and officers in November 2008. The event was titled 'Health: Everyone's Business', and stressed the need for everyone to consider the HIs agenda in their work. There was good attendance (approx 40 delegates, including 12 councillors and 4 NEDs) and we are told it was a very positive, participative session. A report went to the OSC in April 2009, which details that a gap analysis was undertaken to identify exactly how OSC involvement can add value to the HIs agenda. The areas of suggested focus for the OSC are sexual health, housing, physical activity and green spaces. Following some delay, the wellbeing partnership arrangements are now being changed. The Wellbeing Chairs Executive (WBCE) has been disbanded now in light of new partnership structures being implemented, designed to separate strategic decision-making about the common client group in the NHS and adult social care, and the broader healthy communities agenda. These consist of the Joint Health and Social Care Leadership group which has recently had its third meeting, and an emerging set of arrangements for healthy	In progress **Recommendation:** The PCT, Council and other partners will need to ensure that the new partnership structures are finalised as soon as possible and, subsequently, kept under review to ensure that they are working effectively.	Agreed	Joint Director of Public Health and Director of Adults, Culture and Community Services December 2009

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
		communities which will span the Council and partnerships. A presentation is being made to the Cabinet Policy Forum on 17 September to get direction on taking this forward. An agreed next step is a workshop with previous members of the Wellbeing Chairs Executive on 14 October. Although some outcome focused subgroups were working well this was not consistent. The agenda of the 'Improved quality of life and economic wellbeing' group will now sit with the new healthy communities arrangements, while the 'Joint commissioning and performance' group has been subsumed into the new Joint Leadership group. The PCT, Council and other partners will need to ensure that the new partnership structures are finalised as soon as possible and, subsequently, kept under reviews to ensure that they are working effectively.			

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
4.	**Effective involvement of provider trusts** **Priority: Medium** **Deadline: Autumn 2008**	The major acute providers (Whittington to the West and North Middlesex to the East of the borough) are already members. The best ways to engage better with acute trusts, including sub-groups, was due to be explored in the WBCE workshop in May '09. However, due to the swine flu outbreak this workshop was postponed. Formal consideration of the most effective ways to engage better with acute trusts has only recently begun to take shape. Acute trusts are included in the membership of the wellbeing partnership board (WBSPB). However, the Council and PCT recognise the need to engage with them better to ensure attendance and contribution. The reworked agenda of the WBSPB (first meeting to be held on 22 September) is intended to achieve this. In addition, the upcoming NST health inequalities visit provides opportunities to engage on specific areas of health care delivery and we will use this to identify the best ways to engage with acute trusts on both of the new agendas.	In progress **Recommendation:** Partners will need to ensure the effective implementation of current plans for better involvement of the acute sector in the health inequalities agenda.	Agreed	Joint Director of Public Health and Director of Commissioning/West November 2009
5.	**Improve engagement with the public and communities of interest**	The Making a Positive Contribution outcome focused-group has been set up. It is co-chaired by the Chief Executive of the Haringey Association of Voluntary and Community Organisations (HAVCO) and the Director of the HAVCO Wellbeing theme group.	On track (Joint Director of Public Health Ongoing)	N/A	N/A

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
	Priority: Medium Deadline: August 2008	The Public Health team is maintaining links with the University College London (UCL) Institute of Child Health on childhood obesity issues, building on previous collaborations (in 2007) regarding barriers to healthy lifestyles.			
		Opportunities are being developed to work together with Middlesex University and to utilise their research, for example within the Health & Social Care faculty. There is scope for Middlesex University students to come to the PCT to do some work locally. In May '09, the WBSPB approved inviting a representative from Middlesex University to join the Board.			
		The HSP is formulating a Community Engagement Framework. This was discussed at the WBSPB on 2/3/09, and it was confirmed that it will make a specific reference to empowerment and the positive effect this has on people's health. Consultation on the Framework occurred in March 2009 and ended at the end of April.			
		In Phase 1, the priorities of the JSNA were based on the feedback received from stakeholders at the 'Healthier Haringey' event. For Phase 2, each of the topics will have an element of collecting stakeholders' views e.g. a participation strategy for young people will form part of the Children & Young People's topic.			

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
6.	**Move forward the JSNA, specifically the IT platform that is envisaged should be further explored to ensure that users can interrogate the data set for their needs** **Priority: Medium Deadline: March 2009**	The planned IT platform will allow better interrogation of data, and is due to be introduced adjacent to the Phase 2 topics. It will be a Haringey data observatory - a central point where all partners can leave datasets that can be accessed by partners. This will improve information sharing across the partnership, providing easy access to key research such as the Borough profile and the core data set of the JSNA. The options for the platform were considered at the JSNA Steering Group at the end of January '09 and it was agreed to adopt the Newham model. The business case for this was due to be discussed at the JSNA Steering Group meeting in July.	On track (Head of Corporate Policy March 2010) The revised business case for the data platform will be discussed at the JSNA Steering Group on 23 Sept and at the Council's IT Board on 30 Sept.	N/A	N/A
7.	**Address capacity issues** **Priority: Medium Deadline: August 2008**	Ongoing discussions are being held between the Council and the PCT regarding the sharing of resources. The PCT now has four whole time equivalent public health consultants in post. Each consultant has an area of focus: adults & older people, children & young people, commissioning or general public health. There is also a Head of Community Development in post. This means that the senior management team is now all in place.	Completed	N/A	N/A

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
		Partnership working between the PCT and the Council is prioritised in agendas and workstreams. The data platform will further encourage joint working. The JSNA Technical Group has been established and shares data. The Council has identified further resources to support the JSNA via dedicated time within Information Officer posts. It is trying to get funding for an Information Manager to further support the JSNA. If recruited this person would need to work closely with the Public Health team at the PCT.			
8.	**More training on HI issues** **Priority: Medium** **Deadline: November 2008**	The Director of Public Health has established a Council corporate public health group focusing on the development of the JSNA. One of the aims is for training to be cascaded through the Council. It has been agreed that the first training session will be on Needs Assessment led by one of the Public Health Consultants. The date is to be confirmed. A health inequalities conference was held by the Director of Public Health in November 2008. It was well attended by elected members and NEDs, as well as senior officers. See comments at Recommendation 3 above.	Not on track **Recommendation:** The planned Needs Assessment training should be provided to the Council at the earliest possible opportunity.	Agreed	Joint Director of Public Health November 2009

No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
9.	**Well Being (WB) Scorecard - review on an exception basis** **Priority: Medium** **Deadline: July 2008**	Review of the WB Scorecard on an exception basis was introduced in Autumn of 2008. This means that only those targets with red or amber status are included, in order to avoid unnecessary detail being presented. The scorecard goes in its entirety to the WBCE monthly and the WBSPB quarterly. Emphasis is placed on areas that need attention, for example in March '09 there was a presentation around alcohol admissions.	Completed	N/A	N/A
10.	**Revise Scorecard for the LAA targets** **Priority: Medium** **Deadline: June 08**	This was completed in the Summer of 2008.	Completed	N/A	N/A
11.	**Develop formal plans and procedures for corporate social responsibility (CSR)** **Priority: Medium** **Deadline: March 2009**	Council Members agreed a People Strategy for 2008-16 in September 2008. This covers all aspects of employment, with CSR as a thread throughout the document. There is a leadership programme in place for officers who are potential leaders. CSR is treated as a project for those officers - they have responsibility for implementing it. In addition, there are already initiatives, projects and	On track (Associate Director of Public Health March 2010)	N/A	N/A

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No.	June 2008 recommendation	June 2009 status	Conclusion / August 2009 recommendation	Management Response	Implementation details
		strategies that correlate with CSR at the Council and PCT. For example: the Greenest Borough Strategy 2008-2018, the Haringey Guarantee / Trade Local, School work experience placements and the Supported Reading scheme.			
		In January '09 the Chief Executive's Management Board (CEMB) at the Council received a presentation on CSR from the Head of Organisational Development & Learning, Philippa Morris, who is the named person pushing the CSR agenda forward at the Council.			
		The PCT has agreed that one of its Public Health consultants will be its named lead to work with the Council. The PCT is planning to replicate the introduction of plans and procedures that are now in place at the Council, in order to avoid duplication of work.			
		As identified by the bodies themselves, an overarching policy of CSR could be developed between the PCT, the Council and local voluntary and community groups. However this needs discussion and agreement, initially through the Performance Management Group (PMG) at the Council. Agreement to develop a joint policy would need to be raised through the HSP and agreed at that forum.			

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Haringey Council

Agenda item:

[No.]

Audit Committee	On 1ˢᵗ February 2010

Report Title   **JAR Action Plan Update**

Report of **Peter Lewis, Director Children & Young People**
Signed :

Contact Officer : Mark Gwynne, JAR Programme Manager

Wards(s) affected: **All**	Report for: **Non-Key Decision**

1. Purpose of the report

1.1.   This programme update report provides an overview of progress in delivery of the Safeguarding Plan up to the month of December.

1.2.   Audit Committee note:

- The programme management arrangements for the Safeguarding Plan;
- Progress against the milestones set out within the Plan;
- Progress against safeguarding performance indicators; and
- The Safeguarding Plan risk management report.

2. Introduction by Cabinet Member

2.1. N/A

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

3.1.   The Haringey Community Strategy 2007-2016 in particular the 'Safer for all' key outcome. In response to the JAR Action Plan we have strengthened our

commitment to provide support and protection to the most vulnerable people in our community through the following priority: We will *'Safeguard children and adults from abuse and neglect wherever possible and deal with it appropriately and effectively if it does occur'* – *Community Strategy Update, March 2009*

3.2. The Council Plan 2007-2010 priority of 'Encouraging lifetime well-being at home, work, play and learning'

3.3. The Children and Young People's Plan 2009-20.

3.4. Haringey Strategic Plan (NHS) 2008-2013

3.5. Priority Actions for Health: arising from the Safeguarding Plan for Haringey Plan 2009

3.6. Safer for all, Haringey's Community Safety Partnership Strategy 2008-2011

4. Recommendations

4.1. To note the programme management arrangements for the Safeguarding Plan.

4.2. To note progress in delivery of the milestones up to December 2009, contained within Appendix 1.

4.3. To note current performance to November 2009, as contained in Appendix 2.

4.4. To note the key risks associated with delivery of the plan and the actions being taken to mitigate them, as contained in Appendix 3.

5. Reason for recommendation(s)

5.1. Revised programme management arrangements were put into place in September 2009. This involved the establishment of a Safeguarding Plan Steering Group (SPSG) comprising chief officers from the Council, police and health. The steering group usually meets on a fortnightly basis. This frequency of reporting enables prompt management action to be taken to drive improvements in safeguarding across the Borough.

5.2. Monthly progress reports covering milestones, performance indicators and risk management are considered by SPSG and CEMB. These reports focus on achievement of programme milestones and management of performance indicators, providing an indication of the direction of travel as well as identify areas where further support is required. Risk are considered on a bi-monthly basis by these groups.

5.3. Managers responsible for delivery of key milestones and performance indicators are invited to SPSG as appropriate to be challenged on progress, or provide an update to the group. For all actions marked as achieved, an evidence log is being maintained, which incorporates the evidence to substantiate the milestone's achievement. For all reports, no action will be marked as achieved until evidence has been provided. This evidence has been used in preparation for the follow-up inspection in January.

6. Other options considered
  6.1. N/A

7. Summary
  7.1. The Safeguarding Plan was developed following the June 2009 follow-up inspection. At this time it was agreed that the JAR Action Plan was large and that we should provide greater focus on the key improvements that were required. These key improvements formed the basis for the Safeguarding Plan, which is structured around 5 themes:
  - Leadership & Governance
  - Early Intervention
  - Good Practice
  - Capacity & Staffing
  - Performance Management

  7.2. The Safeguarding Plan is actively managed on at least a fortnightly basis by the Safeguarding Plan Steering Group, comprising senior managers across the Council and partners. This seniority reflects the importance of safeguarding within the borough and ensures that responsibility for delivery resides at the highest level. This group of senior managers enables individual responsibility for each theme and collective responsibility for delivery of the plan as a whole.

  7.3. For this report, progress has been reported against the milestones / achievements of the new Safeguarding Plan. The programme milestone progress report (Appendix 1) and performance indicator report (Appendix 2) give a progress update on delivery of this refreshed plan.

  7.4. The simplified approach adopted for reporting milestone progress enables greater focus on issues arising and the identification of any support that may be required to ensure that milestones and performance outcomes are achieved. Building milestone reporting into the Covalent performance management system resulted in a change of reporting style last month and we are continuing to develop this to fully meet our reporting requirements.

  7.5. Key issues arising from the December progress report are:
  - Development of phase 1 of the CAMHS outreach service has been achieved. This will be used as the basis for linkage with First Response ahead of creation of the Multi Agency Team.
  - Team evidence files have been developed in many areas, but are currently inconsistent and work is underway to improve this and learn from good examples.

  7.6. Performance reporting continues to be drawn from the Covalent system, enabling Safeguarding Plan reporting to be integrated with other performance

reports within the Council and to the Children's Trust. Training has been carried out for the PCT to enable their direct access to the system and this will subsequently be expanded to the police.

7.7. Key issues arising from the performance reporting are:
- Although priority performance indicators (NI 59 & 60 – Initial and Core Assessments) are showing an upward trend the rate of progress is not fast enough to demonstrate significant improvement before the inspection. Performance information has been collected to enable reporting of the percentage of cases received for initial assessment in December that were completed within time – demonstrating that current casework is being progressed in a timely manner.
- HR data demonstrates that small improvements are being made in addressing the balance between permanent and agency staff. An improvement should be seen with the arrival of the second batch of American social workers during February, which will feed through into future reports.

7.8. Risk management has also been built into Covalent, however further work is required on the presentation of reporting. Key risks have been identified and are being actively managed (Appendix 3).

7.9. Key risks that could impact on the inspection and our progress are:
- The rate of progress being made with improving times for Initial and Core Assessments (NI 59 & 60).
- Consistency and quality of supervision has improved overall, but further work remains to ensure that a consistently high standard is achieved;
- Quality and recording of decision making has improved overall, but there is some inconsistency which is being addressed.
- Recruitment of social workers and shifting the balance in favour of permanent staff and away from agency.

7.10. In the light of progress in delivering the milestones within the Safeguarding Plan, the improvements that have been seen within the service and the performance indicators, we now have greater confidence in our ability to safeguard the children and young people of Haringey.

8. Chief Financial Officer Comments

8.1. The Council in forming its 2009-10 Budget Strategy recognised the need to address the issues which had been identified in Children's safeguarding by the Joint Area Review. It made available one-off provision for an additional £4.2m which has been earmarked for the actions set out in the attached Safeguarding Plan. Confirmation has been received from the Government about the extent to which they are prepared to provide additional resources which is consistent with and reflected in the assumptions set out above.

8.2. To the extent that the actions in the Safeguarding Plan have on-going resource implications, they have been reflected in the Council's 2010-11 Budget proposals that are currently being considered.

9. Head of Legal Services Comments
9.1. No legal comments.

10. Head of Procurement Comments
10.1. N/A

11. Equalities & Community Cohesion Comments
11.1. N/A

12. Consultation
12.1. N/A

13. Service Financial Comments
13.1. Meetings were held between all Area for Improvement Lead Officers and the Head of Finance. Based on these meetings an update of the allocations necessary across the themes was undertaken.

13.2. The revised analysis reflects the fact that as additional support has been engaged this has been deployed across various themes.

14. Use of appendices /Tables and photographs
14.1. Appendix 1: Safeguarding Plan – Milestone Progress Report, December 2009
14.2. Appendix 2: Performance Indicator Report, November 2009
14.3. Appendix 3: Safeguarding Plan Risk Register, December 2009

15. Local Government (Access to Information) Act 1985
15.1. JAR Report (December 2008)
15.2. Annual Performance Assessment (December 2008)
15.3. JAR Monitoring Visit Report (July 2009)

Appendix 1. Safeguarding Plan Milestone Report

Generated on: 05 January 2010

Action Status

🛑	Not achieved / not on track support required to address issues
🔺	Not on track but no support required to address issues
🔺	Action in progress and on track to be completed
🟢	Action completed and desired outcome achieved

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.01 Create a culture of shared responsibility for all Haringey's children & young people	Peter Lewis	Key partners play a full role in Children's Trust, LSCB and HSP through appropriate attendance, participation feedback into governance mechanisms	01 Jul 2009	30 Sep 2009	🟢	**Sep 2009 - Achieved**	Peter Lewis	Leadership and Governance
		Develop and launch a consistent cross-partnership communication campaign to promote safe and effective safeguarding practice focused on key messages	01 Jul 2009	30 Sep 2009	🟢	**Sep 2009 - Achieved**	Peter Lewis	
		Children's Trust joint communications strategy and approach agreed	01 Aug 2009	31 Oct 2009	🟢	**Dec 2009 - Achieved.** Signed off by the Children's Trust 17th December 2009.	Peter Lewis	
		Partners engaged in development of draft partnership agreement	01 Oct 2009	30 Nov 2009	🟢	**Dec 2009 - Achieved**	Peter Lewis	
		Partnership agreement encompassing financial commitments agreed	31 Oct 2009	31 Mar 2010	🔺	**De 2009 - On track**	Peter Lewis	

1

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.02 Local Safeguarding Children Board communicate the findings of Serious Case Reviews	Graham Badman	Composite action plan pulling together findings of all SCRs developed	01 Jul 2009	31 Aug 2009	🟢	**Aug 2009 - Achieved**	Sarah Peel	Leadership and Governance
		Safeguarding communications programme implemented	01 Aug 2009	31 Dec 2009	🟢	**Oct 2009 - Achieved**	Peter Lewis	
		Events held to communicate findings of SCRs	01 Oct 2009	31 Oct 2009	🟢	**Oct 2009 - Achieved**	Sarah Peel	
		SCR Materials and framework developed for dissemination through staff meetings	01 Oct 2009	31 Oct 2009	🟢	**Oct 2009 - Achieved**	Sarah Peel	
		Communication materials and messages developed for dissemination through team meetings	01 Oct 2009	31 Oct 2009	🟢	**Oct 2009 - Achieved**	Sarah Peel	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.03 Improve working of the LSCB (also see action 2.02)	Graham Badman	LSCB priorities agreed	01 Aug 2009	30 Sep 2009	🟢	**Sep 2009 - Achieved**	Sarah Peel	Leadership and Governance
		Governance arrangements and sub-group structure agreed	01 Sep 2009	31 Oct 2009	🟢	**Oct 2009 - Achieved**	Sarah Peel	
		Review of membership and Terms of Reference of subgroups completed	01 Sep 2009	31 Oct 2009	🟢	**Oct 2009 - Achieved**	Sarah Peel	
		Work programme and business planning processes developed	01 Oct 2009	30 Nov 2009	🟢	**Nov 2009 - Achieved.** LSCB Exec agreed 15 month annual report (Jan 09-Mar 10) - to be finalised in April/May 10 once end year finance and performance figures are known. Sub-groups to plan work programme for 2010/11 Jan-Mar 2010.	Sarah Peel	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.04 Partnership Family Support Strategy developed and published	Jan Doust	Family Support Strategy development and consultation completed	01 Jul 2009	30 Nov 2009	🟢	**Dec 2009 - Achieved.** Strategy completed - all partners satisfied with final version. Children's Trust Executive Performance Management Group will be asked to formally sign off at the meeting in January.	Jan Doust	Early Intervention

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		Strategy published	01 Dec 2009	31 Dec 2009	🌀	**Dec 2009 - Achieved.** Will be published on website by 31st December and then circulated through a variety of channels during January.	Jan Doust	
		Reporting cycle and mechanism determined	01 Dec 2009	31 Dec 2009	🌀	**Dec 2009 - Achieved.** Steering group established to develop strategy will retain oversight for initial 6 month period. Reports to Children's Trust as appropriate.	Jan Doust	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.05 Agree and implement CAF quality assurance framework based on the Pan London CAF protocol	Alison Botham	CAF quality assurance framework agreed	01 Aug 2009	30 Sep 2009	🌀	**Sep 2009 - Achieved**	Alison Botham	Early Intervention
		Implementation timescales and programme agreed	01 Sep 2009	31 Oct 2009	🌀	**Oct 2009 - Achieved**	Alison Botham	
		Framework communicated to relevant people and training organised	01 Nov 2009	31 Dec 2009	🔺	**Dec 2009 - Achieved.** Training started and dates organised until July 2010.	Alison Botham	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.06 Ensure quality of service by improving child protection referral and assessment processes	Eleanor Brazil	Referral pathways integrated with CAF	01 Jul 2009	30 Sep 2009	🌀	**Sep 2009 - Achieved**	Mark Gurrey	Good Practice
		Capacity identified to ensure that timescales taken for assessment improve	01 Jul 2009	30 Sep 2009	🌀	**Sep 2009 - Achieved**	Mark Gurrey	
		Quality of information and analysis in initial and core assessments is improved to ensure minimum standards are consistently met	01 Jul 2009	31 Oct 2009	🌀	**Oct 2009 - Achieved**	Mark Gurrey	
		Dedicated specialist mental health input for R&A established whilst proposal developed for multi-agency assessment team	01 Jul 2009	30 Nov 2009	🌀	**Dec 2009 - Achieved.** Phase 1 achieved to develop CAMHS outreach services (IFIT) and single point of access. This is now to be used as the basis for move into MAT arrangements. (SPSG Update)	Mark Gurrey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.07 Deliver improvements in thresholds and decision making	Eleanor Brazil	Clear thresholds developed to operate across specialist, targeted and universal services and communicated to staff	01 Jul 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Mark Gurrey	Good Practice
		Safeguarding resources panel established with clear terms of reference established for all panels	01 Jul 2009	31 Aug 2009	🟢	**Aug 2009 – Achieved**	Mark Gurrey	
		Independent social workers engaged to support social workers / team managers in decision making	01 Jul 2009	31 Oct 2009	🟢	**Sep 2009 – Achieved**	Mark Gurrey	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.08 Effective working at Child Protection Conference	Eleanor Brazil	Data on attendance at conferences collected by LSCB	01 Aug 2009	31 Oct 2009	🟢	**Dec 2009 – Achieved.** New monitoring form will collect this information.	Mark Gurrey	JAR- Good Practice
		Mechanisms established to challenge appropriateness of invites to, and judge quality of input at, conferences	01 Sep 2009	31 Oct 2009	🟢	**Dec 2009 – Achieved.** Above will measure quality of input. New CP system being delivered from 12/10/09 will improve better focused invites.	Mark Gurrey	
		Improvements demonstrated through quality of care plans / conference minutes	01 Oct 2009	31 Dec 2009	🟢	**Dec 2009 – Achieved.** Above will measure quality of input. New CP system being delivered from 12/10/09 will improve better focus.	Mark Gurrey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.09 Identify opportunities for further integrated working across the strategic partnership (Jane Elias)	Jane Elias (GOSH)	Implementation Group set up to monitor delivery of actions within the Integrated Working Report and support development of an Integrated First Response Service	01 Aug 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Jane Elias (GOSH)	Good Practice
		Health Visitors Child Protection & Children in Need folders audited and revised standards developed	01 Sep 2009	30 Sep 2009	🟢	**Sep 2009 – Achieved**	Penny Thompson (NHS Haringey)	
		NHS and Police input into integrated working reflected within proposals	01 Sep 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Jane Elias (GOSH)	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.10 Achieve an acceptable standard for the quality of care planning	Penny Thompson (NHS Haringey)	Review current practice across all Trusts and develop action plan for improvements	01 Jul 2009	30 Sep 2009		**Sep 2009 - Achieved**	Penny Thompson	Good Practice
		Audit programme for plans developed to demonstrate improvement	01 Sep 2009	31 Oct 2009		**Oct 2009 -Achieved**	Penny Thompson	
		Standard agreed for inclusion of sibling information	01 Sep 2009	31 Oct 2009		**Oct 2009 - Achieved**	Penny Thompson	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.11 Revise, update and launch the revised children's social care procedure manual	Rachel Oakley	Revisions to manual completed and online version updated	01 Jul 2009	31 Oct 2009		**Oct 2009 - Achieved**	Rachel Oakley	Good Practice
		Updated manual launched to staff	01 Oct 2009	31 Oct 2009		**Oct 2009 - Achieved**	Rachel Oakley	
		Staff engaged to establish a rolling programme of quarterly updates to the manual	01 Oct 2009	31 Oct 2009		**Oct 2009 - Achieved**	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.12 Implement procedures to ensure the allocation of a lead professional for children moving from social care or other specialist service back into targeted / universal services	Alison Botham	Procedures agreed by relevant agencies	01 Jun 2009	30 Sep 2009		**Sep 2009 - Achieved**	Alison Botham	Good Practice
		Procedures implemented across all agencies	01 Oct 2009	31 Dec 2009		**Dec 2009 - Achieved**. Implemented and Training organised with dates until July 2010	Alison Botham	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.13 Commissioning directory	Ian Bailey	Existing directories update with summary provided by services	01 Aug 2009	31 Dec 2009		**Dec 2009 - Achieved**. The directory contains these summaries. Some work has taken place and additional	Ian Bailey	Good Practice

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
developed to describe services, criteria and outcomes available						functionality added to allow FISD to operate as a commissioning directory. Further work will be undertaken in the action below, which includes the DV and Parental Support commissioning summaries (see below) being uploaded in early January.		
		Domestic violence commissioning intentions completed following reviews of evidence base; current provision and a gap analysis	01 Sep 2009	31 Dec 2009	🟢	**Dec 2009 – Achieved.** The finished documents will be uploaded in early January.	Ian Bailey	
		Parenting support commissioning intentions completed following development of list of effective parenting support programmes and interventions; current parenting support provision detailed by all services; and gap analysis	01 Sep 2009	31 Dec 2009	🟢	**Dec 2009 – Achieved.** The finished documents will be uploaded in early January.	Ian Bailey	
		Directory entries quality checked, appropriate levels of need assessed and added and ongoing maintenance process developed	01 Jan 2010	30 Jun 2010			Ian Bailey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.14 Introduce additional short term social work professional and management capacity	Eleanor Brazil	Short term capacity needs and resource requirements identified	01 Jul 2009	31 Aug 2009	🟢	**Sep 2009 – Achieved**	Eleanor Brazil	Capacity and Staffing
		Longer term capacity needs and staffing levels identified and resources identified	01 Aug 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Eleanor Brazil	
		Capacity increased to take on complex cases and provide supervision to social workers	01 Sep 2009	31 Mar 2010	🔺	**Dec 2009 – On track**	Eleanor Brazil	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.15 Recruit and retain good staff across the partnership to	Stuart Young	Haringey offer identified and recruitment campaign launched	01 Jul 2009	30 Sep 2009	🟢	**Sep 2009 – Achieved**	Rachel Oakley	Capacity and Staffing
		Social work graduate trainee scheme expanded	01 Jul 2009	30 Sep 2009	🟢	**Oct 2009 – Achieved**	Rachel Oakley	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
reduce the number of vacancies and reliance on agency staff		Benchmarking of Health Visitors, School Nurses and Paediatricians completed	01 Aug 2009	31 Oct 2009		**Sep 2009 - Achieved**	Penny Thompson (NHS Haringey)	
		Resource plan developed and approved by NHS Haringey	01 Aug 2009	31 Jan 2010		**Dec 09 - On track.** Resource Plan developed and approved in principle by NHS Haringey Senior Management Team. Will be presented to Trust Board in January 2010 for final sign-off subject to PCT allocations and cost pressures.	Julie Quinn (NHS Haringey)	
		Health workers vacancies filled and staff in post	01 Aug 2009	31 Mar 2010		**Dec 2009 - On track.** In progress and on track to be completed. See Health Visiting Service update November 09	Julie Quinn (NHS Haringey)	
		Monitoring mechanism established to enable review of workloads of Health Visitors, School Nurses and Paediatricians	01 Aug 2009	31 Aug 2009		**Sep 2009 - Achieved**	Penny Thompson (NHS Haringey)	
		New social workers and social work managers in post	01 Sep 2009	31 Dec 2009		**Nov 2009 - Achieved.**	Rachel Oakley	
		Health safeguarding vacancies filled and staff in post	01 Aug 2009	30 Nov 2009		**Nov 2009 - Achieved.**	Julie Quinn (NHS Haringey)	
		Health worker numbers increased above June 2009 baseline	01 Aug 2009	30 Nov 2009		**Nov 09 - Achieved.**	Julie Quinn (NHS Haringey)	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.16 Ensure effective supervision arrangements for social care staff	Eleanor Brazil	Guidelines amended to clarify the supervision guarantee and electronic manual updated	01 Aug 2009	30 Sep 2009		**Sep 2009 - Achieved**	Rachel Oakley	Capacity and Staffing
		Assessment centres held to establish managers' ability to deliver quality supervision	01 Aug 2009	30 Sep 2009		**Nov 2009 - Achieved.**	Rachel Oakley	
		Individual tailored development programmes	01 Sep 2009	30 Nov 2009		**Nov 2009 - Achieved.**	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		for front line managers implemented						
		Reporting of supervision integrated into existing reports	01 Sep 2009	30 Nov 2009	🟢	**Nov 2009 - Achieved.**	Christine Jorge	
		Supervision survey carried out to compare with baseline and improvement actions identified to feed into refresh of plan	01 Sep 2009	31 Dec 2009	🟢	**Nov 2009 - Achieved.**	Debbie Cotterill	
		Hubs of Change (Tavistock / Haringey) project implemented	01 Sep 2009	30 Nov 2009	🟢	**Oct 2009 - Achieved**	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.17 Ensure effective supervision arrangements for health staff	Penny Thompson (NHS Haringey)	NHS Trust standard for supervision agreed and audit programme developed	01 Aug 2009	30 Sep 2009	🟢	**Sep 2009 - Achieved**	Penny Thompson	Capacity and Staffing
		Discussion with Clinical Excellence Group about GPs supervision	01 Sep 2009	30 Sep 2009	🟢	**Sep 2009 - Achieved**	Penny Thompson	
		Reporting of supervision integrated into case recording	01 Sep 2009	30 Nov 2009	🟢	**Sep 2009 - Achieved**	Penny Thompson	
		Health Managers trained in role & responsibilities regarding supervision	01 Sep 2009	30 Nov 2009	🟢	**Oct 2009 - Achieved**	Penny Thompson	
		Supervision survey carried out to compare with baseline and improvement actions identified to feed into refresh of plan	01 Sep 2009	31 Dec 2009	🟢	**Dec 2009 - Achieved.** Supervision Survey of Health Visitors and School Nurses carried out in November 2009. Report to follow	Julie Quinn (NHS Haringey)	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.18 Ensure effective supervision arrangements for police staff	Dave Grant (Police)	Reporting of supervision integrated into other reports	01 Sep 2009	30 Nov 2009	🟢	**Oct 2009 - Achieved**	Dave Grant	Capacity and Staffing
		Programme developed to ensure compliance with Standard Operating Procedures for supervision	01 Sep 2009	30 Nov 2009	🟢	**Oct 2009 - Achieved**	Dave Grant	
		Supervision survey carried out to compare with baseline and improvement actions identified to feed into refresh of plan	01 Sep 2009	31 Dec 2009	🟢	**Oct 2009 - Achieved**	Dave Grant	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.19 Implement programme of multi-agency training	Eleanor Brazil	Practitioners across the partnership trained in thresholds and use of common language	01 Jul 2009	31 Jan 2010	▲	**Dec 2009 - On track.** Thresholds and common language – incorporated into LSCB, OD&L and other training initiatives and workshops across partnership.	Rachel Oakley	JAR- Capacity and Staffing
		Social work staff trained on risk assessment, information sharing and the recording of decisions	01 Jul 2009	31 Dec 2009	●	**Dec 2009 - Achieved.** 1 manager and 4 social work sessions held.	Sylvia Chew	
		Staff trained and provided with guidance in child centred practice and authoritative practice and social history researched and commissioned	01 Jul 2009	31 Jan 2010	▲	**Dec 2009 - On track.** Authoritative practice workshops took place in December 09.	Rachel Oakley	
		Multi-agency exercise using MACIE implemented	01 Sep 2009	31 Dec 2009	●	**Oct 2009 – Achieved**	Dave Grant (Police)	
		Agree, implement and train staff on a Critical Incident De-briefing model within organisations and across multi-disciplinary teams	01 Sep 2009	31 Dec 2009	▲	**Nov 2009 – On track**	Dave Grant (Police)	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.20 Develop a multi-agency core safeguarding induction programme	Rachel Oakley	Multi-agency core safeguarding training programme developed	01 Mar 2009	30 Nov 2009	●	**Nov 2009 - Achieved.** A two phased multi-agency induction programme has been devised. The first part consists of the introduction to CP e-learning module, Pocket sized CP handbook, information sharing protocols and series of information sheets. Partner agencies are liaising with HR departments with a view to integrating in HR induction - so that all staff are made aware of safeguarding responsibilities from the start of their employment. Part two - re-designed Working Together in Child Protection – 1 day Foundation Course targeted at groups B & C - agencies identify how many places they will need per year.	Rachel Oakley	Capacity and Staffing

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		All appropriate staff attend programme	01 Oct 2009	28 Feb 2010	▲	**Dec 2009 – On track.** Further workshops being planned – to accommodate sufficient numbers of staff.	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.21 Assure the quality of practice	Eleanor Brazil	Standards for case files developed and communicated to staff	01 Jul 2009	31 Oct 2009	●	**Oct 2009 – Achieved**	Mark Gurrey	Performance Management
		Programme of sampling and qualitative assessment of case files implemented across the partnership	01 Jul 2009	31 Dec 2009	▲	**Dec 2009 – On track.** Multi-agency audit completed on 10 cases will inform future auditing	Eleanor Brazil	
		Measures for quality and performance of safeguarding practice across the partnership developed	01 Jul 2009	31 Dec 2009	▲	**Dec 2009 – On track.** QA sub-group receives regular reports on performance which are continually reviewed and improved	Eleanor Brazil	
		Annual framework for case file audit agreed within each organisation	01 Aug 2009	30 Sep 2009	●	**Sep 2009 – Achieved**	Eleanor Brazil	
		Tools implemented to help ensure the quality of NHS referrals meet an acceptable standard	01 Sep 2009	30 Sep 2009	●	**Nov 2009 – Achieved.**	Justin Daniels (North Mids Hospital)	
		First Response create guidance on what a quality referral looks like	27 Oct 2009	31 Dec 2009	●	**Dec 2009 – Achieved.** Guidance written.	Sylvia Chew	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.22 Ensuring the quality and reliability of data	Eleanor Brazil	Data quality audit programme developed	01 Aug 2009	30 Sep 2009	●	**Sep 2009 – Achieved**	Christine Jorge	Performance Management
		Review accuracy of framework I reports in conjunction with Core Logic	01 Aug 2009	31 Oct 2009	●	**Oct 2009 – Achieved**	Christine Jorge	
		Internal audit programme agreed with Corporate Services to audit the work of the performance team	01 Sep 2009	30 Sep 2009	●	**Sep 2009 – Achieved**	Christine Jorge	
		Review actions from external audit of performance indicators	01 Sep 2009	31 Oct 2009	●	**Oct 2009 -Achieved**	Christine Jorge	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.23 Establishing the volume of demand for services and forecasting future demand	Eleanor Brazil	Establish demand from January to June 09	01 Aug 2009	31 Oct 2009		**Nov 2009 – Achieved.** Complete.	James Hood	JAR - Performance Management
		Historical and other data used to provide a basis for prediction	01 Aug 2009	31 Oct 2009		**Sep 2009 – Achieved**	James Hood	
		Workloads and caseloads identified and analysed against national recommendations and good practice	01 Sep 2009	31 Dec 2009		**Sep 2009 – Achieved**	James Hood	
		Undertake a Gap analysis in relation to staffing and budget	01 Sep 2009	31 Dec 2009		**Dec 2009 – Achieved.** Bids for additional resources have been submitted and included in the Council's budget proposals. This covers both bids for additional service demands (children in care placements budget) and also bids for additional staffing requirements.	James Hood	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.24 NHS provider trusts performance management capability improved	Penny Thompson (NHS Haringey)	Safeguarding Assurance Framework agreed and presented to NHSH Board	01 Jul 2009	31 Aug 2009		**Sep 2009 – Achieved**	Penny Thompson	Performance Management
		NHS membership of LSCB Quality Assurance Group reviewed to include representative from performance and commissioning teams	01 Jul 2009	31 Aug 2009		**Sep 2009 – Achieved**	Penny Thompson	
		Safeguarding performance dashboard developed and trialled	01 Jul 2009	30 Sep 2009		**Sep 2009 – Achieved**	Penny Thompson	
		NHS Performance reporting established through Health JAR Action plan Group & NHS Haringey Board	01 Jul 2009	30 Sep 2009		**Sep 2009 – Achieved**	Penny Thompson	
1.25 Developing, across the partnership, integrated business planning and performance management processes	Eleanor Brazil	Review and re-publish information sharing protocols and guidance ensuring barriers to sharing performance information are identified and mechanisms established to enable information to be collected and shared across partners	01 Jul 2009	30 Nov 2009		**Dec 2009** – Achieved. Agreed by Children's Trust on 17th December 2009.	Jan Doust	Performance Management
		Electronic access to information showing if a child has a child protection plan or not established for A&E staff at Whittington and NMUH and for PCT, GOSH in Haringey and	01 Aug 2009	30 Nov 2009		**Nov 2009 – Achieved.** NHS London CP project - up and running	Rachel Oakley	

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Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		CAMHS staff						
		Multi-agency record audit – random sample of audits undertaken	01 Sep 2009	30 Nov 2009	🟢	**Dec 2009 - Achieved.** Multi-agency audit has now taken place and learning is being incorporated into work programme.	Eleanor Brazil	
		All social care related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009	🟢	**Sep 2009 – Achieved**	Eleanor Brazil	
		All health related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Penny Thompson (NHS Haringey)	
		All police related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009	🟢	**Oct 2009 – Achieved**	Dave Grant (Police)	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.26 Improving Local Interpretation and Ownership of Information within Children and Families	Eleanor Brazil	Programme of Monthly Performance Review meetings organised with Heads of Service	01 Sep 2009	30 Sep 2009	🟢	**Sep 2009 – Achieved**	Christine Jorge	Performance Management
		Team Evidence Files developed	01 Sep 2009	31 Dec 2009	🛑	**Dec 2009 - Not achieved.** Team evidence files have been developed across most teams and work is underway to improve the consistency and content of these. (SPSG Update)	Mark Gurrey	
		Team Performance Plans developed	01 Sep 2009	31 Dec 2009	🟢	**Dec 2009 - Achieved.** Plans developed.	Mark Gurrey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.01 Develop fit for purpose governance arrangements across the partnership	Peter Lewis	A senior lead is identified in each agency who will assess and monitor the organisations governance arrangements in relation to safeguarding	01 Aug 2009	30 Sep 2009	🟢	**Oct 2009 – Achieved**	Peter Lewis	Leadership and Governance
		Partnership protocols developed and approved	01 Jul 2009	31 Mar 2010	🔺	**Dec 2009 – On track**	Peter Lewis	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.02 Improve working of the LSCB	Graham Badman	New LSCB working arrangements implemented in line with action 1.03	01 Nov 2009	30 Jun 2010	[icon]	**Nov 2009 - Achieved.**	Sarah Peel	Leadership and Governance

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.03 Increase involvement of young people and the voluntary sector	Peter Lewis	Establish mechanisms for young people to be involved in development of policies, plans and strategies	01 Aug 2009	31 Mar 2010	▲	**Dec 2009 – On track.** Peter Lewis attended Haringey Youth Council's event 'Word on the Street' on the 11th December. A question and answer session was held with him.	Peter Lewis	Leadership and Governance
		Determine how groups should be involved in delivery of JAR action plan	01 Sep 2009	31 Mar 2010	▲	**Dec 2009 – On track**	Peter Lewis	
		Engage with representative groups interested in being involved in delivery of the JAR Action Plan	01 Mar 2010	30 Jun 2012			Peter Lewis	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.04 Develop local preventative strategy to set out the role of universal, targeted and specialist services in reducing the likelihood of negative outcomes	Jan Doust	Strategy developed	01 Aug 2009	28 Feb 2010	▲	**Dec 2009 - On track.** Draft currently out for consultation.	Jan Doust	Early Intervention
		Partner contribution incorporated, from NHS feedback, into the draft strategy	01 Oct 2009	31 Jan 2010	▲	**Dec 2009 – Achieved.** Partners contributed to first draft for consultation. All partners currently being consulted and comments will inform next draft.	Jan Doust	
		Strategy approved by Children's Trust	01 Feb 2010	31 Mar 2010			Jan Doust	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.05 All Haringey	Rachel Oakley	Roll-out across all schools and settings	01 Feb 2009	31 Jul 2010	▲	**Dec 2009 - On track.** Roll out continues and training dates in place	Alison Botham	Early Intervention

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Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
Children's Centres and schools will undertake a CAF for any children that they consider to be vulnerable, as the first stage in identifying additional needs						until end of July 2010.		

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.06 Review the current ICS processes on Framework-I and make changes that support best practice requirements in social work.	Rachel Oakley	Revised time table and project plan for Child protection related exemplars and work flow developed	01 Jul 2009	31 Oct 2009		**Oct 2009 -Achieved**	Rachel Oakley	Good Practice
		Project plan implemented	01 Oct 2009	30 Apr 2010		**Dec 2009 – On track.** All projects with end dates completed and signed off. Current Phase 2 project on track.	Rachel Oakley	
		Non child protection parts of the system reviewed in conjunction with other Local Authorities	01 Jan 2010	31 Jul 2010			Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.07 Establish ICS / FWi support teams to stabilise current system use and support implementation of future configuration.	Rachel Oakley	Project plan developed for review of ICS Child Protection processes on FW-I to enable best practice implementation	01 Jul 2009	31 Oct 2009		**Oct 2009 – On track**	Rachel Oakley	Good Practice
		Data quality improvements for Child Protection on Framework-I system (e.g. data cleansing) implemented	01 Aug 2009	31 Dec 2009		**Dec 2009 – Achieved.**	Rachel Oakley	
		Practical initiatives held with social workers to build their confidence in using FW-I	01 Sep 2009	30 Apr 2010		**Dec 2009 – Achieved.** Mechanisms and staffing in place to support the ongoing data cleansing requirements.	Rachel Oakley	
		Use of FW-I extended to Children in Care Health Team	01 Oct 2009	30 Apr 2010		**Dec 2009 – On track.** Discussion progressing.	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.08 Use new technology including mobile technology to improve and support staff in delivering the service	Rachel Oakley	External study on use of technology to maximise effectiveness and efficiency completed	01 Apr 2009	30 Sep 2009	(icon)	**Nov 2009 - Achieved**. Pilot has been started which involves evaluation of staff and managers needs for technology to support mobile working, analysis of "as is" and "to be". Consultation with other LA who have rolled out grant and assessed impact of alternative IT solutions. External study not necessary.	Rachel Oakley	JAR- Good Practice
		New plan devised and implemented (with corporate IT, C&YP service IT, FWI support and Haringey Forward)	01 Sep 2009	31 Mar 2010	(triangle)	**Dec 2009 - On track.** Pilot to commence in January. Analysis of current working practice completed, priorities for changes agreed. 17 social worker staff in different work settings, trailing mobile working options.	Rachel Oakley	
		Plan agreed for implementation	01 Mar 2010	31 Mar 2010			Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.09 Developing approach for integrated working and commissioning to improve how services work with the most complex families and demonstrate value for money	Ian Bailey	Joint Strategic Needs Assessment of safeguarding and vulnerable children and young people completed	01 Jul 2009	30 Sep 2010	(icon)	**Sep 2009 – Achieved**	Jin Lim	Good Practice
		Integrated working and commissioning approach (with adult services and partners) developed	01 Oct 2009	28 Feb 2010	(icon)	**Dec 2009 - On track.** Framework scheduled for Children's Trust PMG.	Ian Bailey	
		Commissioning approach agreed	01 Mar 2010	31 Mar 2010			Ian Bailey	
		Resourcing and support needs identified and mechanism for demonstrating improved value for money established	01 Apr 2010	30 Jun 2010			Ian Bailey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.10 Work with schools and settings, through the LSCB	Mark Gurrey	Standards developed and agreed	01 Feb 2009	30 Sep 2009	(icon)	**Oct 2009 – Achieved**	Mark Gurrey	Good Practice
		Standards launched	01 Sep 2009	30 Sep 2009	(icon)	**Dec 2009 - Achieved**. Standards distributed to all secondaries and went to primaries 1st December. (SPSG	Mark Gurrey	

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Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
Safeguarding in Schools Forum to develop a clear set of expectations of universal services and a joint understanding of thresholds for referral to targeted and specialist services.		Agreement signed off with each Headteacher	01 Sep 2009	30 Apr 2010	▲	update) **Dec 2009 - On track**	Mark Gurrey	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.11 Further develop the child protection core training curriculum for staff of all agencies	Rachel Oakley	Domestic violence training programme implemented	01 Oct 2009	31 Mar 2010	▲	**Dec 2009 - On track.** Training being planned. DV co-ordinator seconded to children's service with frontline practice improvement focus.	Rachel Oakley	Capacity and Staffing
		Risk assessment training programme implemented	01 Oct 2009	31 Mar 2010	▲	**Dec 2009 - On track.** New Risk Assessment Tool being developed - related learning and development activities to be rolled out March 10.	Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.12 Analyse cross-partnership training needs in management, supervision and safeguarding and develop a programme of training	Stuart Young	Managerial competency programme developed including a specific programme for social care managers	01 Jan 2010	31 Mar 2010			Stuart Young	Capacity and Staffing
		Support and mentoring scheme introduced for children and families team managers	01 Jan 2010	31 Mar 2010			Stuart Young	
		Review additional training needs in safeguarding across the partnership	01 Feb 2010	30 Apr 2010			Stuart Young	
		Develop cross-partnership training plan	01 Apr 2010	30 Jun 2010			Stuart Young	

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Table 2.13

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.13 Improve information sharing with Children's Centres	Jan Doust	Protocol for information sharing with children's centres developed	01 Sep 2009	31 Jan 2010	▲	**Dec 2009** - Achieved. Children's Trust Information-sharing protocol will apply to Children's Centres and practitioners guidance will support is between Children Centre staff.	Jan Doust	Performance Management
		Mechanism established to enable information sharing	01 Jan 2010	30 Apr 2010			Jan Doust	

Table 2.14

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.14 Analyse key performance indicators to support top quartile attainment (also see 3.09)	Eleanor Brazil	Analysis of key performance indicators completed to determine the degree of improvement required	01 Nov 2009	28 Feb 2010	▲	**Dec 2009 - On track.** QA sub-group receives regular reports on performance which are continually reviewed and improved	Eleanor Brazil	Performance Management
		Appropriate targets established for each indicator	01 Jan 2010	31 Mar 2010			Eleanor Brazil	
		Performance improvement plan developed in conjunction with managers	01 Jan 2010	31 Mar 2010			Eleanor Brazil	

Table 2.15

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.15 Enhance performance management capacity across the partnership	Eleanor Brazil	Analysis of performance management capacity undertaken	01 Feb 2009	31 Oct 2009	◉	**Nov 2009 – Achieved.**	Eleanor Brazil	Performance Management
		Network of performance managers established	01 Sep 2009	30 Nov 2009	◉	**Nov 2009 – Achieved.**	Eleanor Brazil	
		Opportunities to work together identified and work programme developed	01 Sep 2009	30 Nov 2009	◉	**Dec 2009 – Achieved.** Integrated working group, MAT development and QA sub-group are all examples of working in partnership to improve services and monitor this	Eleanor Brazil	
		Work programme to support performance managers in joint working implemented	01 Nov 2009	30 Jun 2010	▲	**Dec 2009 – On track.** Will be completed by end date but no active work being done prior to Ofsted Inspection	Eleanor Brazil	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.01 Commission a peer review from an LSCB that has evidenced good practice and effective safeguarding	Graham Badman	LSCB identified for peer review	01 Jan 2011	31 Mar 2011			Sarah Peel	Leadership and Governance
		Review takes place	01 Sep 2011	30 Nov 2011			Sarah Peel	
		Lessons learnt and areas for improvement identified	01 Dec 2011	31 Jan 2012			Sarah Peel	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.02 Ensure compliance with the Laming and other review recommendations is reviewed annually	Peter Lewis	Process developed for review of compliance with Laming recommendations	01 Sep 2009	31 Dec 2009	🟢	Nov 2009 - Achieved	Peter Lewis	Leadership and Governance
		Review of compliance undertaken	01 Feb 2009	28 Feb 2010	🔺	Dec 2009 - On track	Peter Lewis	
		Mechanism established for feeding in implementation proposals from other reviews / inspections and the identification of good practice	01 Jul 2010	30 Sep 2010			Peter Lewis	

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Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.03 Implementing "best practice"	Eleanor Brazil	Best practice in procedures identified	01 Sep 2009	30 Jun 2011	▲	**Dec 2009 - On track.** Continuous programme of work underway.	Eleanor Brazil	Good Practice
		Learning built into review of existing procedures	01 Sep 2009	30 Jun 2011	▲	**Dec 2009 - On track**	Eleanor Brazil	
		New procedures approved and implemented	01 Sep 2009	30 Jun 2011	▲	**Dec 2009 - On track.**	Eleanor Brazil	
		Change programme developed to support implementation	01 Sep 2009	30 Jun 2011	▲	**Dec 2009 - On track.**	Eleanor Brazil	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.04 FW-I developed to support and embed best practice procedures.	Rachel Oakley	Use of FW-I extended to all key teams	01 Jun 2010	31 Mar 2012			Rachel Oakley	Good Practice
		FW-I development to meet best practice completed	01 Jun 2010	31 Mar 2012			Rachel Oakley	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.05 Multi-disciplinary team introduced and working effectively	Dave Grant (Police)	Agreement to create multi-disciplinary team of council referral & assessment, health and MPS CAIT	01 Sep 2009	31 Dec 2009	◕	**Nov 2009 – Achieved.**	Dave Grant	Good Practice
		Processes and procedures integrated	01 Sep 2009	31 Dec 2010	▲	**Nov 2009 - On track**	Dave Grant	
		Accommodation arranged and staff co-located	01 Sep 2009	31 Dec 2010	▲	**Nov 2009 - On track.** Meetings taking place to implement new Team by 1st April 2010 in its entirety.	Dave Grant	
		Staff trained in new integrated procedures and multi-disciplinary team operational	01 Dec 2010	31 Mar 2011			Dave Grant	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.06 Review Third Sector	Eleanor Brazil	Investigate potential for Third Sector support for Child Protection Processes	01 Jul 2010	31 Dec 2010			Eleanor Brazil	Capacity and Staffing

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
involvement to increase capacity across statutory agencies (DD C&F)		Implement proposals for involvement	01 Apr 2011	31 Mar 2012			Eleanor Brazil	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.07 Work with London Deanery and the Royal College of GPs to make linkages to safeguarding (DCE PCT)	Julie Quinn (NHS Haringey)	Safeguarding requirements built into GPs Continual Professional Development	01 Jan 2010	31 Jul 2010			Julie Quinn	Capacity and Staffing
		Safeguarding requirements built into appraisal, new licensing and revalidation of GPs	01 Jan 2010	31 Jul 2010			Julie Quinn	
		Feasibility study into incorporating safeguarding good practice into GP contracts completed	01 Jan 2010	31 Jul 2010			Julie Quinn	

Action	Action Lead	Milestones	Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.08 Undertake further detailed analysis of performance required to deliver excellent rating	Janette Karklins	Analysis of performance of "family" authorities completed	01 Jan 2010	28 Feb 2011			Janette Karklins	Performance Management
		Key performance indicators for improvement identified with profiled targets and delivery plans	01 Jan 2010	31 Mar 2011			Janette Karklins	
		Robust performance management arrangements implemented across the partnership	01 Jan 2010	30 Apr 2011			Janette Karklins	

Appendix 2. Safeguarding Plan Performance Indicators report
December 2009

Generated on: 12.01.10

Haringey Council

1. Referral & Assessment

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10			Commentary
						Value	Status	Target	
NI 59	Percentage of initial assessments for children's social care carried out within 7 working days of referral		26%	34.9%	⬅	24.2%	🔴	53%	**Explanation of Current Performance – NI59** The low percentage of initial assessments completed in timescale is a result of a number of issues including an increased focus on ensuring that the quality of assessments being completed is to a high standard and the completion of a number of out of timescale, outstanding assessments. We anticipate that performance will be poor as we continue the work to deal with all outstanding work in the service. We expect that thereafter a more accurate measure of future performance will be arrived at – recent trends are beginning to show some cautious improvements. However progress is proving slower than anticipated and the declared target for the end of December may not be reached
NI 60	Percentage of core assessments for children's social care that were carried out within 35 working days of their commencement		43.1%	45.4%	⬅	42.2%	🔴	63%	**Explanation of Current Performance – NI 60** The low percentage of core assessments completed in timescale is a result of a number of issues including an increased focus on ensuring that the quality of assessments being completed is to a high standard and the completion of a number of out of timescale, outstanding assessments. We anticipate that performance will be poor as we continue the work to deal with all outstanding work in the service. We expect that thereafter a more accurate measure of future performance will be arrived at – recent trends are beginning to show some cautious improvements. However progress is proving slower than anticipated and the declared target for the end of December has not be reached **Current Activities – NI 59 & 60**

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10 Value	2009/10 Status	2009/10 Target	Commentary
									There continues to be a high volume of cases referred to the service, which is overall 50% more than the previous two years. This, together with continued difficulties recruiting suitably qualified staff, has impacted on our performance. The group of newly qualified social workers (NQSW) are increasingly taking on a full caseload and the American recruits are now in the service and at the very early stages of picking up work after a comprehensive induction period. All managers are now in place and the management team is very stable - however all but 2 remain agency staff so there remains a need to create a permanent management structure. **Best Practice – NI 59 & 60** A thresholds document is in place which is helping to clarify and enable consistency in what should be referred to the service for assessment. Work is continuing on improving links with the CAF coordinator to ensure that appropriate cases are going through the CAF process rather than First Response, and there are now 3 times a week meetings with the Police and Health colleagues to ensure a more holistic initial response to referrals. We are creating a dedicated Screening Team to ensure a consistency of response and currently the Team Manager and Senior Practitioner are in place. Combined, these measures will improve our performance in assessments. Recent audits undertaken by an independent Social Worker and from the 165 audits conducted by senior managers since November show that there has been an improvement in the quality of assessments undertaken with appropriate outcomes and recommendations.
NI 68	Percentage of referrals to children's social care going on to initial assessment		66%	63.3%	⬅	51.1%	🛑	58%	A thresholds document is in place which is helping to clarify and enable consistency in what should be referred to the service for assessment. Work is continuing on improving links with the CAF coordinator to ensure that appropriate cases are going through the CAF process rather than First Response, and there are now 3 times a week meetings with the Police and Health colleagues to ensure a more holistic initial response to referrals. We are creating a dedicated Screening Team to ensure a consistency of response and currently the Team Manager and Senior Practitioner are in place. Combined, these measures will improve our performance in assessments.

2. Adoption and Children in Care

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	Value	2009/10 Status	Target	Commentary
NI 62	Stability of placements of looked after children: number of moves	14.69%	12.85%	12.25%	←	12.25%	(yellow)	11%	The year to date position is based on the end of December 09. Fifty children have had 3 or more placements since April 09 (9%)
NI 61	Timeliness of placements of looked after children for adoption following an agency decision that the child should be placed for adoption	80%	50%	50%	▌	50%	(red)	75%	**Explanation of Current Performance** The numbers for this indicator are extremely low, and percentages should be interpreted with care. Two children were adopted this month, which means that so far this year, 10 children have been adopted, and 5 of those were placed for adoption within 12 months of the decision that adoption should be the plan. 5 children were not placed within 12 months. 4 of these were reported last month. The 5th child falling outside the timescales is the 5 sibling in a troubled group of 6 from a family background of serious neglect, sexual and emotional abuse. Because of his background it was difficult to attract adopters. The initial plan to place him with his older brother had to be changed due to sexualised behaviour between the brothers. With new advertising it took 13 months to find a suitable family for him to be placed on his own. **Current Activities** Great efforts are being made to find families, and full use is being made of publicity - hard to place children are profiled in the press and at local and national adoption events. We work closely with colleagues in the North London Adoption Consortium to achieve matches with adoptive families. Children cannot be advertised until a Placement Order is obtained, and this has caused delays in the past, but greater attention to timescales in the courts mean children are moving towards to Placement Orders at a faster rate than before. But there also seem to be more legal complexities in some of the cases we have had to deal with.
NI 66	Children in care cases which were reviewed within required timescales	95.6%	96.4%	96.4%	→	96.4%	(yellow)	98.0%	Overall performance against this indicator remains very good and where reviews are out of timescale there are individual case reasons for it. Close monitoring of this indicator is continuing with an emphasis on early allocation of new cases to IRO's and good liaison with the Placements Service.
NI 63	Stability of placements of looked after children: length of	56.2%	69%	69.7%	←	69.7%	(yellow)	70%	Performance is improving steadily in the right direction towards our year end target. We are currently at 65% which

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10 Value	Status	Target	Commentary
	placement								is a 10% improvement on our 08/09 outturn. The children in this cohort are showing improved placement stability as a result of targeted strategies around educational support, social work support and support from the Tavistock Haringey service to them and their carers.

3. Child Protection

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10 Value	Status	Target	Commentary
NI 67	Percentage of child protection cases which were reviewed within required timescales	100%	93.6%	94.3%	←	94.3%	🔴	100%	**Explanation of Current Performance** 9 CP reviews have been late in the year to date. All reviews have subsequently been held. No reviews were late in December. **Current Activities** The Child Protection Service has introduced a new system to ensure that more reviews are held within timescale. The continuing increase in the numbers of new children becoming subject to plans is putting some pressure onto the reviewing elements of the system.
NI 65	Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time	5.6%	8%	25%	→	13.2%	🔴	10%	As the numbers for this indicator are quite low, percentages will vary considerably on a monthly basis. In the year to date, 220 children have been made subject to a plan, and 29 of those had previously been subject to a plan. The average for England for 2008/09 was 13%, for London it was 11%, and for our statistical neighbours it was 12%.
NI 64	Child Protection Plans lasting 2 years or more	4.7%	5.3%	19%	→	16.7%	🔴	5%	**Explanation of Current Performance** This is not an indicator which lends itself to monthly commentary. Changes need to be reviewed over at least a six month period. Analysis shows that 62% of children who stopped being subject to a plan moved into the care system. **Current Activities** The Child Protection Service will undertake further auditing of those children who have been subject to a child protection plan for 18 months or more (to anticipate the 2-year period) to ensure that work is progressing satisfactorily and there is no drift in casework. Those children who are both in care and subject to a plan can be caught up in a court timetable not of our making, as the

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10			Commentary
						Value	**Status**	**Target**	
									policy is to retain them in the child protection system until a care order is made. We will investigate the children for whom child protection plans have ceased. Those who have moved into the care system should have progressed to a higher level of protection. There is a high percentage of children subject to a plan with a category of neglect: this is not something that lends itself to quick and sustained improvement. **Best Practice** Our target for the year is 5%. In the year 2008/09, we achieved 4.7%. The England average for this indicator for 2008/09 was 6%, for London it was 8%, and for our statistical neighbours it was 9.1%.

4. CAMHS

NI code	NI description	2008/09	Nov 09	Dec 09	Trend	2009/10			Commentary
						Value	**Status**	**Target**	
NI 51	Effectiveness of child and adolescent mental health (CAMHS) services	13	No data for this range		No data for this range			15	Four elements of CAMHS (learning difficulties, 24 hour cover urgent mental health, services for 16 and 17 years old, early identification and intervention) and scored on a scale of 1-4, maximum overall score is 16.

Symbols key

PI Status		Long Term Trends		Short Term Trends	
Alert		Improving		Improving	
Warning		No Change		No Change	
OK		Getting Worse		Getting Worse	
Unknown					
Data Only					

Local performance indicators
Children & Families Establishment and unfilled posts December 2009

Senior Team Managers/Team Managers	6th Nov 09	4th Dec 09	8th Jan 10	DOT
Established posts	38	39	39	↑
Permanent staff	26	27	17	↑
Agency	14	11	11	↑
Long term sick	2	1	1	↑
Maternity leave	1	1	1	↑
Unoccupied posts	1.5	1	1	↑
Over establishment	1.5	0	0	↑
Vacancies (recruiting to)	11.5	12	12	↑
Appointed but not yet started	2	1	1	↑

Independent & Reviewing Officers	6th Nov 09	4th Dec 09	8th Jan 10	DOT
Established posts	-	10	10	↑
Permanent staff	-	8	8	↑
Agency	-	1	1	↑
Long term sick	-	0	0	↑
Maternity leave	-	0	0	↑
Unoccupied posts	-	1	1	↑
Over establishment	-	0	0	↑
Vacancies (recruiting to)	-	2	2	↑
Appointed but not yet started	-	0	0	↑

Senior Practitioners and Social Workers	6th Nov 09	4th Dec 09	8th Jan 10	DOT
Established posts	138.6	141.6	141.6	↑
Permanent staff	96.6	101.6	101.6	↑
Agency	52	55	55	↑
Long term sick	3	2	2	↑
Maternity leave	5	2	2	↑
Unoccupied posts	5	0	0	↑
Over establishment	13	15	15	↑
Vacancies (recruiting to)	43	40	40	↑
Appointed but not yet started	22	14	14	↑

Child Protection Advisors	6th Nov 09	4th Dec 09	8th Jan 10	DOT
Established posts	5.8	5.8	5.8	↑
Permanent staff	4.8	4.8	4.8	↑
Agency	0	0	0	↑
Long term sick	0	0	0	↑
Maternity leave	0	0	0	↑
Unoccupied posts	1	1	1	↑
Over establishment	0	0	0	↑
Vacancies (recruiting to)	0	1	1	↑
Appointed but not yet started	0	0	0	↑

Average sickness days per employee Children and Families (rolling year)

Service	Oct-09	Nov-09	Dec-09	Short Trend	Target
Safeguarding support	*	*	32. 68		10.8
First response	*	*	20.66		10.8
Children in Care	6.63	7.02	7.08	→	10.8
Resources and Placements (Children in Care)	23.04	21.74	21.28	←	10.8
Leaving Care and Asylum	12.29	12.58	13.3	→	10.8
Quality Assurance (Child Protection and Review)	20.91	22.43	23.03	→	10.8
Children and Young People with Special Needs	8.25	7.2	5.54	←	10.8
Finance Service	0.7	1.1	0.8	←	10.8
Management	1.3	1	1		10.8
Policy and Performance Service	8.25	8.25	7.13	←	10.8
Children and Families Overall Figure	**17.26**	**16.87**	**16.62**	←	**10.8**

* Figure not available due to restructure

6. Organisational Capacity: The number of safeguarding vacancies and staff in post

Whole Time Equivalent (WTE) = Total posts available on the last day of the month

People in Post (P) = People in post at the end of each month - including interim arrangement

A = Total WTE Posts Available,   **P** = People In Post,   **%** = % of people in post

| | Q1 | | | | | | | | | Q2 | | | | | | | | | Q3 | | | | | | | | | Q4 | | | | | | | | | Outturn | | |
	Apr			May			Jun			Jul			Aug			Sep			Oct			Nov			Dec			Jan			Feb			Mar					
	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%	A	P	%
Health Visiting	33	21	64	33	20	61	33	19	59	33	20	61	34	19	57	34	19	57	34	21	62	34	21	62															
School Nursing	17	13	78	17	13	78	17	13	78	17	13	78	17	13	78	17	14	82	17	15	89	17	15	89															
Community Paeds	7	5	73	7	5	82	7	5	82	7	5	82	7	5	82	7	5	82	9	8	88	9	8	88															
Designated/Named Posts																																							
GOSH in Haringey	4	4	100	4	4	100	4	4	100	4	4	100	4	4	100	4	4	100	4	4	100	4	4	100															
The Whittington	3	3	100	3	3	100	3	3	100	3	3	100	3	3	100	3	3	100	3	3	100	3	3	100															
North Middlesex UH	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100															
Walk in Centre	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100	1	1	100															
Primary Care (new post created & appointed - filled in Jan 10)																																							
Total	57	39	69	57	39	69	57	38	67	57	39	69	58	38	66	58	39	67	60	44	74	60	44	74			0		0	0	0	0	0	0	0			

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Appendix 3. Safeguarding Plan Risk Report January 2010

Generated on: 13 January 2010

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
1. Failure to establish effective early intervention	Schools and Children Centres may fail to take appropriate action resulting in disproportionate level of referral to targeted and specialist services. Furthermore, schools and children centres may fail to identify children at risk and do not make referrals at all.	12 Jan 2010	3	2	6	🟢	To include: a) Regular meetings with headteachers and other staff with responsibility for vulnerable children which confirms their responsibilities and the Council's expectations of them. For example, briefing Heads and Governors of the SCR implications b) Setting up Safeguarding forum for schools where Children's Services work schools on issues and this is a two way process c) Involving schools and Children's Centres in reviewing CAF d) Written guidance to all schools and Children Centre's confirming arrangements	**11-01-2010 Jan Doust:** No change in status.	Owner: Jan Doust; Author: Jan Doust
2. Failure to recruit and retain experienced and qualified staff in the medium to	There is currently a gap between demand and supply for high quality social workers with Haringey competing with other London boroughs. Within the referral and assessment service, there are	12 Jan 2010	5	3	15	🛑	To include: a) Development of the Haringey offer (includes professional and clinical supervision, CPD, technology supply and support) b) Re-designing social work in Haringey through Barkers, a	**11-01-10 Rachel Oakley.** Although we are currently recruiting and have made a number of appointments, the risk status remains high. This is in part due to	Owner: Rachel Oakley; Author: Rachel Oakley

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
long-term.	currently no substantive team managers who are permanent appointments.						specialist recruitment, marketing and advertising agency c) Developing and implementing social work competences as a recruitment and development tool d) Undertaking workforce mapping to enable targeted advertising e) On-the-job coaching which involves senior practitioners sitting alongside staff to drive work and improve performance f) Workload planning to ensure we have a clear understanding of the capacity issues	the national issues surrounding recruitment of social workers and the limited number of appointments made from national advertising. USA Social Work recruitment campaign has recruited 18 social workers (to start Nov to Feb). UK recruitment 8 social worker made offers. 3 Team Manager appointments made. Agency staff are not making the decision to become permanent. Role and remuneration for Team Managers & Senior Team Managers reviewed and proposals made - awaiting funding confirmation. New campaign being prepared to reflect new conditions / offer.	
3. Failure to establish effective partnership working	Safeguarding children and young people across the borough is dependent on effective partnership working. One of the main findings of the JAR inspection report (Dec 08) identified insufficient partnership working as an area for improvement.	08 Jan 2010	3	2	6	●	To include: a) Interim governance arrangements around the programme are to be set up whilst the Children's Trust arrangements are being progressed. This includes a Children's Trust Performance Management Group made up of senior representatives from each partnership (e.g. Borough	11-01-2010 Peter Lewis: Significant evidence of effective partnership working at virtually all levels. Frontline working through Multi disciplinary Teams, co-location of workers (latest example is of Social Workers at Highgate Police Station to	Owner: Peter Lewis; Author: Ian Bailey

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Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
							Commander, Director of Children' Service and the Deputy Chief Executive, Haringey NHS) b) A JAR Action Plan Steering Group will be established to manage the delivery of the plan and its composition will again reflect each partnership c) One Area for Improvement in the JAR action plan is to align services to facilitate integrated working and for further opportunities to be identified (AFI 3.4.1)	of joint work Merlin 78s prior to submission to First Response) middle and top level management (latest example is Director of Children Services attending NHS Haringey Board on a regular basis to update on, and review, safeguarding issues).	
4. Ineffective management of internal and external communications	The impact and subsequent media attention of the Baby P case has had significant reputational consequences on Haringey Council. In light of the pending court case and serious case reviews, the need to manage internal and external communications effectively will be critical.	04 Jan 2010	3	3	9	◀	To include a) Handling plan drawn up for whenever the Judicial Review result is announced, covering either result, i.e. for or against the council and have appropriate media lines to take. There is a Q&A brief to go with this. b) Plan drawn up in preparation for Ofsted inspection result. c) Media handling plan being prepared for the end of the trial and the publication of the SCR in relation to the X&U case. d) Media coverage is constantly monitored so that further countermeasures can be put in place where necessary. e) Protocol agreed with Legal and CYPS for timely comms. actions on any new cases.	**04-12-2009 Charles Skinner:** New countermeasures added.	Owner: Charles Skinner; Author: Kuldip Kaur

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Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
5. Failure to establish positive motivation and morale particularly among social care	Staff morale and motivation has been affected as a result of the Baby P case with subsequent changes to senior management, dismissal of staff where deemed appropriate and the instigation of disciplinary procedures where deemed appropriate. In addition, there are concerns that heavy workloads, media spotlight and general concerns resulting from this tragic case could result in stress and / or burn out.	08 Jan 2010	3	3	9	🔶	To include: a) The Tavistock intervention which is a year long programme of improving social work practice and developing practice confidence b) Establishing processes to consult and gather staff use and encourage dialogue on the change programme c) Developed the staff quality and change network and weekly e-bulletins for all CYPS staff to keep them informed of all developments d) Provide staff with access to a stress survey, in order to gauge how members of staff are feeling, in order to then decide if further action is needed to support people e) Support from occupational health to be provided for staff (if required)	**11-01-2010 Peter Lewis:** Further work with small and large groups of staff indicates reducing risk of morale and motivation being other than positive. There may be some fallout from the impending trial in the X&U case which means the risk rating does not change.	Owner: Peter Lewis; Author: Ian Bailey
6. Data protection and confidentiality constraints will limit / prevent vital information sharing between the various agencies.	There is a risk that data protection and confidentiality constraints will limit / prevent vital information sharing between the different agencies in relation to children and young people within Haringey.	12 Jan 2010	4	2	8	🔶	To include: a) Regular meetings with headteachers and other staff with responsibility for vulnerable children which confirms their responsibilities and the Council's expectations of them. For example, briefing Heads and Governors of the SCR implications b) Setting up Safeguarding forum for schools where	**11-01-2010 Jan Doust:** No change in status.	Owner: Jan Doust; Author: Ian Bailey

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
							Children's Services work schools on issues and this is a two way process c) Involving schools and Children's Centres in reviewing CAF d) Written guidance to all schools and Children Centre's confirming arrangements		
7. There is a risk that the new methodology in Referral & Assessment will not deliver the necessary improvements required to cope with demands on R&A and avoid further backlog build up of cases (linked to performance indicators NI 59 & 60)	Moving from two separate teams dealing with Initial and Core Assessments to a single, integrated process is designed to make sure that there is no breakdown in the processing of assessments. It will also improve the quality of experience for service users to deal with fewer social workers as they progress through the systems.	01 Dec 2009	4	2	8	◀	To include a) Regular and careful monitoring of workflow (i.e. Intensive prioritisation and scrutiny of work) b) Quality assurance of the process by managers c) Monitoring by DDC&F Director d) Ongoing recruitment activities (in UK and abroad) e) Introduction of new team of newly qualified Social Workers in R&A	**18-01-10 Mark Gwynne:** Whilst improvements have been made, there remains a (reducing) risk. The new Social Workers have started to deal with more outstanding work as well as new work coming in to the service. This is reducing the number of unallocated cases and helping to ensure that new work is dealt with in time. The First Response Multi-Agency Team (MAT) is in place and is helping to prioritise cases, deal with some complex cases and improve the quality of work.	Owner: Eleanor Brazil; Author: Peter Lewis
8. There is a risk that the R&A telephony system and supporting infrastructure is not stable	There is a risk that the R&A telephony system and supporting infrastructure is not stable enough to support what is a high priority and sensitive area of work, despite being reconfigured	01 Dec 2009			CLOSED		To liaise with the IP Telephony project to determine if the project can offer a solution to the R&A Team and if the project can be flexed to prioritise the R&A team in the medium term.	**01-12-2009 Eleanor Brazil:** Risk closed. Telephony system in place.	Owner: Eleanor Brazil; Author: Rachel Oakley

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
enough to support R&A	recently, which if problems arise will add further problems to the backlog of Referral & Assessment cases.								
9. There is a risk that the second trial and X&U trial will have a negative impact on C&YPS services and the reputation of the service as a whole.	There is a risk that the second trial will have a negative impact on C&YPS services and the reputation of the service as a whole.	08 Jan 2010	4	3	12	🛑	To include: a) Interim governance arrangements around the programme are to be set up whilst the Children's Trust arrangements are being progressed. This includes a Children's Trust Performance Management Group made up of senior representatives from each partnership (e.g. Borough Commander, Director of Children' Service and the Deputy Chief Executive, Haringey NHS) b) A JAR Action Plan Steering Group will be established to manage the delivery of the plan and its composition will again reflect each partnership c) One Area for Improvement in the JAR action plan is to align services to facilitate integrated working and for further opportunities to be identified (AFI 3.4.1)	**11-01-2010 Peter Lewis:** The risk associated with the second trial of Connelly and Barker has now passed. However, the impending trial of X&U means that a risk persists. Media handling strategy developed with Communications Team. This risk has therefore been updated to include X&U.	Owner: Peter Lewis; Author: Kuldip Kaur

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Risk	Description	Last Review Date	Impact	Likeli hood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
10. Insufficient resources and budget to successfully manage JAR Programme	There is a risk that the JAR Action Plan programme does not have sufficient resources and budget to successfully manage the delivery of the programme – possibility of further resource and budget requirements	30 Nov 2009	4	2	8	◀	To include: a) Business case submitted to the Director of Children Services for a Performance Manager b) Recruitment in place to appoint Programme Management support c) Enquiries made into programme management training for current support officer d) Communications Support identified and resourced e) Sizing and scoping of work managed on a regular basis f) Meetings with C&YPS Head of Finance and Action Leads to determine any additional resource requirements	**11-01-2010 Peter Lewis:** Budget proposals for 2010-2011 are based on analysis of likely need and have been increased. 'Resources' such as high quality staff are in short supply regionally and locally - so risk persists further pending recruitment.	Owner: Peter Lewis; Author: Peter Lewis
11. Increasing workload for R&A when communication campaign is launched	There is a risk that the comms activity will increase the number of referrals made, impacting on the work and resources within R&A and resulting in an increased backlog in the short term	01 Dec 2009		CLOSED		😊	To include: a) Careful consideration given to desired behaviours and communication messages needed to cause the behaviour change b) Messages tested with staff to get their views first c) Messages timed not to happen before staff are able to cope with issues d) Consideration to be given to individual contact details rather than First Response contact number being used	**01-12-2009 Eleanor Brazil:** Communications campaign has been completed. The number of referrals has increased however it is unclear as to whether this was as a result of communications. Risk closed and will form part of business as usual.	Owner: Eleanor Brazil; Author: Mark Gwynne

Risk	Description	Last Review Date	Impact	Likeli hood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
12. New inspection arrangements for schools increases emphasis on safeguarding	There is a risk that the new inspection methodology for schools, which places greater emphasis on safeguarding, could identify issues which have not yet been addressed, impacting on the school's assessment and feeding directly into the JAR / CAA	07 Jan 2010	5	1	5		a) Information sent to all schools on the new Ofsted framework and in particular the focus on safeguarding b) Training and briefings offered to all governing bodies and headteachers on the new Ofsted framework c) Ofsted preparation sessions for schools thought to be due an Ofsted inspection d) Checklist for schools on evidence requirements and support offered e) Sharing of the lessons learnt from those who are inspected over the next few weeks	**05-01-2010Janette Karklins:** Since September 2009 there have been 12 inspections and safeguarding has been satisfactory or better in 11, 1 inadequate. Inspectors have commented favourably on the guidance provided and other LAs have requested copies as part of sharing good practice.	Owner: Janette Karklins; Author: Janette Karklins
13. Failure to satisfy Ofsted's requirements at the inspection scheduled for January 2010	An Ofsted inspection is scheduled for January 2010 in order to assess improvement activity towards 'safeguarding children and young people' in the borough. The improvement activity is being managed through the delivery of the Safeguarding Plan for Haringey, which provides the borough with a final chance to make the required improvements in safeguarding.	08 Jan 2010	5	3	15		To include: a) More focused Safeguarding Plan developed in place of JAR Action Plan now incorporating improvements from Serious Case Reviews b) Clear programme and milestones with spot checking and evidence of completed actions developed c) Streamlined programme management arrangements allow time to be spent on delivery d) Small Safeguarding Steering Group established in place of AFI Leads group to drive change programme forward e) Theme leads at most senior	**11-01-2010 Peter Lewis:** Preparations for the inspection show that the delivery of the Safeguarding Plan is on track (107 milestones achieved, 35 on track and only 1 off-track). Continued risks around IAs and CAs that, whilst improving, are still not as timely as we need them to be.	Owner: Peter Lewis; Author: Mark Gwynne

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
							level established to co-ordinate themes and provide extra leadership / drive to the actions f) More hands on roll from Programme Management Team and strengthened linkage with NHS Haringey performance management		Owner: Peter Lewis (CYPS); Author: Mark Gwynne (CYPS)
14. There is a risk that the judicial review will have a negative impact on C&YPS services and the reputation of the service as a whole.	There is a risk that the judicial review will have a negative impact on C&YPS services and the reputation of the service as a whole.	08 Jan 2010	3	3	9	🔺	To include: a) A partnership approach to communication has been developed regarding the case and Serious Case Reviews b) Communications programme being developed with key messages to support Executive Summary, to be rolled-out across partners c) Communications messages designed to look forward at improvements being made and to support changes in ways of working	**11-01-2010 Peter Lewis:** This risk is not reduced. The Judicial Review is still not complete and unlikely to be so before March 2010.	
15. Supervision is not made effective, or does not happen consistently to a high standard for Social Workers.	There is a risk that due to staffing changes or gaps that supervision does not happen, or is not made to happen effectively and consistently for all social workers.	01 Dec 2009	5	3	15	🛑	To include: a) Supervisors trained in supervision b) All supervision sessions diarised and monitored c) Audits check records of supervision	**18-01-10 Mark Gwynne:** Supervision training in workshops have been held and supervision sessions have been programmed several months ahead. Reporting mechanisms have been put in place to ensure that supervision happens and that it is of suitable quality.	Owner: Eleanor Brazil; Author: Ita O'Donovan
16. Records are	There is a risk that records	01 Dec	4	4	16	🛑	To include:	**01-12-2009 Eleanor**	Owner:

Risk	Description	Last Review Date	Impact	Likelihood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
not sufficiently well maintained, updated and recorded within any organisation.	and case files are not maintained consistently to a high enough standard within any organisation or school, demonstrating weaknesses in the quality of work or recording of evidence.	2009					a) Creation of audit tools and training of managers b) Auditing of case files within CYPS and NHS Haringey c) Multi-agency audit of 10 cases	**Brazil:** Comprehensive auditing of files has taken place on over 100 files during October and November. Results evidenced that there has been improvements in records.	Eleanor Brazil; Author: Ita O'Donovan
17. New social workers do not arrive in time to provide the required capacity to deliver improvements in the service and safeguard our children.	There is a risk that new social workers being recruited do not arrive in time to sufficiently increase capacity and lead to demonstrable improvements in performance ahead of the inspection.	01 Dec 2009	5	4	20	🛑	To include: a) Use of agency cover until staff are in post b) Plan for arrival and induction programme c) Regular monitoring of staffing position	**01-12-2009 Eleanor Brazil:** We have kept agency staff in place. Nine American Social Workers have begun working in Children & Families with a further eight starting in January/February. Three Team Managers have been appointed as a result of the national recruitment campaign.	Owner: Eleanor Brazil; Author: Ita O'Donovan
18. There is a risk that GOSH in Haringey fail to recruit appropriate staff to the health visiting service will impact long-term service delivery	There is a risk that GOSH in Haringey fail to recruit appropriate staff to the health visiting service will impact long-term service delivery	12 Jan 2010	3	3	9	◀	Work on staffing skill mix and prioritisation to ensure appropriate cover is in place	**12-01-2010 Tina Raphael:** No change since last update.	Owner: Jane Collins; Author: Jane Elias
19. NHS Haringey Resource Plan	The Resource Plan for 2010/11 is inadequate to ensure NHS Haringey can	12 Jan 2010	3	3	9	◀	Arrangements are already in place, both in staff prioritisation and skill mix to ensure	**12-01-2010 Tina Raphael:** No change since	Risk Owner: Tracey Baldwin; last Risk Author:

Risk	Description	Last Review Date	Impact	Likeli hood	Risk Score	Status	Countermeasures	Latest Note	Risk and Control Ownership
	continue to increase investment in children's health staff						appropriate cover is in place	update.	Penny Thompson
20. Failure to meet safeguarding responsibilities as commissioner for Health in Haringey	Safeguarding children: Failure to meet the safeguarding children standards in view of Haringey's accountability and responsibility as commissioner for health in Haringey. This impacts on a range of statutory and inspection requirements, quality and reputation.	12 Jan 2010	5	4	20	⬢	To include: a) Assurance Framework For Safeguarding Children b) Safeguarding policies, procedures and training c) Safeguarding Plan (JAR action plan) d) Training figures	**12-01-10 Tina Raphael**: No change since last update.	Owner: Tracey Baldwin; Author: Julie Quinn

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Haringey Council

Agenda item:

Audit Committee	01 February 2010

Report Title. **Data Quality Update**

Report of: **Wayne Longshaw – Asst Chief Exec. PPP&C**

Signed :

Contact Officer : **Eve Pelekanos – Head of Policy and Performance**
Telephone Number 020 8489 2508

Wards(s) affected: **All**	Report for: **Information**

1. **Purpose of the report**

   1.1. To provide an update on work being done to improve data quality across the council.

2. **State links with Council Plan Priorities and actions and /or other Strategies:**

   2.1. The Comprehensive Area Assessment (CAA) considers how the council is delivering its priorities for local people and how well we are delivering outcomes with partners for the area. Data Quality is assessed as part of the Use of Resources and part of the managing performance judgement under the Organisational Assessment. It feeds into the Council priority *Driving Change Improving Quality*.

3. **Recommendations**

   3.1. To note the report and the progress being made in respect of data quality.

4. **Summary**

   4.1. The OFSTED review of Children's Services in December 2008 highlighted data quality weakness linked to operational practice within the service. These weaknesses were subsequently reflected in the Comprehensive Area Assessment 2009. In addition the data quality audit undertaken by Grant Thornton last summer identified further data quality issues in Benefits and Local Taxation.

   4.2. Since then a number of steps have been taken to improve data quality in these two areas in particular, but also across the Council. These include:

   - A rolling programme of ongoing performance data audits across services.

   - The development of a Data Quality Strategy clearly setting out roles and responsibilities of officers in ensuring the robustness of data.

   - A series of workshops in the autumn of this year aiming to get across to managers and relevant staff the importance of high quality data. These workshops were attended by 150 managers.

   - Focused work in Children's Services and Benefits and Local Taxation see paragraph 15.

   - Appendix A sets in more detail the work undertaken last year and Appendix B shows what will be done in 2010/11 to improve the robustness of the Council's data.

5. **Chief Financial Officer Comments**

   5.1. Costs associated with data quality will be contained within existing budget resources.

6. **Head of Legal Services Comments**

   6.1. There are no specific legal implications in this report, however it is in the interests of the Council to present an accurate and robust picture of its work and to monitor improvements specifically in areas identified for improvement.

7. **Equalities & Community Cohesion Comments**

   7.1. Equalities are a central thread throughout the Council's performance framework and many of the performance indicators have equalities implications. Ensuring data is robust and accurate is in the interest of all groups as is producing reliable information, fit for purpose and used to support decision making.

8. **Consultation**

   8.1. The preparation of the Data Quality Strategy and action plan was undertaken in

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conjunction with services and performance staff within the Council. Cabinet approved these documents in March 2009 and they have now been updated to incorporate feedback from the Comprehensive Area Assessment.
9. Use of appendices /Tables and photographs 9.1. **Appendix A: 2009 Data Quality Strategy and Action Plan** showing achievements and outputs over the last year. 9.2. **Appendix B: 2010/11 Data Quality Action Plan**
10.Local Government (Access to Information) Act 1985 10.1. Grant Thornton Use of Resources Report 2009 10.2. Data Quality Strategy

13. Background

13.1 The Use of Resources Report 2009 assessed the council as performing adequately in all areas of the "governing the business" theme, with the exception of a score of 1 (inadequate) for "use of data". This reflects the findings of the joint area review, the Ofsted review of safeguarding children and mixed results from the auditors spot-checking work.

13.2 The report identified weaknesses in data quality management and reporting in relation to child protection, in particular reducing the need for manual checking and manipulation in performance reporting. It also made recommendations around developing data quality checking mechanisms to minimise the high level of errors associated with housing and council tax benefit claims, both of these areas were classed as high priority actions.

13.3 This report details an update on the Council's work in respect of data quality over the past year and highlights key actions that have been taken.

13.4 The Data Quality Strategy is published on Harinet along with the 2009 action plan and an action plan for 2010/11 based on the recommendations from the Use of resources report 2009.

14. Actions taken in 2009

14.1 Appendix A sets out the data quality strategy and what has been done last year in respect of data quality:

- A new web based performance management system (Covalent) was implemented to ensure compliance with indicator definitions, the correctness of performance calculations, ownership of information by services and robust audit trails.

- Roles and responsibilities for ensuring high quality data were set out and communicated in the Council's Data Quality Strategy and action plan.
- A programme of performance data audits was put in place. 52 audits were completed in the year to December 2009. Outcome of the audits are reported to the monthly Finance and Performance review meetings attended by Directors and the Chief Executive.
- A series of Data Quality Workshops were organised last autumn to emphasise the importance data quality and to ensure that officers are aware of their responsibilities. These were attended by 150 managers.
- Adult Social Services and Children's Services have put in place Quality Assurance frameworks and operational practices to ensure data is robust with sample audits and selected case file checking.
- Overall good progress has been made across the areas identified as weak and this will be reflected in the Use of Resources assessment next year.

15. Action for 2010/11

- On-going use of Covalent as the Council's performance management system with officers trained and Thematic Board risk registers set up on the system and used to record key risks and actions including any associated with data quality.
- An updated Data Quality Policy
- A continued programme of performance data audits including cross-cutting indicators to ensure that the organisation is working with reliable data and working with partners to ensure the quality of partnership data.
- A training programme established to ensure that staff understand their role in delivering high quality data.
- **Adult Social Services and Children's Services** have put in place Quality Assurance frameworks and operational practices to ensure data is robust with sample audits and selected case file checking.
- A monthly programme of quality practice audits in Children's Services.
- The Framework I support team are driving forward changes that will significantly improve practice, process and recording for all staff in Children and Young People.
- Monthly 'performance clinic' meetings with services in **Adults**
- **Benefits and local taxation** have established a Data Quality board and a dedicated Quality Assurance Team.
- Extensive work supported by the corporate Policy and Performance team including a mapping exercise being carried out for the benefit assessment processes with staff, to identify any issues and address these.
- Implementation of a Performance Management and Quality Assurance System to reduce errors and improve accuracy.
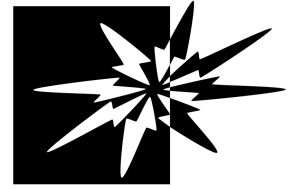
Haringey Council

Data Quality Strategy
2009-12

Introduction

1   Data is one of the Council's most important assets - it is increasingly being used by external bodies to assess our performance. Data quality is extremely important in Haringey as we want to be sure that information on which we base decisions and inform our planning is robust.

2   The Audit Commission now assesses councils on the quality of their performance data under the Use of Resources element of the Comprehensive Area Assessment This means that at every stage we need to ensure that records are accurate and that management information - especially that used for performance indicators - is accurate so that performance information is correct.

Purpose and aim

3   The purpose of this Data Quality strategy is **to set out an approach that will ensure that the data we use is fit for purpose and represents an accurate and consistent picture of the council's and joint partnership activities**.

4   Our aim is **for high-quality data to be an integral part of the council's operational, performance management and governance arrangements so that it drives service improvement and informs policy**.

5   For the purposes of this strategy the following definitions will be used:[1]

- **Data:** Numbers, words or images that have yet to be organised or analysed to answer a specific question.

- **Information:** Produced through processing, manipulating and organising data to answer questions, adding to the knowledge of the receiver.

- **Knowledge:** What is known by a person or persons. This involves interpreting information received, adding relevance and context to clarify the insights the information contains.

Scope

6   The scope of this strategy applies to:
- all council employees who need to provide, use or access data
- all information that is entered onto a manual or computerised system within the Council, whether centrally or locally maintained
- all partners and contractors with whom the Council provides services

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[1] *Definitions from* The Audit Commission's Improving Information to Support Decision Making: Standards for Better Quality Data (external link)

The National Context

7   The 2006 Local Government White Paper, Strong and Prosperous Communities, and the Local Government and Public Involvement in Health Act 2007 have set a new performance framework for local services, the Comprehensive Area Assessment (CAA). The CAA will rely greatly on data quality as performance information will be used to inform ratings of the local authority. The expectation will also be for public services to use information to reshape services and to account to local people for performance (Duty to Involve).

8   The introduction of the **Comprehensive Area Assessment** (CAA), from 2009, will re-enforce the importance of reliable information.   Under the CAA data quality is a key theme within the Use of Resources assessment. Specifically the 'Governing the Business' theme recognises '*the vital importance of fit for purpose data and information to support decision making'*. KLOE 2.2 of the Use of Resources focuses predominantly on arrangements for securing data quality and using fit for purpose information.

9   In November 2007, the Audit Commission published "Standards for Better Data Quality", for adoption on a voluntary basis by public bodies.[2] In summary, the six key characteristics of good quality data detailed in this report were:

- **Accuracy** – data should be sufficiently accurate for their intended purposes
- **Validity** – data should be recorded and used in compliance with relevant requirements, including the correct application of any rules or definitions
- **Reliability** – data should reflect stable and consistent data collection processes across collection points and over time
- **Timeliness** - data should be captured as quickly as possible after the event or activity and be available for the intended use quickly and frequently enough to support information needs and to influence service or management decisions.
- **Relevance** – data should be relevant to the purposes for which they are used. This entails periodic review of requirements to reflect changing needs.
- **Completeness** – data requirements should be clearly specified based on the information needs of the body and data collection processes matched to these requirements

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10   The approach set out in this strategy aims to use these standards, which are based on good practice, flexibly and proportionately.

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[2] The Audit Commission's Improving Information to Support Decision Making: Standards for Better Quality Data (external link) is a useful guide to the subject of data quality.

The Haringey Context

11   In the **2008 Use of Resources and Data Quality assessment** the council was judged as performing well in terms of data quality. The report states that '*corporate systems for collecting, recording, analysing and reporting performance data are robust and well designed. Processes for collecting and reporting this data are clearly aligned to the Council's priorities and objectives*.' The report makes a number of recommendations which are taken forward in this strategy.

12   This strategy will help us deliver effective services and manage the delivery of our targets.

Outcomes and Objectives

13   The outcomes we are aiming to achieve through this strategy are:

Outcome 1:
Data is accurate and reliable on which to base policies and decisions.

Outcome 2:
There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.

Outcome 3:
Staff have the knowledge and competencies to produce, interpret and analyse good quality data

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14   The table in Appendix 1:
- outlines the 13 objectives under each of these key outcomes
- assesses what is already in place – based on our independent annual data quality audit
- Sets out what needs to be done to achieve our desired outcomes in delivering this Data Quality Strategy.

15   An action plan, shown in Appendix 2 lists the activities we will undertake in the coming year to achieve each objective.

Our Approach to Data Quality

16 Our approach to Data Quality is based on the six key characteristics of good quality data identified by the Audit Commission (see paragraph 9).

17 The diagram below outlines how we will manage data quality in Haringey from the identification of risk areas through to reporting processes to senior management and then implementation of actions to address any issues raised.

Data Quality Audit Approach
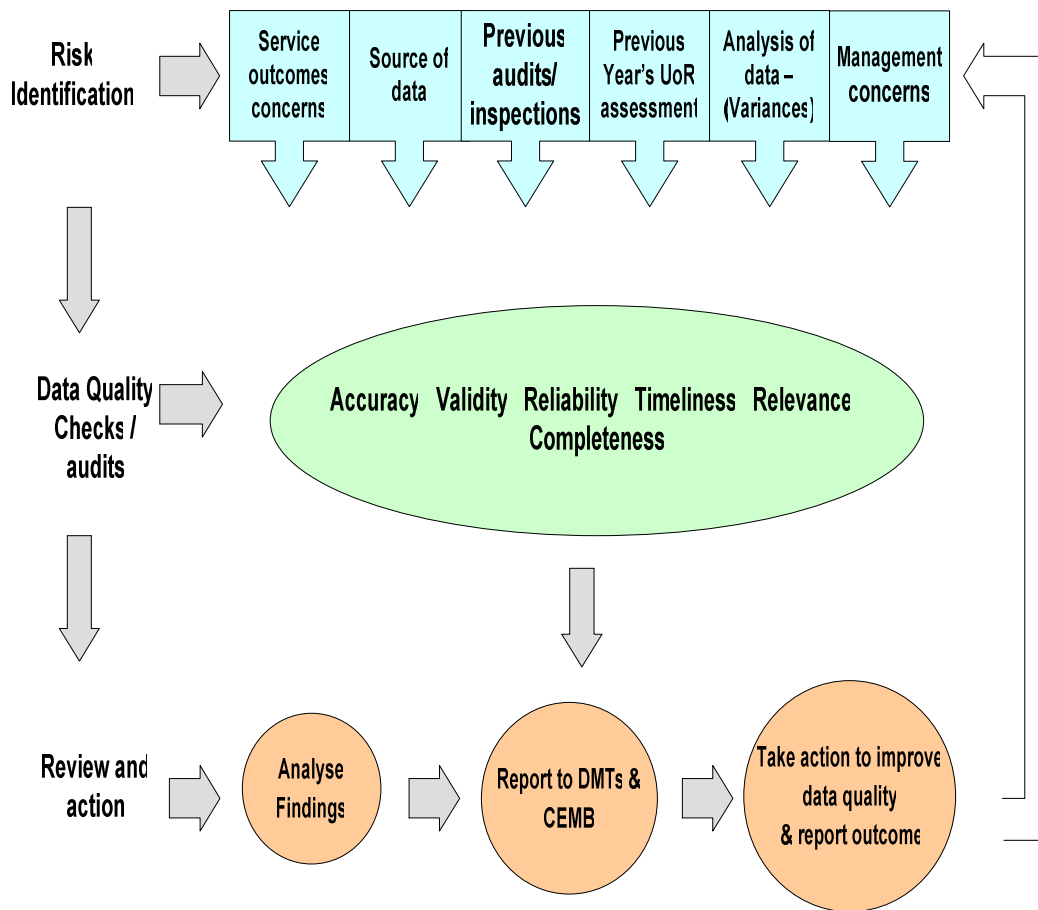
Note: Joint indicator audits will be reported to the HSP Performance Management Group.

Data Quality Audits

18   Data quality audits are a key element of this strategy. Their purpose is to ensure that data is fit-for-purpose by assessing representative samples of data against the six data quality dimensions defined by the Audit Commission (see paragraph 9).

19   We have developed a methodology for carrying out these audits based on Audit Commission guidance.   The audits will be carried out by experienced performance analysts with a good knowledge of the performance indicators and the council. The Council's Policy and Performance Team has responsibility for the completion of the programme of audits.

20   Appendix 3 shows a timetable of audits to be undertaken in the coming year. As data quality audits are resource intensive, prioritisation will be risk based and informed by:

- concerns around service outcomes
- the data source
- previous audits/inspections
- previous year's Use of Resources assessment
- analysis of national and local indicator data
- management concerns

21   Responsibility for the signing off of performance indicators will sit the appropriate Director for the service.

22   Directors will be accountable for ensuring actions resulting from data quality audits are addressed in a timely fashion.

23   The robustness of data used by the Haringey Strategic Partnership or other partnerships is equally crucial to the Council and as from April 2009 will be tested by the Area Assessment. For this reason this strategy and action plan proposes joint data quality audits of key partnership indicators.

Data Quality Responsibilities

24 Responsibility for data quality does not lie with any one single individual but with each and every member of staff at all levels within the council. The following table outlines the specific key responsibilities and accountabilities for all employees around data quality.

Role	Responsibilities
All employees	- Accurate and timely recording of data on appropriate systems - Performance appraisals to set out individual specific responsibilities regarding data quality
Directorate Performance Officers/ Managers	- Knowledge of relevant Performance Indicator definitions and guidance - Ensure compliance with indicator definitions and guidance. - Input accurate information onto Covalent - Up-to-date record keeping (not entered in a block) - Maintain a robust control environment - Identify and rectify gaps in control environment - Training/guidance
Corporate Performance Manager	- Maintain and update Data Quality Strategy action plan. - Co-ordinate risk assessment of systems and PI Audits, liaising with internal and external auditors and performance leads - Ensuring improvements have been implemented - Communicating the commitment to Data Quality - Reporting progress on Data Quality to monthly performance review meetings and CEMB
Head of Service	- Ensuring the data is accurate for their service for presentation to Director for sign-off - Ensuring that actions arising from data quality audits are satisfactorily addressed
Departments (Directors)	Overall responsibility for sign off of data and the reliability of performance information presented at CEMB and completion of actions arising from data quality audits.

Performance Management Framework and System

25 The Council has in place a performance management framework which was refreshed in 2008/09. Our auditors have judged this as meeting level 4 requirements, stating that '*it sets out a clear policy framework and establishes clear expectations and requirements for officers and members'*. This Data Quality Strategy complements the Performance Management Framework.

26 In 2008, the Council procured the Covalent Performance Management Information System to capture, monitor and report performance data at several levels in the local authority and our partners. The system will go live in early 2009 and will increase the sophistication and efficiency of our data collection and contribute greatly to the quality of data across the Council.

Ensuring Value for Money

27   The cost of collection, storing and collating data can be very high and there is often a trade-off between cost, accuracy and timeliness. Our aim is to be clear about the purpose of the data collected and its use. Where possible we will ensure data is collected using the **COUNT** principle – **C**aptured **O**nce and **U**sed **N**umerous **T**imes.

Information Governance

28   This Data Quality Strategy has been developed to ensure that the way we use data complies with the principles of effective information governance as embodied in the Data Protection Act.

29   The Data Protection Act is the legal framework that ensures personal information held by all organisations, including councils, is used fairly and lawfully. Under the Act, councils are required to ensure that only information for which use has been specified is held and that the information is held securely and only for an appropriate amount of time.

Equalities Impact

30   The use of good data quality to inform decision making and service delivery is key in ensuring vulnerable groups are not discriminated against in any way. It is essential in the monitoring of the national and local priorities and in ensuring that the Council meets it obligations under Equalities Public Duties Scheme.

Monitoring and Review

31   This strategy covers a three period from 2009 to 2012. The data quality action plan (Appendix 2) will be updated every year to reflect findings of the annual Data Quality audit and any data quality issues that may arise during the year.

Next steps

32   The development of this Data Quality Strategy is the first stage in developing an overarching information management framework for the Council. This is already underway as part of the work of the Information and Knowledge Management Stream Board within the Achieving Excellence Programme. Work is also underway to develop area based data and the data quality strategy will apply to that.

33   In addition, links need to be made with the development of the corporate Geographical Information Systems and the development and implementation of Council-wide policies and procedures for records management, in particular with regard to data storage.

Outcomes and Objectives Appendix 1

Outcome 1: Data is accurate and reliable on which to base policies and decisions		
Objective	What we have in place [3]	What needs to be done
1.1 Ensure that appropriate systems are in place for the collection, recording, analysis and the reporting of the data is used to monitor performance.	Corporate systems for collecting, recording, analysing and reporting performance data are robust and well designed. Processes for collecting and reporting this data are clearly aligned to the Council's priorities and objectives, and the data collected supports review of progress towards these and delivery of business plans.	▪ There is a need for increased sophistication and efficiency within our corporate data collection systems. To address this, a procurement exercise is currently taking place for implementation of a web-based performance management application (Covalent).
1.2 Ensure effective arrangements for monitoring and review of data quality are in place	Data quality is reviewed and monitored through a number of separate mechanisms, including annual self-assessment and challenge from the corporate performance team. Data quality issues are also identified and addressed through corporate performance processes.	• Establish a formal programme of annual risk assessments of performance indicators • Embed provision for data quality checks to be undertaken from collection to reporting within new governance structure for the HSP, linked to the performance management framework.
1.3 Establish effective controls to ensure that information systems produce the quality of data needed to report on performance and inform decision making	There is a well-defined sequence of controls for corporate performance data both at a corporate level and within source systems at service level. The Council's self-assessment process for BVPI and key CPA indicators provides a good level of control on an annual basis	▪ Implementation of Covalent application should ensure that controls are designed adequately and proportionally to ensure that high-quality data is recorded on the system (e.g. workflow functionality). Subsequent reviews should assess the effectiveness of these controls.
1.4 Specify standards for shared data or data supplied by third parties.	Developing the Council's approach to data quality within partnerships is a key issue, which cuts across most areas of this review. The Council is already implementing new approaches to governance and performance management within the local strategic partnership.	▪ Develop a formal data sharing protocol which specifies the responsibilities of all partners to provide data which is 'fit for purpose' to give HSP confidence in quality of all of the data that it uses ▪ Ensure that where services are contracted out, agreements are in place that specify reporting requirements and the quality of reported data.

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[3] What we have in place and what needs to be done is taken from our external 2008 Annual Data Quality Audit. For detailed actions see Action Plan (Appendix 2).

| Outcome 2: There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.		
Objective	What we have in place	What needs to be done
2.1 Establish robust security arrangements for performance information systems	The Council has good arrangements in place to ensure resilience and continuity for business-critical performance information systems. Manuals and process maps have been developed, and business continuity / disaster recovery plans are in place.	▪ Establish more robust assurance over all external processes through which information is provided. ▪ Develop and implement Council-wide policies and procedures for data storage and record management.
2.2 Ensure responsibility for data quality is clearly defined	Responsibility for data quality is clearly assigned at top management level. Data quality issues are considered by senior management through a range of different review and monitoring mechanisms.	▪ Include data quality issues as part of the member training induction on performance and budget management. ▪ Integrate data quality considerations into all planning, monitoring and reporting processes.
2.3 Ensure clear data quality objectives are set and formally documented.	The strategic importance of data quality is clearly understood, and is reflected in key corporate documents. Haringey's performance framework highlights the need "to be sure that information on which we base decisions and inform our planning is robust." The Council has a culture that focuses on achieving high-quality performance information.	▪ Establish formal data quality objectives for the organisation through development and implementation of a data quality strategy for all individual departments or functions. ▪ Extend data quality strategy throughout Haringey Strategic Partnership (HSP).
2.4 Define a clear organisational policy for data quality supported by current operational procedures and guidance	The new performance management framework sets out a clear policy framework and establishes clear expectations and requirements for officers and members.	▪ The Council's new performance framework meets the key requirements for level 4 in effect, but was approved just after the end of the financial year (although services have been operating in line with the principles set out for some time).
2.5 Ensure that data quality policies and procedures are followed by staff and applied consistently throughout the organisation	The new performance framework is supported by detailed guidance for officers and members, which has been published internally. There is also an internal network of performance specialists who have been effective in tackling data quality issues within services.	▪ Embed the new "strategic partnership code of corporate governance" within the HSP

Outcome 3: Staff have the knowledge and competencies to produce, interpret and analyse good quality data		
3.1 Ensure the responsibilities for achieving data quality are communicated clearly	Performance staff throughout the council have clearly identified roles and responsibilities in their job descriptions and staff are clear about their responsibilities in relation to data quality. The Council has a network of performance representatives for each service and department, and these officers play a key role in championing performance and data quality issues.	▪ There are no specific improvement opportunities identified in this area.
3.2 Ensure that staff with data quality responsibility have the necessary skills.	Data quality training is provided to key performance staff through periodic performance workshops and regular network meetings. Data quality is a component of the new staff induction process. The Council operates a range of key performance systems, including SAP, Framework I and Respond. A training programme for users supports each of these systems.	▪ Carry out needs analysis of which staff require data quality training and extent of training needed. ▪ Develop a training programme to ensure these needs are being, or should be met.
3.3 Establish arrangements to ensure data supporting performance information is also used to manage and improve the delivery of services.	Haringey have a sophisticated performance reporting framework, which effectively supports service improvement at a strategic and operational level.	▪ No specific improvement opportunities were identified.
3.4 Develop effective validation procedures to ensure the accuracy of data used in reported performance indicators.	Audit trails for BVPIs and key CPA indicators are captured through the Council's annual self-assessment process. This requires responsible managers to approve all values before reporting. The Council has not had any reservations arising from the BVPI audit in recent years, suggesting that definitions are usually applied correctly.	▪ Establish a risk-based corporate system for proportional verification of all externally reported data. ▪ Develop a formal, documented procedure for checking externally reported indicators.

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Appendix 2

Data Quality Strategy Action Plan 2009/10

Outcome 1: Data is accurate and reliable on which to base policies and decisions				
Objective (s)	Activities	Completion date	Lead officer	Progress
1.1 Ensure that appropriate systems are in place for the collection, recording, analysis and the reporting of the data is used to monitor performance.	Procure new web-based performance management application (Covalent).	December 2008	Eve Pelekanos	Complete
	Implement Covalent application to ensure that controls are designed adequately and proportionally to ensure that high-quality data is recorded on the system (e.g. workflow functionality).	March 2009	R. Cribb C. Tsang Service Performance Officers	Initial staff training completed – 110 users trained. On going training in place for new users.
1.2 Ensure effective arrangements for monitoring and review of data quality are in place.	Draft programme for consideration by CEMB sign off	January 2009	Eve Pelekanos	Complete
	Report results of the data quality audits to the relevant Head of Service and Director at the end of each audit and issues raised at monthly finance and performance meetings.	On-going	Eve Pelekanos	Ongoing.
1.3 Ensure effective arrangements for monitoring and review of data quality are in place.	Establish programme of audits for HSP information as part of the overall audit programme.	January 2009	Eve Pelekanos	Complete
	Carry out joint data quality audits of cross cutting indicators with key partners to verify the quality of data.	December 2009	Performance Team Internal Audit	52 audits completed by end of December '09
	Report data quality issues to Thematic Boards as part of the quarterly performance reporting	Ongoing	Thematic Board Leads & Head of Performance	
1.4 Ensure that appropriate systems are in place for the collection, recording, analysis and the	Establish a formal process for the periodic testing of local practices for a sample of business units Subsequent reviews should assess the effectiveness of these controls.	Sept 2009	Ian Christie Anita Hunt Stephen Cornell	Process approved by Information Governance Board Sept 09. IT Services work very closely with Internal and External Audit on developing an annual IT audit plan including visiting the managed

Data Quality Strategy Action Plan 2009/10

Appendix 2

Outcome 1: Data is accurate and reliable on which to base policies and decisions				
Objective (s)	Activities	Completion date	Lead officer	Progress
reporting of the data is used to monitor performance.	Establish process to 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.			service providers on a scheduled basis to validate various controls including security, confidentiality and disposal of information. All audit reports are cleared through directors and submitted to the Member Audit Panel for consideration. IT Services has ISO 27001 certification that is audited externally by LRQA, on a 6 monthly basis and covers the security, confidentiality etc.
1.5 Develop effective validation procedures to ensure the accuracy of data used in reported performance indicators.	Complete self-assessments for all data submitted to external agencies. and quality assured by the Council's Performance team prior to submission	Ongoing	Margaret Gallagher, Christine Jorge, Sarah Barter, Neil Gage, Richard Hutton, Leon Summers	Self assessments completed for the 2008/09 national indicator returns. This process will be repeated for 2009/10 in June 2010.
	Heads of Service sign self assessment forms.	Ongoing	Heads of Service / Directors	As above.

Data Quality Strategy Action Plan 2009/10

Appendix 2

Objective (s)	Activities	Completion date	Lead officer	Progress
Outcome 2: There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.				
2.1 The council has clear data quality objectives and these are formally documented.	Revise Business planning guidance for 2009/10 to ensure data quality issues are addressed in each business plan and updated departmental risk registers.	January 2009	Dylan Todd	Complete
2.2. Responsibility for data quality is clearly defined	Develop Council Data Quality Strategy	March 2009	Eve Pelekanos	Agreed at CEMB 27/1/09 Data Quality Policy developed and submitted to the Information Governance Board for approval on 14 October 2009.
2.3 Ensure the responsibilities for achieving data quality are communicated clearly	Publish Data Quality Strategy on Harinet	March 2009	Richard Hutton	Complete. Updated action plan and programme of audits and draft Data Quality Policy published December '09
	Deliver data quality workshops to managers across the council to communicate: • the importance of high quality data • roles and responsibilities in relation to data quality • the relevance of data in decision making and service delivery	December 2009	Eve Pelekanos	150 managers attended data quality workshops held in October 2009.
	Carry out annual review of the Data Quality Strategy action plan	December 2009	Eve Pelekanos/ Margaret Gallagher	Review for 2009/10 completed and published on Harinet. New action plan developed responding to Use of Resources Data Quality recommendations, issues arising from data quality workshops and the ongoing data quality audits.
2.4 Establish robust security arrangements for information systems	Establish process to periodically review the policies and procedures and update these, where necessary, to reflect any changes in regulation or legislation.	Ongoing	Ian Christie/ Anita Hunt Steve Cornell	There is a formal process in place for the periodic testing of local practices for compliance with the Data Protection Act. A risk assessment has been completed with

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Appendix 2

Objective (s)	Activities	Completion date	Lead officer	Progress
Outcome 2: There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.				
2.5 Ensure that data quality policies and procedures are followed by staff and applied consistently throughout the organisation				plan to begin the first audit in March 2010. The newly formed Information Governance Board is responsible for the management of all information policies and procedures including reviews. IT work with Internal Audit to validate various controls including security, confidentiality and disposal of information. IT Services has ISO 27001 certification that is audited externally by LRQA, on a 6 monthly basis and covers the security, confidentiality etc.
	Publish up-to-date procedures relating to the Freedom of Information Act on Harinet	February 2009	Anita Hunt	Up to date procedures are in place
	Publish records management policy on Harinet	March 2010	Stephen Cornell	The creation of the Records Management Policy is a project task with the initial draft due to be presented to the Information Governance Board in January 2010.
2.6 Specify standards for shared data or data supplied by third parties.	Develop data sharing protocols for Thematic boards where these do not exist.	March 2009	Anita Hunt	We have facilitated the review of Haringey's 3 key Information Sharing Protocols (ISPs) and the production of practical "how to" guides for officers to accompany each of the protocols. They are: • Haringey's Safeguarding Adults Multi Agency ISP • Safer Haringey: Crime and Disorder ISP • Children and Young People's ISP

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Data Quality Strategy Action Plan 2009/10   **Appendix 2**

Outcome 2: There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.				
Objective (s)	Activities	Completion date	Lead officer	Progress
	Review compliance with partnership data sharing protocols as part of the annual review of the HSP Governance Framework.	Annually	M Connolly	Protocols have been agreed by the Theme Boards in the last couple of months and included in the Governance Action Plan which will be updated again at the end of the financial year.
	Specify data quality and reporting requirements are specified in the contract specification for all new contracted services	As from April 2009	Head of Procurement Heads of Service	

Outcome 3: Staff have the knowledge and competencies to produce, interpret and analyse good quality data				
Objective	Activities	Completion date	Lead officer	Progress
3.1 Ensure that staff with data quality responsibility have the necessary skills.	Provide Covalent training to users of the system prior to provision of a log-in.	Ongoing	R. Cribb C. Tsang	All users received initial training.
	Provide all Covalent users with a manual.	March 2009	Richard Hutton, Rebecca Cribb	Manual given out at training and is online for all new users.
	Define roles and responsibilities around data quality.	March 2009	Eve Pelekanos	Roles and responsibilities defined within the Data Quality Strategy. Also see 2.3 above.

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Carry out needs analysis of which staff need data quality training.	March 2009	Heads of Service as part of People Planning	Ongoing as part of performance appraisals and people planning.
Develop a training programme to ensure these needs are being, or should be met.	September 2009	Eve Pelekanos, Margaret Gallagher, Philippa Morris	8 data quality workshops for managers delivered in October 2009. Core course session on data quality to be developed for 2010/11
Carry out review of the use of Covalent one year after implementation	March 2010	Richard Hutton, Rebecca Cribb	Review under way to be completed by March 2010.

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Appendix B

Outcome 1: Data is accurate and reliable on which to base policies and decisions

Objective (s)	Activities	Completion date	Lead officer	Progress
1.1 Ensure that appropriate systems are in place for the collection, recording and reporting of performance data	Address issues identified by the Council's auditors and internal audits during the 2009 Data Quality Audit: **NI 156 - temporary accommodation** ● Ensure that all necessary information is retained at year-end to allow recalculation of the performance indicator	March 2010	P Harris	All necessary information will be available for audit at year end as part of the Self Assessment Form and will be quality assured by the Corporate Performance Team.
	● Develop system reports to automatically calculate this indicator and reduce the current level of manual checking and manipulation ●		P Harris	The Housing Information Team has amended the report to automatically exclude data that is not consistent with the definitions of this indicator. The new report has been in place since October 2009.
	● Ensure that appropriate continuity arrangements are in place for this indicator.		E Pelekanos	The Corporate Performance Team is now working closely with the Strategic Housing Performance Officer to ensure continuity.
	NI185 - Carbon emissions from council operations ● Reduce manual data manipulation and entry wherever possible by ensuring that data is submitted in a format that can be easily transferred to the DEFRA spreadsheet. Improve arrangements for checking manually inputted data where this is not possible. ● Improve data capture in relation to staff travel in order to more accurately measure this area	March 2010	B Brown	An action plan has been developed to improve data quality with regard to NI 185 – Percentage CO_2 reduction from LA operations and NI 194 – Percentage reduction in NOx and primary PM10 emissions through local authority's estate and operations. Actions include: ● Increasing the number of Council sites that are monitored and administered through the corporate energy & sustainability team ● Reforming the travel claim process and

Data Quality Strategy Action Plan 2010/11   **Appendix B**

Outcome 1: Data is accurate and reliable on which to base policies and decisions				
Objective (s)	Activities	Completion date	Lead officer	Progress
				SAP finance system to record specific journey details to calculate the carbon footprint of business travel. • Increase the integrity of data by installing pulse enabled meter reading technology across more sites • Requesting that each contracted service provider submits a carbon footprint of Council associated emissions at the year end
	Improve quality and reporting of social care data The recent joint area review completed by the Care Quality Commission and Ofsted identify weaknesses in data quality management and reporting in relation to child protection, which are corroborated by our own spot-checking work. The Council should show that it is addressing these areas in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting.	March 2010	E Pelekanos L Redfern M Gurrey	The Council is continuing with the implementation and embedding of its Data Quality Strategy and action plan. Some of the key actions taken are: • Working with Capital Ambition, a series of **data quality workshops** are being run to raise awareness throughout the council and familiarise managers with the Data Quality strategy and improve confidence and skills for producing and using accurate and reliable data. • Training on Covalent has taken place for 110 staff, including the JAR team. • The Corporate Performance Team continues to audit the safeguarding indicators, to assess the systems in place, the accuracy of the numbers and calculations reported, and the processing of the data in Framework I

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Appendix B

Outcome 1: Data is accurate and reliable on which to base policies and decisions				
Objective (s)	Activities	Completion date	Lead officer	Progress
				to arrive at the indicator values. • The annual programme of audits on the National Indicator set is ongoing with focus on high risk areas. All National Indicators should be completed by the end of March 2010. **Children's Services** have developed and are implementing a quality assurance framework for case files and for systems supporting data collation. As a result: • Up to 111 audits of case files (quality practice audits) take place monthly by directors and other service managers. • Work to identify missing or incorrect data in Framework I is ongoing. • Audit results are reported monthly to the Performance Management Group for action. The FWi Support Team and the ICS Project Team are driving forward changes that will significantly improve practice, process and recording for all staff in CYPS. Included in the planned action for the next couple of months are: • Reviewing Child in Need process, workflow and exemplars • Developing FWi functionality to easily identify case status i.e. open / closed • Extending FWi access within CYPS as well as to partner agencies • Extensive data cleansing across all

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Appendix B

Outcome 1: Data is accurate and reliable on which to base policies and decisions

Objective (s)	Activities	Completion date	Lead officer	Progress
				service areas **Adults, Culture and Community Services**: has a Quality Assurance framework and operational practices to ensure robust data is produced, these include; • Services carry out monthly audits on a random sample supplied by the performance team. • The Director meets with one social worker monthly to go through a selected case file. This is being extended to include the Assistant Director for Adults • The care/support plan has been changed to be more outcome focussed and there are training sessions for operational staff • Monthly 'performance clinic' meetings with services go through all national and some local indicators. • The safeguarding workflow on Frameworki includes a self audit • All open safeguarding cases are reported to Assistant Directors monthly • In the home care service there is a QA observation programme and training has been provided to home carers as a result.
	Housing and council tax benefits: Continue to develop data quality checking			The service has developed an improvement

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Data Quality Strategy Action Plan 2010/11

Outcome 1: Data is accurate and reliable on which to base policies and decisions				
Objective (s)	Activities	Completion date	Lead officer	Progress
	mechanisms in order to minimise the level of errors associated with incorrect dates, over and under-payments and incorrect payment of single person allowance.	March 2010	Ian Biggadike	plan to ensure that causes of error and any common error patterns are identified and appropriate remedial action taken. Implementation is overseen by the BLT Quality Board and supported by the Corporate Policy & Performance Team. ***See separate project plan.***
1.2 Ensure effective arrangements for monitoring and review of data quality are in place.	Updated programme of data quality audits established	January 2010	M Gallagher	
	Report results of the data quality audits to the relevant Head of Service and Director at the end of each audit and issues raised at monthly finance and performance meetings.	On-going	E Pelekanos	
	Carry out data quality audits (including cross cutting indicators) to verify the quality of data.	December 2010	Performance Team Internal Audit	
	Develop and implement data quality assurance frameworks for key front line services. These to include guidance for good case recording.	June 2010	Service Performance Managers	
1.3 Ensure that appropriate systems are in place for the collection, recording, analysis and the reporting of the data is used to monitor performance.	Periodic testing/ audits of local practices for a sample of business units. Subsequent reviews should assess the effectiveness of these controls.	On-going	Ian Christie Anita Hunt	There is a formal process in place for the periodic testing of local practices for compliance with the Data Protection Act. A risk assessment has been completed and the first audit is planned for March 2010.
1.4 Develop effective validation procedures to ensure the accuracy of data	Complete self-assessments for all data submitted to external agencies and quality assured by the Council's Performance team prior to submission Heads of Service sign self assessment forms	June 2010	Corporate and Directorate performance	

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Data Quality Strategy Action Plan 2010/11   **Appendix B**

Outcome 1: Data is accurate and reliable on which to base policies and decisions			
Objective (s)	Activities	Completion date	Lead officer	Progress
used in reported performance indicators			teams Heads of Service/ Directors	

Outcome 2: There is clear accountability for good quality data – everyone recognises the need for good data quality and how they contribute to delivering it.

Objective (s)	Activities	Completion date	Lead officer	Progress
2.1 The council has clear data quality objectives and these are formally documented and communicated	Finalise and publish Data Quality Policy	January 2010	E Pelekanos	
	Communicate objectives through the Performance Managers Group and a programme of Senior Management Team sessions across all services	March 2011	M Gallagher C Jorge	
	Update the Council's Performance management Framework and publish on Harinet	May 2010	M Gallagher R Hutton	
2.2 There is accountability for data quality at all levels of the organisation	Heads of Service sign off end of year performance figures using the self assessment forms	March 2011	Heads of Service	
	Data quality issues are raised and discussed at monthly budget and performance monitoring meetings	Monthly	ACE PPP&C Directors	
	Data quality competencies to be included in both appraisals and job descriptions as these are updated.	Service Managers Head of HR Head of OD		

Outcome 3: Staff have the knowledge and competencies to produce, interpret and analyse good quality data

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Objective	Activities	Completion date	Lead officer	Progress
3.1 Ensure staff with data quality responsibility have the necessary skills	Provide all Covalent users with up to date guidance and training.	Ongoing	R Cribb C Tsang	
	Deliver training sessions on data quality within the Council's core programme. Attendance will be by nomination and will be compulsory for staff involved in data recording, inputting and reporting.	September 2010	E Pelekanos M Gallagher C Jorge P Morris	

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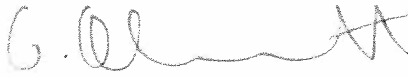
Haringey Council

[No.]   Agenda Item

Audit Committee   On 1st February 2010

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 :   Ian Biggadike, Head of Benefits and Local Taxation (020 8489 3854)

Wards(s) affected: All	Report for: Information Only

Purpose of the report

To advise and update Members on the Counter Fraud performance of the Benefit and Local Taxation Service from the 1st October 2009 – 31st December 2009.

Introduction by Cabinet Member (if necessary)

N/A

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

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

Recommendations

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.

Reason for recommendation

For Members to remain informed of the activity of the Fraud Investigations Team and are able scrutinise this accordingly.

Other options considered

Not applicable

Summary

The Benefits and Local Taxation Service continues to maintain and further develop an effective approach to counter benefit fraud activity.

Since April 2009 BLT has achieved 53 successful sanctions against those found to be committing benefit fraud. During quarter 3 2009/10 BLT achieved 23 sanctions and has a further 11 cases referred for prosecution.

Key work priorities for the Fraud Investigation Team are prosecutions, the National Fraud Initiative, Housing Benefit Matching Service, pro-active operations with the Police and Homelessness and joint working with the Department for Work and Pensions.

Chief Financial Officer Comments

The Chief Financial Officer notes the contents of this report and confirms that the benefit counter fraud activity undertaken is provided within the overall benefits & local taxation cash limit.

Head of Legal Services Comments

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.

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.

Head of Procurement Comments – [Required for Procurement Committee]
Not applicable

Equalities &Community Cohesion Comments

The activities detailed in this report relate to the day to day work of the Fraud Investigation Team. All counter fraud activity is undertaken with due regard and adhesion to the Council's Equalities and Community Cohesion policies.

Consultation

No consultation was required for the production of this report.

Service Financial Comments

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.

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.

The Benefits and Local Taxation Service maintains a dedicated team 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.

Use of appendices /Tables and photographs

Appendix 1 - Detailed breakdown of sanction cases achieved during Quarter 3 2009/10

Local Government (Access to Information) Act 1985

The background working papers are located within the BLT Fraud Section,10 Station Rd, Wood Green. The BFI Report was published in October2007 and is available on the internet under www.bfi.gov.uk

1   BACKGROUND

1.1   Counter fraud performance is primarily judged against successful outcomes in respect of Prosecutions and Sanction based activity. 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.

1.2   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.

2   COUNTER FRAUD ACTIVITY

2.1   Performance of the Fraud Investigation Team for the third quarter of 2009/10 is summarised in table 1.

- Successful outcomes for 3rd quarter 2009/10 (figures in brackets are for the equivalent period in 2008/09)

Sanction Type	Number Issued	Year Target	Status
Caution	12 (23)	■	Accepted
Admin Penalty	6 (9)	■	Accepted
Prosecution	5 (3)	■	Guilty
Total	23 (35)	35 (31)	■

Table 1

2.2   A more detailed breakdown of cases forwarded for prosecution and sanctions

is included in appendix 1 of this report. This gives details of the type of fraud discovered. The Fraud Team has continued to work closely with internal agencies in order to tackle cases where criminality involving multiple services has been undertaken.

2.3 Overall sanctions performance during quarter 3 is below the target for the period. This is mainly due to the continued drive to increase our prosecution numbers in order to have a deterrent effect on the continuing criminality involved in Benefit Fraud. 16 Prosecutions have been achieved year to date (which is twice the number as at the same time last year) and there are a further 18 cases currently identified for future prosecutions with our own Legal Team, Solicitors Branch (DWP) and the Criminal Prosecution Service (Police). In the final quarter of 2009/2010, the Fraud Team will concentrate on 'lesser' sanctions in order to increase overall sanctions performance.

2.4 The Benefits and Local Taxation Service set an annual target of 140 Sanctions for 2009/10. To achieve its target the team would be required to identify and sanction a further 73 cases. It is unlikely this target will be reached as, in common with the majority of Benefit Investigation Team's nationally, the emphasis has changed from achieving 'numbers' of sanctions to dealing with the more complex cases where criminality is involved. However, t he resumption of HBMS data match referrals should enable the Fraud Team to increase overall sanction performance in the final quarter. It is estimated that we will achieve 100-110 sanctions by year end.

2.5 The Fraud Team are working in additional areas such as the continuing Intelligence led project into fraudulent employment details provided by people from accession state countries where sanctions are not likely because of the mobility of the customers involved. In an initial pilot involving 200 benefit claims – 168 claims were cancelled and. assuming an that a further 32 weeks additional benefit would have been paid per customer, we have saved approximately £700,000 from being fraudulently claimed.

2.6 Sanctions performance for the year to-date is contained in table 2

- **Successful outcomes for year to-date (2009/10)**

Sanction Type	Number Issued	Target	Status
Caution	25 (41)		Accepted
Admin Penalty	12 (20)		Accepted
Prosecution	16 (8)		Guilty
Total	53 (69)	105 (94)	

Table 2

3 Overpaid Housing Benefit

3.1 To date, counter fraud activity has identified £731,823 in overpaid benefit and a further £7,294 in Administrative Penalties. Central government subsidy paid in relation to overpayments is at a rate of 40p to the £1.00 or 40%.

3.2 Consequently, it can be estimated that £292,729 has been generated in subsidy, this effectively results in a 60% shortfall against benefit expenditure.

3.3 The subsidy arrangements are designed to incentivise local authorities to recover overpaid Housing Benefit. At this present time recovery performance in relation to all in-year created overpayments cannot be accurately stated due to a known bug within Northgate's software application.

4 ANTI-FRAUD AND CORRUPTION STRATEGY

4.1 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.

4.2 The Anti-Fraud and Corruption Strategy outlines the types of activities the Council will use to both detect and prevent benefit fraud. Since April 2008 the Benefit and Local Taxation Service has re-focussed activities to remind benefit claimants of the importance to report changes in their circumstances to ensure that the right benefit is being paid.

4.3 The Fraud Investigation Team in partnership with the Homelessness Investigations Unit has successfully made a joint bid for an integrated Intelligence and Case Management IT system where funding has been approved and a Project Manager recently appointed.

4.4 This software system will allow for the programmatic sharing of Intelligence across a number of Directorates (including Safer Communities and Educational Welfare initially) in order to highlight inconsistent information provided by customers to different Service areas and encourage a partnership approach to problem solving

4.5 The National Fraud Initiative has now had all 1,279 recommended matches checked and three key areas identified for further action, namely in and out Borough payroll cases, undeclared Students and alcohol license holders. 78 suitable Payroll cases in total and 32 alcohol licence cases initially have been identified for full investigation and the majority of these cases should be interviewed by the end of this financial year. 76 Student cases initially have also been identified as suitable for investigation but it is now more likely these will be largely interviewed in the next financial year, due to some delays experienced in getting information from Student Loans. In addition we are working with the Homelessness Team on some of their matches and have 8 likely Joint Prosecutions identified – with interviews or proceedings imminent

Anonymised details of cases successfully sanctioned for period: **Quarter 3 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
15894D	HBMS	24-Aug-09	£8,844.13	19-Oct-09	22-Sep-09	Working & Claiming	A	£2,653.24
16113A	HBMS	22-Dec-08	£5,954.66	30-Oct-09	20-Aug-09	HBMS Saving - Undeclared Earnings	C	£0.00
16172A	Intelligence Led	14-Jul-09	£6,320.45	19-Oct-09	28-Sep-09	Underdeclared Wages Used	A	£1,898.38
20010OG	HBMS	30-Apr-09	£0.00	16-Oct-09		HBMS Saving - Tax Credits	C	£0.00
20010OK	HBMS	07-Sep-09	£2,916.54	19-Oct-09	13-Oct-09	HBMS Saving - Tax Credits	C	£0.00
10010OL	HBMS	27-Jul-09	£4,805.92	01-Oct-09	17-Aug-09	HBMS Saving - Tax Credits	C	£0.00
16253A	Other LA	22-Sep-09	£3,513.30	19-Oct-09	02-Oct-09	Definite Gone Away (100%)	A	£1,053.99
20010OX	HBMS	14-Aug-09	£1,550.72	16-Oct-09	18-Jun-09	Definite Gone Away (100%)	C	£0.00
20010PC	HBMS	04-Aug-09	£4,800.00	22-Oct-09	10-Aug-09	Definite Gone Away (100%)	C	£0.00
20010PS	HBMS	06-Aug-09	£1,356.88	27-Oct-09	10-Aug-09	Definite Gone Away (100%)	C	£0.00
16263A	Processing Teams	18-Jun-09	£12,530.00	12-Nov-09	07-May-09	Definite Gone Away (100%)	A	£1,048.15
16270A	Processing Teams	25-Aug-09	£2,777.46	05-Nov-09	12-Feb-09	undeclared income	C	£0.00
16324a	Other Haringey Dep't	26-Oct-09	£496.33	17-Nov-09	29-Oct-09	Living Together- Ptnr working (100%)	C	£0.00
23139A	Other Haringey Dep't	01-Oct-08	£85,515.54	09-Nov-09	07-Oct-08	Undeclared Capital	P	£0.00
24985A	Processing Teams	09-Sep-09	£3,852.69	26-Nov-09	18-Sep-09	Definite Gone Away (100%)	C	£0.00
16133A	DWP	17-Nov-08	£2,202.69	24-Aug-09	24-Nov-08	Working & Claiming	P	£0.00
15921A	Member of Public	21-Jan-09	£12,794.97	21-Dec-09	29-Jan-09	Living Together (75%)	P	£0.00
15997A	DWP	10-Jul-08	£5,748.48	15-Dec-09	06-Aug-08	Working & Claiming	P	£0.00
16100a	DWP	07-Oct-08	£13,630.00	14-Dec-09	22-Jan-09	Undeclared Capital	P	£0.00
16273A	Processing Teams	10-Sep-09	£1,214.06	17-Dec-09	21-Sep-09	Student Status not Declared	C	£0.00
16326a	HBMS	24-Aug-09	£1,718.64	15-Dec-09	24-Aug-09	Definite Gone Away (100%)	A	£515.60
16347A	HBMS	17-Nov-09	£417.81	07-Dec-09	17-Nov-09	Working & Claiming	A	£125.28
30090O	NFI	27-Nov-09	£2,067.17	15-Dec-09	06-Jan-10	Underdeclared Wages Used	C	£0.00
			£185,028.44					£7,294.64

C= Caution
A= Administrative Penalty
P= Prosecution

Haringey Council

| **Audit Committee** | **1 February 2010** |

| Report Title: | **Implementation of International Financial Reporting Standards (IFRS) – Progress Report** |

Report of:	**Chief Financial Officer**
Signed:	
	Gerald Almeroth

| Contact Officer : | **Kevin Bartle, Head of Corporate Finance** |
| Email: | **kevin.bartle@haringey.gov.uk   Tel: 0208 489 3743** |

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

1. **Purpose of the report**

1.1. To inform the Committee of the progress made in respect of the implementation of International Financial Reporting Standards (IFRS) and the actions that are proposed in order to secure full implementation.

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

2.1. The IFRS initiative has strong links to the Council's Financial Strategy and is also a mandatory requirement with objectives and timescales that are imposed by central government.

3. **Recommendations**

3.1. That the progress to date and proposed actions to ensure full IFRS implementation be noted.

4. **Reason for recommendation**

4.1. It is necessary to demonstrate that the Council's Audit Committee have been informed of the progress and proposed actions in respect of implementation and are aware of the main issues facing the Council.

5. **Other options considered**

5.1. There are no other options to the actions addressed in the report. The implementation of IFRS is mandatory and must be achieved within key milestone dates that have been determined by the government.

6. **Summary**

6.1 The report sets out the background and project management arrangements in respect of the implementation of IFRS accounting standards together with key milestone dates that have been determined.

6.2 The workload and impact in key areas has been identified and the actions currently in hand or proposed is identified. The sensible agreement reached with external auditors on de minimis levels will enable the main focus to be on higher-value, material items.

6.3 Changes to existing regulations are proposed by the Government to mitigate the financial effect of the additional costs arising from the IFRS accounting standards.

7. **Service Financial Comments**

7.1. The additional costs the Council will incur in preparing for IFRS are to be contained within existing budgets in 2009/10. In 2010/11 the costs will be met from a one-off investment bid in the recent Council budget making process.

8. **Head of Legal Services Comments**

8.1. There are no specific legal implications in this report.

9. **Head of Procurement Comments**

9.1. There are no procurement issues arising from this report and the implementation of IFRS.

10. Equalities & Community Cohesion Comments

10.1. There are no direct equalities and community cohesion issues arising from this report.

11. Consultation

11.1. No external consultation was required or undertaken in the production of this report. Consultation has taken place with service managers in respect of the gathering and analysis of date relevant to the initiative.

12. Use of appendices /Tables and photographs

12.1. Progress against the Project Plan is summarised in the Red/Amber/Green (RAG) Status Action Plan at Appendix A to the report.

13 Local Government (Access to Information) Act 1985

13.1. For access to any background papers or further information, please contact Stephen Preval or Rikin Tailor on 020 8489 3725

14 Background

14.1 The Government requires all local authorities to migrate from the current UK GAAP accounting standards to new International Financial Reporting Standards (IFRS) in accordance with a mandatory timescale and to prepare restated accounts in respect of 31st March 2009 (Balance Sheet only) and 31st March 2010 (full Statement of Accounts) prior to live implementation of IFRS with effect from 1st April 2010.The implementation of the new standards will be subject to detailed review by the Council's external auditors.

14.2 The detailed implementation requirements are set out in a Code of Practice issued by the Chartered Institute of Finance and Accountancy (CIPFA). This Code of Practice will, from 1st April 2010, replace the annual Statement of Recommended Practice produced annually by CIPFA.

14.3 The Council's planning for IFRS has been supported by Impact/Gap analyses by the external auditors and by the supplier of the main financial management system. These reviews have assisted in identifying the main issues to be addressed during the implementation process.

14.4 Resources have been provided within the 2009/10 budget to ensure that the initiative is adequately resources and a project leader has been appointed as an additional temporary resource to oversee and drive forward the IFRS implementation.

15 Project Planning

15.1 A detailed project plan has been developed and this has been approved by the IFRS Project Board which is chaired by the Head of Corporate Finance who is also the project sponsor. The project has a significant impact on the Finance and Property Services Departments and sub-project plans have been implemented specific to these service areas.

15.2 A Project Initiation Document has been completed, signed off following approval by the Project Board and registered with the Project Management Unit.

15.3 The Project Board meets on a monthly basis to monitor the IFRS implementation.

15.4 Project planning could have been inhibited due to the late receipt of the CIPFA Code of Practice which was only published on 18th December 2009, however a risk decision was taken to develop the project plan against the draft sections of the Code that were issued for consultation and the project plan was developed on this basis. A review of the final published Code has confirmed no variations from the drafts. This approach has enabled a significant amount of the IFRS work to be progressed earlier than would otherwise have been the case.

16 Key Milestones

16.1 The Council will be required to meet several milestone dates and these have been built into the detailed project plan. The dates are as follows: -

a) Provision of a restated opening Balance Sheet for 31st March 2009

A re-stated opening balance sheet for 31st March 2009 together with appropriate disclosure notes and accounting policies will be provided by 31st March 2010. This date has been determined locally and has not been prescribed by the Government.

b) Restatement of the 2009/10 Statement of Accounts

The Council's Statement of Accounts for 2009/10 will be produced in accordance with UK GAAP and the CIPFA SORP and then restated in accordance with IFRS. This will involve restating not only the main financial statements but also all disclosure notes and accounting policies. A date of 31st July 2010 has been determined and the restated accounts will be subject to review by the Council's external auditors.

4

c) Production of Whole of Government Accounts (WGA) Return for 2009/10.

The annual WGA return is a statutory return and the format and date for submission are prescribed by the Government. For 2009/10, the return will be compiled and submitted on an IFRS basis. In order that the return can be audited in September 2010, it has to be completed and submitted to the external auditors by 31st August 2010.

d) Preparation of the 2010/11 Statement of Accounts

The Statement of Accounts for 2010/11 will be prepared on an IFRS basis only and all internal financial records associated with the accounts maintained in an IFRS format. The Statement of Accounts must be prepared and approved by the Council by 30th June 2011 and audited by 30th September 2011.

17　Principal Impacts and Workloads

17.1　The implementation of the IFRS accounting standards has the largest impact on the following areas in the Council's accounts: -
  - Format of the main financial statements
  - Disclosure notes and accounting policies
  - Employee benefits
  - Contract arrangements
  - Leasing
  - Property valuations
  - Property componentisation.

17.1.1　Format of the Main Financial Statements

There will be significant changes in the format of the main financial statements in the annual Statement of Accounts. Pro-forma statements have been developed based on a model set of accounts provided by CIPFA and these will be included in a revised IFRS-based Statement of Accounts.

17.1.2　Disclosure Notes and Accounting Policies

IFRS requires a significant number of new or enhanced disclosures in the accounts and existing accounting policies will require a significant re-write in view of the significant number of changes in the accounting standards. The revised disclosure notes and accounting policies are being written in compliance with the CIPFA Code of Practice.

17.1.3　Employee Benefits

The Council is required to identify and cost all significant employee benefits that are accrued but unpaid at 31st March 2009 and 31st March 2010. These include Teachers' holiday pay, staff holiday pay, flexitime balances and overtime. The

amounts concerned have to be accrued in the accounts at these dates. Action has been taken to capture and cost the information for all members of staff.

17.1.4   Contractual Arrangements

All of the Council's existing contract arrangements with third parties have to be reviewed in order to identify whether or not there are any hidden leases (known as "embedded leases") associated with the delivery of services under a contract. Any embedded leases that are identified have to be analysed to identify whether the lease is an operating lease or a finance lease and the lease arrangements accounted for in accordance with the CIPFA Code of Practice. The appropriate service managers are currently scheduling and analysing these contractual arrangements. Pro-forma documentation is being used across the board, including schools, in order that there is a corporate and consistent approach

17.1.5   Leases

All existing leases are currently being reviewed as there is a need to reconsider under IFRS whether or not leases have previously been correctly accounted for as either operating leases or financial leases. Any changes in definition that are identified will be made from the inception date of the lease concerned. Pro-forma documentation is being used across the board, including schools, in order that there is a corporate and consistent approach.

As part of this review a corporate, central database of all of the Council's leases will be developed in the asset management module of the SAP financial management system.

17.1.6   Land and Buildings Valuations

All property assets have to be split into separate land and buildings elements and each element separately depreciated under the IFRS accounting standards as the land and buildings elements will, in most cases, have different useful economic lives. All property assets are currently being re-valued in order that a full IFRS valuation is available for the 2009/10 restated Statement of Accounts and for 1st April 2010 which is the live implementation date for IFRS.

17.1.7   Buildings Components

With effect from 1st April 2010, any capital expenditure on buildings will have to be broken down into its significant components such as the buildings themselves, roofs, lifts plant etc. These components will be separately recorded in the accounts and the fixed assets register and then depreciated based on their useful economic lives. As part of the current revaluation exercise referred to at 17.1.6 above, any components that are identified will be recorded in this way.

17.1.8   Balance Sheet Re-classifications

Certain assets or liabilities in the balance sheet have to be re-classified with effect from the re-stated 31st March 2009 closing balance sheet in accordance with strict IFRS definitions set out in the Code of Practice.

18   De Minimis Levels

18.1   In view of the potential workload involved in respect of land and buildings revaluations, contract arrangements and leases a number of proposals were submitted to the Council's external auditors requesting agreement for practical and sensible de minimis levels that would enable the focus to be on higher-value, material items. Subject to minor caveats to ensure that all high value assets are identified, these de minimis levels have been agreed and the main ones are as follows;-

- Land and building with a combined value less than £50k or a lease period of less than 15 years to be treated as building only in the accounts and asset register.
- Any property leases with an annual value below £50k will be de minimis and treated as operating leases in the accounts.
- Any equipment leases with a capital value below £50k or a lease period of less than 3 years will be de minimis and treated as operating leases in the accounts.
- Any contract arrangements with a capital value below £50k or a contract life of less than 3 years will be de minimis and treated as operating leases in the accounts.
- Any category of employee benefit with an accrual cost of below £100k will be disregarded as de minimis.

19   Group Accounts

19.1   International Financial Reporting Standards, similar to those incorporated within the current Local Government SORP, require local authorities to produce group accounts where they have subsidiary or associates entities. However, the spirit of the international standards includes a change from the SORP in that an entity could be treated as a subsidiary based on the Council's *ability to control* whereas the SORP currently refers to *actual control taking place.*

19.2   This change in emphasis within the code means that the Council needs to review all organisations that it has a relationship with, to ascertain whether some form of group relationship exists, in accounting terms. More organisations may, therefore, need to be consolidated into the Council's group accounts under the new arrangements.

19.3   As a result of this, there is a possibility that the accounts of the Alexandra Park and Palace Charitable Trust (APPCT) will be required to be grouped with the

Council's accounts from financial year 2010/11. The Council's initial view is that this is likely to be necessary although further work is required in this area to come to a final conclusion. If grouping of the accounts of APPCT is required one challenging accounting issue that will require resolution is how the debt owed by the Trust to the Council is accounted for. Currently the debt is not within the Council's accounts, as it was previously written down. However, the debt is still within the APPCT accounts as the Council has not fully discharged it. External advice will be sought to assist with resolving these issues.

20   Changes to Regulations

20.1   The implementation of the IFRS accounting standards has a significant impact on local authorities' income and expenditure accounts and would therefore also impact on the Council's General Fund Balance and Council Tax precept in 2010/11. The Government therefore proposes to issue changes to regulations-The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2010 to mitigate the impact.

21   Action Plan

21.1   The current position is summarised in the Red/Amber/Green (RAG) status Action Plan at Appendix A to the report. The only concerns at this time, shown as Amber in the action plan relate to the provision of scanned lease documents to Property Services and Finance staff by Legal Services and the need to secure external advice on the Group Accounts issue.

21.2   Action will be taken to address these issues. Any failure to do so could impact on subsequent tasks such as financial analyses of operating leases and finance leases and this, in turn, could prejudice the restatement of the 31st March 2009 Balance Sheet and Group Balance Sheet and the re-statement of the 2009/10 Statement of Accounts.

Implementation of IFRS - Progress Report Action Plan

	Item	Target Date	RAG Status	Comments
1.	Review of Code of Practice from CIPFA	Jan 2010	**Green**	Code has been reviewed - no significant changes from draft version.
2.	De Minimis Levels	Jan 2010	**Green**	De Minimis levels agreed with external auditors. Details have been issued to all key personnel.
3.	Disclosure Notes, Accounting Policies & SORP	Feb 2010	**Green**	A review is taking place regarding new disclosure requirements and is on course to be completed by the target date.
4.	Contracts and Leases (excluding property)	Feb 2010	**Green**	On target to receive all contract and leasing related documents by target date.
5.	Contracts and Leases (Property Services)	Feb 2010	**Amber**	Leases that need to be assessed have been identified by property services. However there is a resource issue with Legal Services providing the required documentation in time. This matter is being escalated with a view to resolution.
6.	IFRS Revaluation of Properties	Feb 2010	**Green**	Property services are on course to revalue properties in accordance with IFRS by the target date.
7.	Technical Adjustments related to Revaluations	Apr 2010	**Green**	The technical adjustments required on revaluations are on course to be completed by the target date.
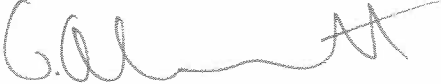
8.	Group Accounts	Mar 2010	**Amber**	External advice is to be sought in respect of the possible grouping of the accounts of Alexandra Park and Palace.
9.	Employee Benefits	Mar 2010	**Green**	Collection of the data in respect of employee benefits accruals is expected to be completed by 31st March

Haringey Council
Agenda item:

Audit Committee   **On 01 February 2010**

Report Title.	**Treasury Management Strategy Statement (TMSS) and Investment Strategy 2010/11 to 2012/13**

Report of: Signed :	**Chief Financial Officer** *[signature]* **Gerald Almeroth**

Contact Officer :	**Kevin Bartle, Head of Corporate Finance** **Telephone 020 8489 3743**

Wards(s) affected: **All**	Report for: **Non Key Decision**

1.   Purpose of the report

1.1.   To present the Treasury Management Strategy Statement 2010/11 to 2012/13 for scrutiny prior to its adoption by the Cabinet and the Council and following its agreement by the General Purposes Committee.

2.   Recommendations

2.1   That the Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13 is scrutinised and comments made prior to its approval by the Council.

2.2   That Members note the changes to the Council's Constitution described in section 8 of the report.

3. **Reason for recommendation(s)**

3.1. To scrutinise the Treasury Management Strategy Statement for 2010/11 to 2012/13 for approval by Cabinet and Council.

4. **Summary**

4.1. This report sets out the Council's Treasury Management Strategy Statement for 2010/11 to 2012/13.

5. **Head of Legal Services Comments**

5.1 The Head of Legal Services has been consulted on the content of this report and comments that the recommendations are within the policy agreed by Council and consistent with the purposes of Financial Regulations. In considering the recommendations Members must take into account the expert financial advice available in the report and any further advice given at the meeting of the Committee in relation to the level of risk inherent in the proposals. Certain of the matters described in section 8 of the report will require changes to the Council's Constitution, principally in the Financial Regulations, and these changes will be the subject of a more detailed report to the Constitution Review Working Group and a resulting report to full Council.

6. **Use of appendices**

- Appendix A (shown as Appendix K to the Financial Planning Report to Cabinet on 26 January 2010) – Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13.

7. **Local Government (Access to Information) Act 1985**

The following background papers were used in the preparation of this report:

- Financial Planning Report for 2009/10 to 2011/12 reported to Council and agreed on 23 February 2009.

- TMSS report to the General Purpose Committee on 12 January 2010.

For access to the background papers or any further information please contact Kevin Bartle, Head of Corporate Finance, on 0208 489 3743.

8. Treasury Management Strategy Statement and Investment Strategy 2010/11 to 20112/13

8.1 The Council is required to consider an annual Treasury Management Strategy (TMSS) under the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in May 2002. CIPFA has recently issued a revised Code of Practice in response to the turmoil in financial markets which was caused by the 'Credit Crunch'. The Council's revised TMSS, attached to this report, contains a number of amendments principally concerning the investment policy, scrutiny of the TMSS and reporting requirements. The revised TMSS is recommended to the Council for approval.

The Revised CIPFA Code of Practice on Treasury Management 2009

8.2 There are a number of changes within the new Code which are concerned principally with the status of the Code within Public Service organisations and reporting and scrutiny requirements as follows:

Standing Orders

8.3 CIPFA recommends that local authorities adopt, as part of their standing orders/ financial regulations, the following four clauses:

8.3.1 This organisation (the Council) will create and maintain, as the cornerstones for effective treasury management: -

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.

- suitable treasury management practices (TMP), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

- the content of the policy statement and TMP will follow the recommendation contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

8.3.2 The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMP.

8.3.3 The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the General Purposes Committee, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMP and, if he/she is a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management.*

8.3.4 The Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

8.4 The effect of adopting the above clauses will lead to the following changes to the current reporting arrangements.

8.4.1 **The Council** in addition to agreeing the TMSS and receiving an annual report following closure of the accounts, it is now a requirement of the Code that a mid year review of Treasury Management operations be submitted for consideration.

8.4.2 **The General Purposes Committee** will continue to receive quarterly reports on the implementation and regular monitoring of the treasury management policies and practices. In addition, it will now formulate the TMSS prior to its scrutiny by the Audit Committee and subsequent adoption by the Council.

8.4.3 **The Audit Committee** will assume responsibility for ensuring effective scrutiny of the TMSS prior to its consideration by the Cabinet and Council.

8.5 The Local Government Act 2003 also requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

8.6 The Local Government Act 2003 and the CIPFA Prudential Code introduced a new prudential system for local authority capital finance and came into effect on 1 April 2004. The key objectives of the code are to ensure:

- capital investment plans are affordable, prudent and sustainable;

- treasury management decisions are taken in accordance with good professional practice; and,

- fulfilment of the above objectives by setting out prudential indicators that must be set and monitored.

8.7 In line with the suggestion in the ODPM investment guidance, the Treasury Management Strategy Statement and Annual Investment Strategy have been combined into one document. This is set out in full in Appendix A and includes the proposed prudential indicators for 20010/11 to 2012/13.

8.8 The strategy is based upon the Council's Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's external treasury advisor, Arlingclose. The strategy covers:
- background information on the treasury management operation;
- the balance sheet and treasury position;
- the outlook for interest rates;
- borrowing requirement and strategy;
- investment policy and strategy;

- balanced budget requirements;
- the 2010/11 minimum revenue provision (MRP) statement;
- reporting, and,
- other items.

8.9 As stated in paragraph 8.1, the recommended amendments to the TMSS, principally concern the investment policy, scrutiny of the TMSS and reporting requirements. Revisions to the Investment Policy and Strategy are highlighted in some detail for members' attention in the paragraphs below. In relation to other areas of the TMSS, the majority of policies and strategies remain as in previous years; the list below sets out matters for the particular attention of members: -

- The underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) together with Balances and Reserves are the core drivers of Treasury Management activity. The CFR has been proposed in line with the planned Capital Programme to be approved by Cabinet and Council in February 2010;

- There are no proposed changes to the Council's Authorised Limit and Operational Boundary for External Debt;

- The Council has £125m of loans which are LOBO loans (Lender's Options Borrower's Option) of which £50m of loans are currently in or will be in their option state in 2010-11. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. It is now proposed that the default position will be to repay the loans;

- The Minimum Revenue Provision (MRP) policy is not currently proposed for change however the Council will wish to review the policy in consultation with its Treasury Management Advisors in light of the Council's medium term financial position. Any proposal to change policy will require the approval of Council.

Investment Policy and Strategy

8.10 The annual investment policy forms part of the TMSS set out in the appendix. There are some changes proposed and to be considered which reflect the signs of improvement seen in the financial sector post the 'credit crunch'.

8.11 At present, investments in banks and building societies (on a term, at call or on a certificate of deposit basis) are limited to UK banks and building societies that have a minimum AA- long-term credit rating and F1+ short-term rating and are participants in the UK Government's Credit Guarantee Scheme. This currently limits activity to seven UK institutions all of which have maximum investment limits of £20m at group level and term durations of a maximum of 12 months.

8.12 Following an improvement in market conditions in the financial sector, the Council's treasury advisors, Arlingclose, are presently recommending that in order to diversify the counterparty list, the use of comparable non-UK banks should now be considered for investment.

8.13 The sovereign states whose banks are recommended for inclusion are Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US. The banks selected by Arlingclose have been considered after analysis and careful monitoring of:
- Credit Ratings (minimum long-term AA-)
- Credit Default Swaps
- GDP, net debt as a percentage of GDP
- Sovereign Support Mechanism/potential support from a well resourced parent institution; and,
- Share price.

8.14 Arlingclose has taken into account information on corporate developments and market sentiment towards the counterparties. However, given that these recommendations have only very recently been provided to the Council, officers have not had the opportunity to undertake due diligence into these institutions and consequently are unable to recommend that any of these proposed institutions be added to the counterparty list at present.

8.15 It is anticipated that in-house due diligence will be completed by April 2010, and that subject to a satisfactory outcome to this process, some or all of the potential counterparties be added, potentially on the following cautionary bases:-

- Minimum credit rating AA Long-term F1+ Short Term. This compares to the existing UK Institutions where the Council currently requires a long-term credit rating of a minimum of AA-.

- Maximum exposure to any one institution (or group) of £10m. This compares with the existing UK counterparty limit of £20m per institution (or group).

8.16 At present, the Council has approved investment limits of up to £10m in Money Market Funds with a maximum exposure limit to any one fund of £5m. In accordance with his delegated authority, the Chief Financial Officer, in consultation and with the agreement of the General Purposes Committee, has recently appointed three firms of Money Market Fund managers. These funds have proved particularly useful in the management of the treasury operation in terms of security (short-term high quality paper and deposits), liquidity (immediate recall of cash), thereby reducing external borrowing on a number of occasions, and yield (typically 20 basis points higher than placements with the DMO). It is recommended, therefore, that the maximum total investment in Money Market Funds be increased from £10m to £45m subject to a maximum exposure to any one fund of £15m. Further explanation of Money Market Funds and their benefits are set out in the next paragraph.

Money Market Funds

8.17 Money Market Funds (MMFs) are pooled funds that invest in short-term debt instruments. They provide the benefits of pooled investments, as investors can participate in a more diverse and high-quality portfolio than they otherwise could individually.

8.18 Each investor who invests in a money market fund is considered a shareholder of the investment pool, a part owner of the fund.

8.19 The principal objectives of MMFs are the preservation of capital, very high liquidity and competitive returns commensurate with security and liquidity. The most important characteristic of a MMF is the highly diversified, high credit quality investments in the fund.

8.20 The recommendation to extend our exposure to MMFs is based on the lower risk associated with a diverse and high quality portfolio coupled with the liquidity afforded by such instant access instruments.

Icelandic Investments

8.21 The administration process for the Icelandic banks in which Council deposits are held is continuing. It is now reported that two interim payments have been received in respect of Heritable Bank amounting to £5,726,195.44 (equivalent to circa 29p in the pound of the deposits with that bank). The position with investments in respect of those held in Glitnir Bank has changed in that the Glitnir Winding Up Board recently decided not to allow priority status to local authorities' deposit claims. A formal objection to this decision has been filed. Further information will be provided to General Purposes Committee and Cabinet once the position is clearer. The position in relation to Landsbanki Bank remains unchanged.

8.22 The government has issued a regulation to allow authorities to defer accounting for the net loss until 2010/11. The latest estimate of the impairment to be charged to the Council's accounts assumes an estimated recovery of 80.6% of the total capital sum invested in all Council Icelandic investments. This amounts to £7.1m and will need to be written off in 2010/11. This can be funded from the capital redemption reserve of £10m. The Council has, however, accounted for interest not received in relation to these investments in 2008/09.

8.23 The DCLG has recently advised that Authorities can request permission to capitalise the losses that may result from the Icelandic investments. Haringey Council has applied for permission to capitalise the costs which would mean that the loss could be financed over a period of up to 20 years from 2009/10.

9. Recommendations

9.1 That the Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13 is scrutinised and comments made prior to its approval by the Council.

9.2 That Members note the changes to the Council's Constitution described in section 8 of the report.

Appendix K

Treasury Management Strategy Statement
and Investment Strategy 2010/11 to 2012/13

Contents

Annexes

Treasury Management Strategy Statement
and Investment Strategy 2010/11 to 2012/13

1. __Background__

1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to determine the Treasury Management Strategy Statement (TMSS). This statement also incorporates the Investment Strategy. Together, these cover the financing and investment strategy for the forthcoming financial year.

In response to the financial crisis in 2008 and the collapse of the Icelandic banks, CIPFA has recently revised the TM Code and Guidance Notes as well as the Prudential Indicators. The Department for Communities and Local Government (CLG) is currently in the process of revising and updating the Investment Guidance.

1.2. CIPFA has defined Treasury Management as:

"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.3. The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of its treasury management activities. The main risks to the Council's treasury activities are:

- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Credit and Counterparty Risk (Security of Investments)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal & Regulatory Risk

1.4. The strategy also takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Annex 1), the Prudential Indicators (Annex 2) and the outlook for interest rates (Annex 3).

1.5. The purpose of this Treasury Management Strategy Statement is to approve:

- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
- Prudential Indicators – Annex 2 (NB - PI No. 6 - The Authorised Limit is a statutory limit)
- MRP Statement – Section 8
- Use of Specified and Non-Specified Investments – Annex 4

2. __Balance Sheet and Treasury Position__

2.1. The underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) together with Balances and Reserves are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue budget and Capital Programmes, are set out below:

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	31 Mar 10 Estimate £000	31 Mar 11 Estimate £000	31 Mar 12 Estimate £000	31 Mar 13 Estimate £000
CFR	677,587	718,766	777,471	822,786
Balances & Reserves	18,025	15,687	16,076	16,076
Net Balance Sheet Position	659,562	703,079	761,395	806,710

2.2. The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Annex 1. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position.

2.3. The CFR represents the level of borrowing for capital purposes. Consequently, revenue expenditure cannot be financed from borrowing. Net physical external borrowing should not exceed the CFR other than for short term cash flow requirements. It is permissible under the Prudential Code to borrow in advance of need up to the level of the estimated CFR over the term of the Prudential Indicators. Where this takes place the cash will form part of its invested sums until the related capital expenditure is incurred. This being the case net borrowing should not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years other than in the short term due to cash flow requirements.

2.4. The move to International Financial Reporting Standards (IFRS) has implications for the Capital Financing Requirement components on the Balance Sheet. Analysis of the Council's Private Finance Initiative (PFI) schemes and Operating leases against IFRS requirements may result in the related long term assets and liabilities being brought onto the Council's Balance Sheet. The estimates for the CFR and Long Term Liabilities will therefore need to take into account such items. This will influence the determination of the Council's Affordable Borrowing Limit and Operational Boundary.

2.5. The Department for Communities and Local Government has recently consulted on proposals to reform the council housing subsidy system. The proposed Self-financing option would require a one-off reallocation of housing debt. As the consultation period has only recently ended and the mechanism for debt transfer has not been determined, the estimates set out in this strategy do not take into account any potential debt transfer that may arise in future years.

3. **Outlook for Interest Rates**

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd. is attached at Annex 3. Financial markets remain reasonably volatile as the structural changes necessary within economies and the banking system evolve. This volatility provides opportunities for active treasury management. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

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4.   Borrowing Requirement and Strategy

4.1.   The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR) – see Annex 2. The CFR represents the cumulative capital expenditure of the local authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision for Debt Redemption (MRP) from within the Revenue budget each year.

4.2.   Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow) and in turn produce an increased requirement to charge MRP in the Revenue Account.

4.3.   Physical external borrowing may be greater or less than the CFR, but in accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

4.4.   The cumulative estimate of the maximum long-term borrowing requirement is estimated by comparing the projected CFR with the profile of the current portfolio of external debt and long term liabilities over the same financial horizon, as follows:

	31/03/2010 Estimate £000	31/03/2011 Estimate £000	31/03/2012 Estimate £000	31/03/2013 Estimate £000
Capital Financing Requirement	677,587	718,766	777,471	822,786
Less: Existing Profile of Borrowing and Other Long Term Liabilities	642,926	677,587	718,766	777,471
Cumulative Maximum External Borrowing Requirement	34,661	41,179	58,705	45,315
Balances & Reserves	18,025	15,687	16,076	16,076
Cumulative Net Borrowing Requirement/Investments	16,636	25,492	42,629	29,239

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4.5.   The Council's strategy is to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.

4.6.   In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources identified in the Treasury Management Practices Schedules – up to the available capacity within its CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).

The outlook for borrowing rates:

4.7.   Short-dated gilt yields are forecast to be lower than medium and long-dated gilt yields during the financial year. Despite additional gilt issuance to fund the UK government's support to the banking industry, short-dated gilts are expected to benefit from expectations of lower interest rates as the economy struggles through a recession. Yields for these maturities will fall as expectations for lower interest rates mount.

4.8.   The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, remains acute and this is expected to remain a feature during 2010/11. The so-called 'cost of carry' associated with long term borrowing compared to temporary investment returns means that the appetite for new long term borrowing brings with it additional short-term costs. It is not surprising that the use of internal resources in lieu of borrowing has been the most cost effective means of financing capital expenditure but, at some stage, internal resources will become depleted and require topping up.

4.9.   PWLB variable rates have fallen below 1%. They are expected to remain low as the Bank Rate is maintained at historically low levels to enable the struggling economy emerge from the recession. Against a backdrop of interest rates remaining lower for longer and a continuation of the 'cost of carry' backdrop, then a passive borrowing strategy i.e. borrow long term funds as they are required, may remain appropriate. Equally, variable rate funds (that avoid the cost of carry) or EIP (equal instalments of principal) that mitigate the impact are both active considerations.

4.10. Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on the Council's investment balances. When longer term rates move below the cost of variable rate borrowing any strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.

4.11. The PWLB remains the preferred source of borrowing given the transparency and control that its facilities continue to provide.

4.12. The Council has £125m loans which are LOBO loans (Lender's Options Borrower's Option) of which £50m of loans are currently in or will be in their option state in 2010-11. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The default position will be to repay the loans. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB.

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5. **Debt Rescheduling**

5.1. The Council will maintain a flexible policy for debt rescheduling. Market volatility and the steep yield curve may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

5.2. In September 2009, the PWLB issued a Consultation document, entitled 'PWLB Fixed Rates', where the PWLB is reviewing the frequency of rate setting (currently daily) and could move to a live pricing basis. The deadline for the consultation period is 08/01/2010. The likely outcome of this is a reduction in the extent of the margins between premature repayment and new borrowing rates, particularly for longer maturities.

5.3. Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will agree in advance with Arlingclose the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.

5.4. All rescheduling activity will comply with the accounting requirements of the local authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).

5.5. Borrowing and debt rescheduling activity will be reported to the next meeting of the General Purposes Committee.

6. **Investment Policy and Strategy**

Background

6.1. Guidance from CLG on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

Investment Policy

6.2. To comply with the CLG's guidance, the Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:
- security of the invested capital;
- liquidity of the invested capital;
- an optimum yield which is commensurate with security and liquidity.
- The CLG's recent (draft) revised Guidance on investments, reiterates security and liquidity as the primary objectives of a prudent investment policy.

The speculative procedure of borrowing purely in order to invest is unlawful.

6.3. Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the Council's use within its investment strategy are contained in Annex 4.

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6.4.   The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The Council will continue to maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength including monitoring of credit default swaps, share price movements and press comment.

6.5.   The Council's current level of investments is presented at Annex 1.

Investment Strategy

6.6.   The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council's budget.

6.7.   The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income. However, the yield curve is relatively steep and opportunities will be taken to exploit this situation. Although cognisant of this development, the Council's strategy will continue to adhere to it's principal objective of security of invested monies.

6.8.   The Chief Financial Officer under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the General Purposes Committee on a quarterly basis.

Investments managed in-house:

6.9.   The Council's shorter term cash flow investments are made with reference to the outlook for the UK Bank Rate and money market rates.

6.10.   In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Agency Deposit Facility.

6.11.   Currently the Council has restricted its investment activity to:

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure)
- AAA rated Money Market Funds with a Constant Net Asset Value (CNAV)
- Deposits with other local authorities
- Business reserve accounts and term deposits
- Bonds issued by Multilateral Development Banks

Annex 4 contains a breakdown of the current counterparties, instruments, instruments and limits in operation.

6.12.   At present, investments in banks and building societies (on a term, at call or on a certificate of deposit basis) are limited to UK banks and building societies that have a minimum AA-long-term credit rating and F1+ short-term rating and are participants in the UK Government's Credit Guarantee Scheme. This currently limits activity to seven UK institutions all of which have maximum investment limits of £20m at group level and term durations of a maximum of 12 months. These institutions are set out in Annex 4.

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6.13.   Following an improvement in market conditions in the financial sector, the Council's treasury advisors, Arlingclose, are presently recommending that in order to diversify the counterparty list, the use of comparable non-UK banks should now be considered for investment.

6.14.   The sovereign states whose banks are recommended for inclusion are Australia, Canada, Finland, France, Germany, Netherlands, Spain, Switzerland and the US. The banks selected by Arlingclose have been considered after analysis and careful monitoring of:-

   - Credit Ratings (minimum long-term AA-);
   - Share price (of the institution);
   - Credit Default Swaps;
   - GDP, net debt as a percentage of GDP;
   - Sovereign Support Mechanism/potential support from a well resourced parent institution.

6.15.   Arlingclose has taken into account information on corporate developments and market sentiment towards the counterparties. However, given that these recommendations have only very recently been provided to the Council, officers have not had the opportunity to undertake due diligence into these institutions and consequently are unable to recommend that any of these proposed institutions be added to the counterparty list at present.

6.16.   It is anticipated that in-house due diligence will be completed by April 2010, and that subject to a satisfactory outcome to this process, some or all of the potential counterparties be   added,   potentially   on   the   following   cautionary   bases:-

   - Minimum credit rating AA Long-term F1+ Short Term (or equivalent). This compares to the existing UK Institutions where the Council currently requires a   long-term credit rating of a minimum of AA-.

   - Maximum exposure to any one institution (or group) of £10m. This compares with the existing UK counterparty limit of £20m per institution (or group).

6.17.   At present, the Council has approved investment limits of up to £10m in Money Market Funds with a maximum exposure limit to any one fund of £5m. In accordance with his delegated authority, the Chief Financial Officer, in consultation and with the agreement of the General Purposes Committee, has recently appointed three firms of Money Market Fund managers. These funds have proved particularly useful in the management of the treasury operation in terms of security (short-term high quality paper and deposits), liquidity (immediate recall of cash), thereby reducing external borrowing on a number of occasions, and yield (typically 20 basis points higher than placements with the DMO). The maximum total investment in Money Market Funds is increased from £10m to £45m subject to a maximum exposure to any one fund of £15m. Annex 4 reflects this change.

6.18.   To protect against a prolonged period of low interest rates, 1-year deposits and longer-term secure investments will be actively considered within the limits the Council has set for Non-Specified Investments (see Annex 4). The longer-term investments will be likely to include:

   - **Supranational bonds (bonds issued by multilateral development banks):** The joint and individual pan-European government guarantees in place on these bonds provide security of the principal invested. Even at the lower yields likely to be in force, the

return on these bonds will provide certainty of income against an outlook of low official interest rates.

- **UK government guaranteed bonds and debt instruments issued by banks/building societies:** The UK Government's 2008 Credit Guarantee Scheme permits specific UK institutions to issue short-dated bonds with an explicit government guarantee. The bonds are issued at a margin over the underlying gilt and would be a secure longer-term investment option.

Investments which constitute capital expenditure

6.19. Investments meeting the definition of capital expenditure can be financed from capital or revenue resources. They are also subject to the CLG's Guidance on "non-specified investments". Placing of such investments has accounting, financing and budgetary implications. Whilst it is permissible to fund capital investments by increasing the underlying need to borrow, it should be noted that under the CLG's MRP Guidance, MRP must be applied over a 20 year period.

6.20. The Council has determined a maximum of £60m limit to investments which constitute capital expenditure.

6.21. All investment activity will comply with the accounting requirements of the local authority SORP.

7. Balanced Budget Requirement

7.1. The Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

8. 2010/11 MRP Statement

8.1. For many years local authorities have been required by Statute and associated Statutory Instruments to charge to the Revenue Account an annual provision for the repayment of debt associated with expenditure incurred on capital assets. This charge to the Revenue Account was referred to as the Minimum Revenue Provision (MRP).

8.2. In February 2008 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [Statutory Instrument 2008/414] were approved by Parliament and became effective on 31 March 2008. These regulations replace the formula based method for calculating MRP which existed under previous regulations under the Local Government Act 2003. The new regulations require a local authority to determine each financial year an amount of MRP which it considers to be prudent. Linked to this new regulation, the Department of Communities and Local Government (CLG) has produced Statutory Guidance which local authorities are required to follow, setting out what constitutes a prudent provision.

8.3. The CLG Guidance recommends that before the start of the financial year, a statement of MRP policy for the forthcoming financial year is approved by the full Council.

8.4. The broad aim of the Policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure which gave rise to the debt provides benefits. In the case of borrowing supported by Revenue Support Grant, the aim is that MRP is charged over a period reasonably commensurate with the period implicit in the determination of that grant. MRP is not required to be charged to the

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Housing Revenue Account. Where a local authority's overall CFR is £nil or a negative amount there is no requirement to charge MRP.

MRP Options:

8.5. Four options for prudent MRP provision are set out in the CLG Guidance. Details of each are set out below with a summary set out in Table 1:

Option 1 – Regulatory Method:

8.6. This method replicates the position that would have existed under the previous Regulatory environment. MRP is charged at 4% of the Authority's underlying need to borrow for capital purposes; the Capital Financing Requirement (CFR). The formula includes an item known as "Adjustment A" which was intended to achieve neutrality between the CFR and the former Credit Ceiling which was used to calculate MRP prior to the introduction of the Prudential System on 1 April 2004. The formula also took into account any reductions possible related to commutation of capital related debt undertaken by central government.

Option 2 – CFR Method:

8.7. This method simplifies the calculation of MRP by basing the charge solely on the authority's CFR but excludes the technical adjustments included in Option 1. The annual MRP charge is set at 4% of the non-housing CFR at the end of the preceding financial year.

Option 3 – Asset Life Method:

8.8. Under this method MRP is determined by the life of the asset for which the borrowing is undertaken. This can be calculated by either of the following methods:
(a) Equal Instalments: where the principal repayment made is the same in

each year, or

(b) Annuity: where the principal repayments increase over the life of the asset

8.9. MRP commences in the financial year following that in which the expenditure is incurred or, in the year following that in which the relevant asset becomes operational. This enables an MRP "holiday" to be taken in relation to assets which take more than one year to be completed before they become operational.

8.10. The estimated life of the asset will be determined in the year that MRP commences and will not be subsequently revised. However, additional repayments can be made in any year which will reduce the level of payments in subsequent years.

8.11. If no life can be reasonably attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. In the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure, where this would exceed 50 years.

8.12. In instances where central government permits revenue expenditure to be capitalised, the Statutory Guidance sets out the number of years over which the charge to revenue must be made.

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Option 4 - Depreciation Method

8.13. The deprecation method is similar to that under Option 3 but MRP is equal to the depreciation provision required in accordance with proper accounting practices to be charged to the Income and Expenditure account.

Conditions of Use

8.14. The CLG Guidance puts the following conditions on the use of the four options:

Options 1 and 2 can be used on all capital expenditure incurred before 1 April 2008 and on Supported Capital Expenditure on or after that date.

Options 3 and 4 are considered prudent options for Unsupported Capital Expenditure on or after 1 April 2008.These options can also be used for Supported Capital Expenditure whenever incurred.

Policy

8.15. The policy will be to use **Option 1** (Regulatory Method) for supported borrowing and **Option 3** (Asset Life Method) for unsupported borrowing.

9. **Reporting on the Treasury Outturn**

The Chief Financial Officer will report on treasury management activity/ performance as follows:

(a) Quarterly to the General Purposes Committee against the strategy approved for the year.
(b) The Council will receive a mid-year report and an outturn report on its treasury activity no later than 30th September after the financial year end.
(c) The audit committee will be responsible for the scrutiny of treasury management activity and practices.

10. **Other items**

Member Training

10.1. CIPFA's revised Code requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

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EXISTING PORTFOLIO PROJECTED FORWARD

	Balances at 31 March 09 £000	Estimates at 31 March 10 £000	Estimates at 31 March 11 £000
External Borrowing:			
Fixed Rate – PWLB	520,572	564,470	614,779
Fixed Rate – Market	130,475	130,475	130,475
Variable Rate – PWLB	-	-	-
Variable Rate – Market	-	-	-
Other long-term liabilities	42,984	41,310	39,545
Total External Debt	694,031	736,255	784,799
Investments:			
Managed in-house			
Deposits and monies on call	99,731	65,000	65,000
Total Investments	99,731	65,000	65,000
Net Borrowing position	594,300	671,255	719,799

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ANNEX 2

PRUDENTIAL INDICATORS 2010/11 TO 2012/13

1 **Background:**

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008. The outcome from that review has now been published and there are no material changes to the Prudential Indicators.

2. **Net Borrowing and the Capital Financing Requirement:**

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

The Chief Financial Officer reports that the authority had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. **Estimates of Capital Expenditure:**

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

No. 1	Capital Expenditure	2009/10 Approved £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
	Non-HRA	149,280	121,981	95,956	60,590	46,537
	HRA*	49,725	60,479	52,642	63,142	54,498
	Total	**199,005**	**182,460**	**148,598**	**123,732**	**101,035**

3.2 Capital expenditure will be financed as follows:

Capital Financing	2009/10 Approved £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
Capital receipts	9,837	7,752	5,520	14,423	15,477
Government Grants	111,038	88,465	67,160	23,730	10,250
Other Grants etc	7,785	17,986	4,943	4,377	7,329
Major Repairs Allowance	12,407	18,966	12,909	12,909	12,909
Revenue contributions	12,330	5,393	7,757	400	200
Supported borrowing	42,186	39,771	40,497	59,893	54,870
Unsupported borrowing	3,422	4,127	9,812	8,000	0
Total	**199,005**	**182,460**	**148,598**	**123, 732**	**101,035**

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4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

4.2 The ratio is based on costs net of investment income.

No. 3	Ratio of Financing Costs to Net Revenue Stream	2009/10 Approved %	2009/10 Revised %	2010/11 Estimate %	2011/12 Estimate &	2012/13 Estimate %
	Non-HRA	5.20	5.35	4.67	4.35	4.37
	HRA	33.59	32.77	33.39	32.47	30.85

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2009/10 Approved £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
	Non-HRA	226,850	228,256	229,702	238,874	242,600
	HRA	449,242	449,331	489,064	538,597	580,186
	Total CFR	676,092	677,587	718,766	777,471	822,786

5.2 The year–on–year change in the CFR is due to the following

Capital Financing Requirement	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
Balance B/F	642,926	677,587	718,766	777,471
Capital expenditure financed from borrowing (per 3.2)	43,898	50,309	67,893	54,870
Revenue provision for debt Redemption.	(9,237)	(9,130)	(9,188)	(9,555)
Other items				
Balance C/F	677,587	718,766	777,471	822,786

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

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No.4	Actual External Debt as at 31/03/2009	£m
	Borrowing	651.0
	Other Long-term Liabilities	43.0
	Total	**694.0**

7. Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme. The full council tax and housing rent figures are shown below for information.

No.5	Impact of Capital Investment Decisions	2009/10 Approved £	2010/11 Estimate £	2011/12 Estimate £	2012/13 Estimate £
	Band D Council Tax	1,184.32	1,184.32	1,219.85	1,256.44
	Average Weekly Housing Rents	82.05	83.20	87.36	91.72

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2009/10 Approved £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
	Borrowing	895,419	858,690	860,455	862,317	864,279
	Other Long-term Liabilities	4,581	41,310	39,545	37,683	35,721
	Total CFR	900,000	900,000	900,000	900,000	900,000

8.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised

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Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Chief Financial Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet and Council.

No. 7	Operational Boundary for External Debt	2009/10 Approved £000	2009/10 Revised £000	2010/11 Estimate £000	2011/12 Estimate £000	2012/13 Estimate £000
	Borrowing	870,419	833,690	835,455	837,317	839,279
	Other Long-term Liabilities	4,581	41,310	39,545	37,683	35,721
	Total CFR	875,000	875,000	875,000	875,000	875,000

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted and will continue to adopt the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	The Council approved and will adopt the new CIPFA Treasury Management Code 2009 at its meeting in February 2010.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on a net interest paid basis (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments)

10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

		2009/10 Approved %	2009/10 Revised %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
No.9	Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100
No.10	Upper Limit for Variable Interest Rate Exposure	40	40	40	40	40

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

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11.   Maturity Structure of Fixed Rate borrowing:

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No.11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	100
	10 years and above	0	100

12.   Upper Limit for total principal sums invested over 364 days:

12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

		2009/10 Approved £m	2009/10 Revised £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
No.12	Upper Limit for total principal sums invested over 364 days	60	60	60	60	60

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ANNEX 3

Arlingclose's Economic and Interest Rate Forecast

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Official Bank Rate										
Upside risk				+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.50	0.50	1.00	1.50	2.25	3.00	4.00	4.00
Downside risk					-0.50	-0.50	-0.50	-0.25	-0.25	-0.25
1-yr LIBID										
Upside risk				+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	1.25	1.25	1.25	1.50	2.00	2.75	3.50	4.00	4.25	4.25
Downside risk					-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt										
Upside risk		+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	2.60	2.70	2.80	2.90	3.00	3.25	3.50	3.75	4.00	4.25
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt										
Upside risk			+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
Central case	3.60	3.75	3.75	4.00	4.00	4.25	4.25	4.50	4.50	4.75
Downside risk			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt										
Upside risk		+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
Central case	4.10	4.25	4.50	4.75	4.75	5.00	5.00	5.00	5.00	5.00
Downside risk		-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt										
Upside risk	+0.25	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	
Central case	4.00	4.25	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75
Downside risk			-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

> The recession has taken a toll on global economies which are past the worst but still vulnerable. The recovery in growth is likely to be hesitant and uneven, more "W" than "V" shaped.

> The pace and sustainability of UK recovery is still very uncertain; policy rates will remain low for some while. Gilt yields are increasingly volatile and will remain so.

> The Federal Reserve will keep policy rates on hold for an extended period. The ECB will only hike rates after a durable upturn in growth.

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<u>**Underlying assumptions :**</u>

- The global financial system is fragile and although sentiment has improved, economies have yet to show consistent signs of recovery.

- UK **growth** contracted 5.2% in the year to September. There is no evidence of the economy exiting from recession – despite forecasts to the contrary – which is supported by weak real economic data and rising unemployment.

- **Looming bank regulation** and capital requirements will curb banking lending activity and is likely to be offset by a reduction in the Reserve Rate.

- **Recovery could be slow and protracted**, affected by the continuing adjustments in household, bank and public sector balance sheets.

- **Official interest rates remain at 0.5%. Quantitative Easing (QE)** could be expanded to beyond £200bn to address the sluggish economy.

- **Inflation** is falling, albeit slowly. CPI could dip below 1% in 2009 and be below the MPC's 2% target over the 2-year forecast horizon. RPI has been negative since March. Weakened sterling remains a risk, but is likely to be overshadowed by a slow recovery.

- The growing budgetary imbalances and bloated central bank balance sheets need credible and sustainable action. **UK gilt supply** is at record levels; the rising ratio of debt to GDP remains unaddressed. **Cuts in public spending and tax increases** are unpalatable but are necessary and inevitable. The risk of failed gilt auctions remains high although **QE is, for now, providing an effective balance to the supply side dynamic.**

- Buoyed by leading indicators and sentiment, equity markets are overoptimistically pricing in a quick, V-shaped recovery, but earnings growth may not be sustained over subsequent quarters.

- The likely political make-up of the next Parliament will increasingly have a bearing on the financial markets. Already the political agenda has rapidly shifted from the avoidance of cuts to their inevitability.

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Specified and Non Specified Investments

Specified Investments identified for use by the Council

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the "high" credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

"Specified" Investments identified for the Council's use are:

- Deposits in the DMO's Debt Management Account Deposit Facility

- Deposits with UK local authorities

- Deposits with banks and building societies

- Certificates of deposit with banks and building societies

- *Gilts : (bonds issued by the UK government)

- Bonds issued by multilateral development banks

- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)

- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

For credit rated counterparties, the minimum criteria will be the short-term / long-term ratings assigned by:

Long Term Minimum	AA-
Short term	F1+

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

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and Investment Strategy 2010/11 to 2012/13

Specified investments will be made within the following limits:

Instrument	Country	Counterparty	Maximum Limit of Investments in Group (where applicable) £m	Fitch Credit Rating as at 31 December 2009		Maximum Term of Investment
				Long Term	Short Term	
Term Deposits	UK	DMO's Debt Management Account Deposit Facility	No limit	AAA	F1+	6 months
Term Deposits	UK	Other UK Local Authorities	£30m (per Local Authority)	N/A	N/A	364 days
Term Deposits/ Call Accounts	UK	Santander UK Plc (formerly known as Abbey)	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Lloyds TSB Bank Plc (Lloyds Banking Group)	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Bank of Scotland Plc (Lloyds Banking Group)	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Barclays	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Clydesdale	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	HSBC	£20m	AA	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Nationwide	£20m	AA-	F1+	364 days/Instant access
Term Deposits/ Call Accounts	UK	Royal Bank of Scotland	£20m*	AA-	F1+	364 days/Instant access
AAA rated Money Market Funds	UK/Ireland/ Luxembourg	Constant Net Asset Value Money Market Funds	£15m in any one institution, subject to an overall limit in MM Funds of £45m	AAA	F1+	Instant access

* Approval of this TMSS by the Council also approves the use of the Council's current banker which is Nat West Bank, part of the Royal Bank of Scotland Group. Therefore, when maximum deposits with RBS are made (£20m) this group limit could be exceeded temporarily by the current account credit balance remaining overnight with Nat West Bank. There will also be the usual daylight exposure.

NB: All of the above banks and building societies are members of the UK Government Credit Guarantee Scheme.

Treasury Management Strategy Statement
and Investment Strategy 2010/11 to 2012/13

Non-Specified Investments determined for use by the Council

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council's use:

	In-house use	Maximum maturity	Capital expenditure?	Maximum Counterparty Limit
Gilts and bonds ▪ Gilts ▪ Bonds issued by multilateral development banks ▪ Bonds issued by financial institutions guaranteed by the UK government, e.g. GEFCO ▪ Sterling denominated bonds by non-UK sovereign governments	✓ (on advice from treasury advisor)	6 years	No	£60m
Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies (e.g. govt bonds issued by HBOS / RBS / Nationwide, etc)	✓	6 years	Yes	£60m

Note: In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.
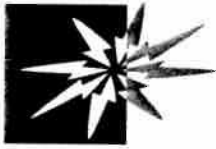
Haringey Council

Agenda item:

| Audit Committee | On **1 February 2010** |

Report Title: **Internal Audit Progress Report – 2009/10 Quarter 3**

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: **Non-key decision** |

1.　Purpose of the report

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

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.

3.　Recommendations

3.1 The Audit Committee is recommended to note the audit coverage and progress during the third quarter 2009/10.

3.2 That the Audit Committee notes the progress and responses received in respect of outstanding audit recommendations.

3.3 That the Audit Committee confirms that the actions taken during Quarter 3 to address the outstanding recommendations are appropriate.

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 31 December 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 complied 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 the is report, and advises that there are no direct legal implications arising out of the report or the recommendations.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer notes the contents of the report and 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 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. 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	3rd Quarter	Year to date	Target
A1	Audit work Completed vs. Planned programme	100% of planned Q3 programme	69% of total annual programme	95%
A2	User satisfaction (1 = low, 5 = high)	3.3	3.5	3.75
A3	Time taken to complete investigations (2008/09 referrals)	14.3 weeks	14.5 weeks	12 weeks
A4	Priority 1 recommendations implemented at follow up (2008/09 audits)	100%	92%	95%

16. Internal Audit work – Deloitte and Touche contract

16.1 The activity of Deloitte and Touche for the third quarter of 2009/10 to date is detailed at Appendix A. Members of the Audit Committee receive detailed summaries of all projects for which a final report has been issued on a monthly basis to allow for any issues to be raised and discussed in a timely manner. Appendix A provides a list of all final reports which have been issued during the quarter, together with detailed summaries of all reports which are issued with a 'limited' assurance rating.

16.2 Appendix A also provides detailed summaries of all recommendations which were previously recorded as outstanding at the time of the follow up audit work. Members have been monitoring the progress and implementation of these at each Audit Committee to ensure that managers were taking appropriate action to address outstanding recommendations. As at 31 December, only 2 recommendations from prior years remained outstanding: 2005/06 - One Priority 1 recommendation remains outstanding; and 2007/08 - One Priority 3 recommendation remains outstanding.

16.3 A summary of all follow up audits of 2008/09 projects which have been undertaken in 2009/10 is also included in Appendix A (pages 19-20). We have followed up on 151 recommendations and found that 141 (93%) have been implemented, one has been partly implemented, five are no longer applicable and four are not yet due for implementation. All

4

Priority 1 recommendations followed up during quarter 3, where the deadline for implementation has passed, had been implemented.

16.4 To date, 69% of the planned annual programme of work has been delivered. A total of 75% of the total annual audit plan was estimated to be delivered in the first three quarters of 2009/10. Although the level of audit work delivered to date is slightly below the annual aggregate target, there are no issues identified at this date which will prevent the 95% annual target from being achieved and ongoing monthly contract monitoring reviews ensure that performance levels are kept under review.

16.5 In this quarter, a total of 23 projects from the 2009/10 annual audit plan have been finalised, including seven school visits to assess compliance with the Financial Management Standard in Schools (FMSiS). All the work planned to be undertaken during quarter 3 (325 audit days) was delivered, which has ensured that the annual programme of work remains on course to be delivered by 31 March 2010.

16.6 In conjunction with the Chief Financial Officer, Directors are kept advised of the outstanding recommendations and any actions required to ensure that implementation of recommendations is achieved. From 2008/09 onwards, the implementation of Priority 1 recommendations has been included in the performance reporting requirements for all departments. During quarter 3, Internal Audit are satisfied that managers have been taking appropriate action to address the issues raised in the original recommendations prior to 2008/09.

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. The listing at Appendix B also includes any referrals made using the Council's whistle blowing policy which were investigated by Internal Audit. During the third quarter, no whistleblowing referrals were made.

17.2 Within the third quarter, no new cases were referred to Internal Audit for investigation, and six cases were completed during the quarter involving Council employees. The six cases completed in quarter two took 12.4 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 the third quarter, 12 referrals in relation to new allegations were made via the Council's email reporting facility. Of these, three related to complaints rather than fraud and were referred to the relevant departmental complaints teams; one related to housing benefits issues and was referred to the Housing Benefit Fraud Investigation Team for further review; one referral

related to a potential UK Visa fraud and was referred to the Home Office for further investigation; one related to Housing and sub-letting issues and was referred to the Strategic Housing Division for further review; two referrals related to fraudulent misuse of a credit card and was referred to Corporate Finance and the relevant bank's fraud investigation team for further review. Four referrals were not related to fraud within Haringey Council.

17.5 The In-house Team also investigates claims of non-receipt of Council cheques. In 2009/10, there has been one referral for investigation and no losses to the Council. 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 third 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 to ensure that the length of time taken to resolve disciplinary cases is minimised. During quarter 3, the number of disciplinary cases was 36 which is in line with the previous quarter, but an increase in comparison with the first quarter of 2009/10 and the last quarter of 2008/09. The average length of time taken to resolve disciplinary cases in quarter 3 rose to 100 days.

APPENDIX A

Internal Audit
Quarter 3 Internal Audit Report
2009/2010
London Borough of Haringey

Deloitte & Touche Public Sector Internal Audit Ltd.

January 2010

APPENDIX A

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

Contents

APPENDIX A

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

Executive Summary

Introduction

This is our third 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 3 2009/10:

- **RBS Bankline Application Audit 2009/10**
- **Contract Management (Procurement) Audit 2009/10**
- **Commercial Property Income Audit 2009/10**
- **Registrars Service Audit 2009/10**
- **Council Owned Land – Project Management Assurance Audit 2009/10**
- **Fixed Assets Audit 2009/10**
- **Building Schools for the Future – Procurement Audit 2009/10**

APPENDIX A

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

As part of the 2009/10 Internal Audit Plan, we also issued a draft report in Quarter 3 for the following audits:

- Website Audit
- Marsh Lane Depot – Project Management Assurance
- Markfield Park Development – Project Management Assurance
- Lordship Recreation Ground Regeneration Programme – Project Management Assurance
- Heritage & Conservation – Project Management Assurance
- Highways & Street Lighting Contracts
- Temporary Accommodation
- Culture, Libraries & Learning (ACCS) – Risk Register Testing
- Voluntary Organisations

Follow Up of Prior Years' Recommendations

The results of our follow-up work are as follows:

2005/06

One Priority 1 recommendation remains outstanding.

2007/08

One Priority 3 recommendation remains outstanding.

2008/09

We have followed up on 151 recommendations and found that 141 (93%) have been implemented, five are no longer applicable and four are not yet due for implementation. All Priority 1 recommendations followed up to date, where the deadline for implementation has passed, have been implemented.

2009/10

We have followed up on the recommendations raised in the **Decent Homes Standards** report issued in September 2009, which was completed as part of the Corporate Procurement Plan for 2009/10. From eight recommendations raised, it was found that three Priority 1 recommendations, two Priority 2 recommendations and one Priority 3 recommendation have been implemented, while two Priority 1 recommendations have been partly implemented. Revised deadlines have been given for the full implementation of the two recommendations.

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

Audit Progress Summary – 2009/10:

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	
2009/10								
RBS Bankline Application	Sept 09	13.10.09	Substantial	N/A	0	1	1	
Corporate Procurement Risk Register Testing	July 09	13.10.09	Substantial	N/A	0	5	0	
Contract Management (Procurement)	Aug 09	15.10.09	Substantial	N/A	0	6	1	
PPP & C Risk Register Testing	July 09	06.11.09	Limited	N/A	2	3	0	
Connexions	July 09	06.11.09	Limited	N/A	5	5	1	
Commercial Property Income	Aug 09	13.11.09	Limited	N/A	2	4	0	
Registrars Service	Aug 09	19.11.09	Substantial	N/A	0	3	0	
Council Owned Land – Project Management Assurance	Sept 09	25.11.09	Substantial	N/A	1	4	0	
Mortuary – Project Management Assurance	Sept 09	25.11.09	Substantial	N/A	0	9	1	
Fixed Assets	July 09	11.12.09	Limited	N/A	4	4	0	
Building Schools for the Future – Procurement	Sept 09	04.12.09	Substantial	N/A	0	4	1	
Recreation Services – Risk Register Testing	Sept 09	07.12.09	Limited	N/A	2	0	0	

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DETAILED SUMMARIES:

Audit area	Scope	Status/key findings	Assurance
		CORPORATE RESOURCES	
Commercial Property Income 2009/10	Audit work was undertaken to cover the following areas: • Compliance with Statutory Requirements; • Documentation, Policies and Procedures; • System and Controls for Setting and Applying Rental Charges; • Collection of Income and Reconciliation Process; • Payment Plans and Concessions Granted; • Arrears Monitoring, Enforcement and Follow up Processes; • Budget Management; and • Monitoring and Reporting Arrangements.	Weaknesses in the system of controls are such as to put the system objectives at risk. Some of the controls were observed to be operating satisfactorily and are listed below: • Rental and lease charges are approved by the Commercial Property Manager; • There are monthly rent runs to pick up new invoices which are due to be issued; • Aged debtor listings are produced on a monthly basis and used for debt management; and • Checks are carried out on new tenants prior to entering into a Lease Agreement. Within the system there are several weaknesses which put the system objectives at risk. The areas where weaknesses were found include: • The Quality Assurance documents were dated as produced in 2003 and there was no evidence to show that these had subsequently been reviewed and updated since then; • There are currently no policies and procedures in place for the Service; • Commercial Section Valuation forms were not held on file in three out of twenty cases;	Limited

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Audit area	Scope	Status/key findings	Assurance
		• Issues with the Manhattan system remain unresolved since 2005 and unreconciled items with a value of £30,000 are consistently on monthly reconciliations; and • The Debt Management Cycle has not been finalised, approved and implemented. As a result of our audit work we have raised two Priority 1 and four Priority 2 recommendations, which will help improve controls in the area. The priority 1 recommendations are as follows: • The Service should develop and approve policies and procedures, which should be communicated to all relevant staff; and • The existing 'Debt Management Cycle' should be finalised, approved and implemented. The Priority 2 recommendations are as follows: • The Quality Assurance documents used by the team should be reviewed, updated and approved on at least an annual basis and in line with relevant legislation; • The Service should develop a file management system in line with the Council's Document Retention Policy and including chain of custody records; • Management should, as a matter of urgency, work in conjunction with IT services to resolve the issues surrounding the full functioning of the Manhattan system; and • A formal process should be established for the Finance Team to review the suspense account on a regular (monthly) basis and investigate and clear items posted to the account promptly, in particular long outstanding items.	

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Audit area	Scope	Status/key findings	Assurance
Fixed Assets **2009/10**	Audit work was undertaken to cover the control environment in the following areas: • Asset Register; • Asset Security; • Compliance with Policies and Procedures; • Asset Disposal and Write-off; and • Reconciliation to General Ledger.	Weaknesses in the system of controls are such as to put the system objectives at risk. A number of controls were observed to be operating satisfactorily, some of which are listed below: • Property valuations are required to be documented on a standard pro-forma, signed by the valuer and reviewer; • The Capital Expenditure Programme is monitored against budget expenditure by the Capital Accountant; • Responsibility for monitoring changes to accounting legislation has been delegated to the Head of Finance (Accounting and Control Service); and • An IFRS project team has been commissioned to oversee required changes in accounting policy and the impact of such changes across the Council. The team is currently chaired by the Head of Finance with the first meeting scheduled for 18th August 2009. Within the system there are weaknesses which put some of the system objectives at risk. The areas where weaknesses were found include: • We were unable to obtain a documented copy of a current five year property valuations programme; • The absence of clear protocols to establish the requirements for asset valuations across the Council and to incorporate these requirements within the five year plan; • The CPM system used by the Valuations team to store valuation data no longer meets the minimum requirements in terms of entry fields and as such, the 2008/09 raw data has not been entered onto the system. We were unable to identify plans going forward to remedy the problem either	Limited

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Audit area	Scope	Status/key findings	Assurance
		in terms of existing systems development or future procurement;	
		• We were unable to obtain evidence of a formal reconciliation of data issued to Corporate Finance to original valuations data; and	
		• The absence of a formalised plan within Property Services to undertake valuations under IFRS legislation.	
		As a result of our internal audit work in this area we have raised four priority 1 and four priority 2 recommendations, which should help to improve the control environment.	
		The priority 1 recommendations are as follows:	
		• The five year plan for valuing properties should be documented and reviewed on a regular basis;	
		• A formal reconciliation should be undertaken between the listing of valuations required to be carried out during the year and the valuations to check for completeness. Further, a reconciliation should be undertaken of valuations loaded on SAP to valuations data maintained by Property Services to check for accuracy;	
		• A review of systems requirements and resolution of inherent problems within the current systems should be completed; and	
		• Property Services should conduct a review/gap analysis as a matter of urgency in what their requirements and limitations will be for IFRS legislation.	
		The priority 2 recommendations are as follows:	
		• The Service should develop a file management system in line with the Council's Document Retention Policy;	
		• Corporate Finance should develop a formal programme (in	

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Audit area	Scope	Status/key findings	Assurance
		conjunction with Directorates) to record plant, machinery and equipment in order to meet new requirements for a complete asset register; • Management within Property Services should review the arrangements around quality checking of valuations; and • Policies relating to valuation method and requirements, disposals, surplus properties, write-offs and depreciation should be documented within the Council's Asset Management Strategy.	
	POLICY, PERFORMANCE, PARTNERSHIPS & COMMUNICATIONS		
PPP & C Risk Register Testing 2009/10	Internal Audit work was undertaken to assess the adequacy and effectiveness of the controls in place to mitigate the following risks: PPP&C1 Shared risk around loss of funding comprising outcomes and quality of service. Failure to change perceptions of crime and anti social behaviour. PPP&C2 Failure to respond to emergencies affecting the borough, or as part of the LLAG arrangements. PPP&C3 Damage to the Council's reputation: Quality of Practice. PPP&C4 Recession impact on services, both front line and corporate. PPP&C5 Resources: failure to recruit in staffing / increasing Sickness Absence resulting in stress on delivery of services	Weaknesses in the system of controls are such as to put the system objectives at risk. We have evaluated and tested the twenty eight controls and further actions that mitigate the five risks identified in the risk register and found the following: • Based on the samples within our testing seventeen controls were operating effectively; • Six were classified as being partly effective; • One was found to be operating ineffectively; and • Four were not the responsibility of the Directorate or the individuals identified within the controls. As a result of our audit work we have raised two priority 1 and three priority 3 recommendations, which will help improve controls in the area. The priority 1 recommendations are as follows: • Risk and control owners should be identified and	Limited

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Audit area	Scope	Status/key findings	Assurance
		documented within the PPP&C Directorate's risk register. The responsibilities and ownership should be communicated to all identified risks and control owners; and • The Directorate's risk register should be reviewed for accuracy and completeness and amended as a matter of urgency to ensure that it accurately reflects processes within the Directorate. The priority 2 recommendations are as follows: • Minutes should be kept of the monthly budget monitoring meetings and an action plan, including deadlines and responsibilities relating to individual Service Managers and Finance Managers, should be developed to investigate and address budget variances; • The Directorate should develop and document formal and robust strategies on ways to expand residents' involvement in addressing Anti-Social Behaviour (ASB), as identified in the risk register; and • The Service should ensure that the most up-to-date version of the Business Continuity Plan (BCP) and Emergency Plan is made available for uploading on Harinet and is communicated to all relevant staff and stakeholders.	
CHILDREN & YOUNG PEOPLE'S SERVICE			
Connexions Service 2009/10	Audit work was undertaken to cover the following areas: • Compliance with Local and Statutory Requirements; • Documentation, Policies and Procedures; • Liaison Processes for Organisations Involved	Weaknesses in the system of controls are such as to put the system objectives at risk. A number of key controls were observed to be operating satisfactorily, some of which are listed below: • Staff have received training related to their role as a Personal Advisor (PA) and a record of this training has been	Limited

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Audit area	Scope	Status/key findings	Assurance
	with the Connexions Services; • Assessments and Referral Processes; • Monitoring and Review of Contracts and Service Provision; • Budget Management and Control; and • Management and reporting Arrangements.	made in a Staff Training Log; • Staff are able to access the Council's policies and procedures, via Harinet; • SLAs and Delivery Plans set out the duties that are to be carried out by Connexions Staff; • A Code Of Practice for PAs is in place and this sets out the broad duties expected of them; and • The Key Performance Indicators (KPIs) in place for the Connexions Service reflect the National Standards. Weaknesses in the system of controls are such as to put the system objectives at risk. The areas where weaknesses were found include: • Management have not gained evidence to confirm whether all staff who were subsequently transferred across to the Council (TUPE agreement) have actually obtained their NVQ4 qualifications; • Staff are working within Connexions Services who have not signed a contract of employment with the Council; • Inconsistent and ad hoc budget monitoring reports are produced and used for financial performance monitoring purposes; • Management are unaware of the contents of the Statutory Returns that are submitted on their behalf; and • Management receive no confirmation from their contractor that the Statutory Return prepared on their behalf has actually been submitted.	

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Audit area	Scope	Status/key findings	Assurance
		As a result of our audit work we have raised five Priority 1, five Priority 2 and one Priority 3 recommendations, which should help to improve controls in this area.

The Priority 1 recommendations are as follows:

• Management obtain formal confirmation that all staff who were transferred across to Haringey's Connexions Service (as part of the TUPE agreement) in 2008 have achieved their NVQ4 qualifications;

• Local/desk policies and procedures along with formalised team structures should be developed and approved for the Universal and the Targeted Teams to assist their PA's in the course of their duties;

• The process for the referral of a young person to any of the Service's partner organisations is formalised, documented and communicated to all relevant Connexions staff;

• The Service's managers request and obtain monthly budget monitoring reports from the CYPS Finance team. These reports should document each cost centre within the Connexions Service and should record the monthly budget vs. actual figures, the year-to-date figures and should be profiled in order to provide management with a clear indication of the budgetary performance of Connexions Service; and

• All relevant staff are reminded of the need to ensure that all Service Level Agreements (SLAs) between the Council's Connexions Service and its partner organisations should be signed and approved prior to the start date of the contracts.

The Priority 2 recommendations are as follows: | |

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Audit area	Scope	Status/key findings	Assurance
		• The Service's management, in conjunction with the Council's HR team, should ensure that all staff who were transferred across to the Haringey Connexions Service (as part of the TUPE agreement) in 2008 now have a valid and signed employment contract with the Council;	
		• A record should be maintained of the budget monitoring meetings, which take place between the IAG Partnership Manager and the Budget Accountant from Children's Service Finance;	
		• The Directorate's Finance team should ensure that the Connexions Service's budget is set in conjunction with the Service's managers;	
		• The Service's senior managers should review the information/statistics contained within the monthly statutory return submitted on behalf of the Connexions team; and	
		• Budget monitoring information should be presented to and discussed at the monthly 'Full Management' meetings.	
		The Priority 3 recommendation is as follows:	
		• Management should review the frequency of the 'Senior Management' meetings and where the meetings are not held in line with the agreed meetings schedules, relevant action should be taken to obtain explanations and to address the issues.	

ADULTS, CULTURE & COMMUNITY SERVICES

| Recreation Services Risk Register Testing | Internal Audit work was undertaken to assess the adequacy and effectiveness of the controls in place to mitigate the following risks: | Weaknesses in the system of controls are such as to put the system objectives at risk

It should be noted that our opinion is only focused on checking | Limited |

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Audit area	Scope	Status/key findings	Assurance
2009/10	**RC18** Fear of crime in parks and open spaces is not reduced PPP&C2 Failure to respond to emergencies affecting the borough, or as part of the LLAG arrangements.	that the controls identified by management were operating effectively at the time of our work and that our opinion precludes risks to the service which may still materialise as part of the operations of Recreation Services.	
	RC20 Capital programmes delivered above budget.	We examined the 27 controls that mitigate five risks identified in the risk register and found the following:	
	RC21 Unable to respond to a flu pandemic – lack of staff to deliver a normal service (e.g. in the case of Bereavement Services).	• Based on the samples within our testing, 22 controls were operating effectively; • One was partly effective; and	
	RC22 Adequate funding is not received for capital investment in Recreation facilities.	• Four were ineffective. As a result of our audit work we have raised two priority 1 recommendations, which will help improve the effectiveness of the controls in the area.	
	RC24 Contractor fails to deliver required level of service for Recreation Service; contractor lacks resources to deliver; poor performance from contractor leads to service users' requirements not being met.	The priority 1 recommendations are as follows: • Management should establish a formal set of contract monitoring protocols and document requirements around the formal monitoring of contracts; and	
	Approved suppliers for Open Space Design and Landscaping/ Horticultural works do not deliver according to standards.	• Management should review all contracts currently in place to check that signed and sealed copies are held with the Council.	
		We were unable to provide any assurance on Risk 20 – 'Capital programmes delivered above budget' as documents have not been provided for examination, although numerous requests were made.	
		Our examination of the Recreation Services (RS) risk register revealed that there is no identification of the officers responsible for managing individual risks, controls and further actions. This has been raised with management, who have stated that actions to mitigate risks identified on the Risk	

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Audit area	Scope	Status/key findings	Assurance
		Register are embedded in the RS key projects where a project owner is clearly identified who will be in charge to implement the projects and hence directly and indirectly responsible for the mitigation of the risks on the Risk Register. As a result, no recommendation has been raised. During the audit, we also noted that although Risk 21 (Flu Pandemic) shows a residual risk score of 16 (above the tolerance threshold), no further actions have been identified to bring the score down to an acceptable level. This was also brought to the attention of management who stated that RS key projects are used to mitigate actions on the risk register and the progress of the projects are reviewed quarterly at the RSMT, and the risk registers are updated periodically to reflect the project progress. With regard to Risk 21 management advised Audit that actions identified have already been implemented and RS is in constant liaison with Corporate Emergency Planning group so as to respond to any escalation in the pandemic. As a result, no recommendation has been raised.	

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FMSIS Assessments:

We have continued our work in Quarter 3 with regard to checking compliance with the requirements of the Financial Management Standard in Schools (FMSiS). Where the validity of the FMSiS certificate is due to expire, we have scheduled visits to relevant Schools to assess continued compliance with the requirements of the Standard. This includes visits to three Secondary Schools.

We will report on the results of our work in our next report to the Audit Committee.

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

Audit Area	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
			2005/06	
TOREX Leisure Management System	1	Ongoing/ May 2008	A request has been made to software suppliers to correct the system in order to fully prevent access following repetitive invalid logon attempts.	**In Progress** The update received in Quarter 2 was that the go live date was scheduled for the 14th December as per IT's project plan. The Service indicated that the allocation of resources by IT is beyond their control and that the delay is due to IT's very long process to get projects prioritised amongst the rest of the council's business. The revised deadline given was *December 2009*. Quarter 3 update: The recommendation has not yet been actioned. However, the ITS Business Partner has stated that this has been raised with Xn, the software supplier, who are writing an amendment to the software for another client, which will be available on general release for all their clients to install. The ITS Business Partner also stated that it is understood that this will be released in March 2010 and that it is the business' intention to get this installed as a change request when it becomes available. *Revised Deadline: March 2010*

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

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
			ADULTS, CULTURE & COMMUNITY SERVICES	
	Appointeeship & Receivership			
1	It is recommended that all policies and procedures should be reviewed regularly, and at least annually, and updated, if necessary. It is further recommended that all documents should be dated and communicated to all relevant staff.	3	N/A	**Partly Implemented** 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. 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. Update 13.7.09: The policy is still awaiting feedback and advice from legal services *(Revised Deadline: September 2009)* *Update 18.9.09:* This recommendation has not yet been fully implemented. A draft policy from legal services regarding Public Health Act is now expected at the end of October 2009 to complete the revised procedures, which will be renamed Income, Asset and Property Protection Procedures. The service requests that this deadline be extended to November 2009 to coincide with the implementation of the ACCS Integrated Access Team, who will be incorporating the revised policy into their scripts. *Revised Deadline: November 2009*

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				Update 23.12.09: The draft policy from legal services has not yet been completed and is still with legal services. It is expected to be received in January 2010. *Revised Deadline: January 2010*

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Follow Up Table – 2008/09 Audit Work

AUDIT AREA	Assurance Level	Category				Implemented								Priority 1 Recommendations Outstanding
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress	Not yet due	
Council-wide														
Information Management & Security	Substantial	0	3	0	3	0	2	0	2	0	0	0	1	
Chief Executives – PPP&C														
Complaints Procedure	Substantial	0	3	1	4	0	3	1	4	0	0	0	0	
Emergency Planning Procedures	Substantial	0	5	1	6	0	5	0	5	0	0	0	1	
Chief Executives – P&OD														
Pre-employment checks	Substantial	1	4	0	5	1	4	0	5	0	0	0	0	
Implementation of Equal Pay Project	Substantial	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	
Accounting and General Ledger	Full	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	
Disposal of Properties	Substantial	1	5	1	7	1	5	1	7	0	0	0	0	
Council Tax	Substantial	1	1	2	4	1	1	2	4	0	0	0	0	
Creditors	Substantial	0	2	1	3	0	1	1	2	0	0	0	1	
Housing & Council Tax Benefits	Substantial	0	1	4	5	0	1	4	5	0	0	0	0	
Cash Receipting	Substantial	0	0	1	1	0	0	1	1	0	0	0	0	
NNDR	Substantial	0	3	3	6	0	3	3	6	0	0	0	0	
Strategic Financial Management & Budgetary Control	Substantial	0	0	1	1	0	0	1	1	0	0	0	0	
Cleaning Materials Procurement	Limited	5	5	1	11	5	5	1	11	0	0	0	0	

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AUDIT AREA	Assurance Level	Category				Implemented				N/A	Not Imp.	In Progress	Not yet due	Priority 1 Recommendations Outstanding
		1	2	3	Total	1	2	3	Total					
Framework-I Application	Substantial	0	8	2	10	0	8	2	10	0	0	0	0	
I-World Database	Substantial	0	5	1	6	0	5	1	6	0	0	0	0	
ALBACS	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	
Urban Environment														
Highways (Contractor Processes)	Substantial	1	2	0	3	0	0	0	0	3	0	0	0	
Adults, Culture & Community Services														
Cranwood Residential Care Home	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	
Red House Residential Home	Substantial	0	8	1	9	0	7	1	8	1	0	0	0	
Cemeteries & Crematorium	Substantial	1	6	1	8	1	6	1	8	0	0	0	0	
Commissioning & Strategy	Full	0	0	0	0	0	0	0	0	0	0	0	0	
Leisure Centre Procurement	Substantial	2	4	0	6	2	3	0	5	0	0	0	1	
Children & Young People's Services														
Children's Centres – Broadwater Farm	Substantial	1	1	0	2	1	1	0	2	0	0	0	0	
Children's Centre – General	Limited	3	6	1	10	3	6	1	10	0	0	0	0	
Children's Centres – Pembury House	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	
Passenger Transport Services	Substantial	2	9	0	11	2	8	0	10	0	0	1	0	
All Directorates – Project Management Assurance														
Building Schools for the future	Substantial	3	3	0	6	3	3	0	6	0	0	0	0	
Chestnuts Park	Substantial	3	3	0	6	2	3	0	5	1	0	0	0	
Total		24	103	24	151	22	96	23	141	5	0	1	4	

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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

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

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
			CHILDREN AND YOUNG PEOPLE'S SERVICES	
Passenger Transport Services				
1	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. Responsibility should be assigned to a nominated officer for maintaining the procedures, including reviewing and updating these, where appropriate, on a periodic basis.	2	November 2008	**In Progress** *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. ***Revised Deadline: September 2009*** *Management comments at 16.10.09:* "The deadline for the final agreed versions of the various SOPs is likely to be the end of November 2009. The delay has been due to the new Operations Manager post being recruited to, major prior staffing issues, the outsourcing of the driver and vehicle part of the service, and the need to revise all draft SOPs again in light of the new operating arrangements with the totally externalised fleet. ***Revised Deadline: November 2009*** *Update 23.12.09* The procedures have been documented and dated but are yet to be reviewed and approved. *Revised Deadline: March 2010*

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Decent Homes Standards - Implementation of Recommendations 2009/10

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
			CORPORATE RESOUCES - PROCUREMENT	
DECENT HOMES STANDARDS				
1	The Council should make a formal decision over the additional funds requested and amendment to original schedule works claims by Homes for Haringey.	1	October 2009	**Partly Implemented** The decision regarding additional funds cannot be made until a Government decision has been made on how much will be granted. The decision is expected to be made in early 2010. Following this, a formal decision will be made and the amendment made to the original schedule works claims. *Revised Deadline: March 2010*
2	Upon approval of work packages by the Council's Procurement Committee, the proposal forms submitted by Homes for Haringey are amended to include any changes and the final approved specifications. The forms should then be subsequently signed off by both a Council and a Homes for Haringey officer as acknowledgement of the final works specifications in order for the works to be initiated.	2	Immediately	**Implemented** A new format has been adopted to include any changes. The most recent signed off Procurement committee document has been made available. The meetings are held every 2 months. Report obtained is from October and is signed off by the Chair and the Lead Member for Housing.
3	The Council should review the governance arrangements regarding the management of the Decent Homes Programme. Further, the Council should establish a set of formal communication protocols between the ALMO, the ALMO Client Monitoring Team and the Council. The review should include but not limited to: • The establishment of a dedicated panel to	1	Immediately	**Implemented** The governance arrangements regarding the management of the Decent Homes Programme have been reviewed. The Decent Homes Programme Board has been established and a set of formal communication protocols between the ALMO, the ALMO Client Monitoring Team and the Council has been implemented. The minutes of the first three

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
	oversee the Decent Homes Programme at strategic level; • Overall governance structure of the programme; • Formal reporting lines in communicating required changes in strategic and operational objectives or works required; • How poor/under performance is identified, formally reported on and communicated; and • Communication with the Procurement Committee and how changes to works packages are undertaken and whether changes need to be made to ongoing projects as standard.			meetings of the Programme Board have been made available to Audit. The Aims of the Decent Homes Programme Board are as follows: • To set clear expectations and requirements for the overall Homes for Haringey Capital Programme, including the Decent Homes Programme, and ensure that these are owned by all stakeholders. • To oversee the delivery of the Decent Homes programme in terms of budget monitoring and progress against timescales. • To ensure that members and officers are aware of the implications of the implementation of all Decent Homes policy decisions, with particular reference to budgets and timescales. • To work effectively with the existing governance streams. Members include: • Leader of the Council • Cabinet Member for Housing Services • Cabinet Member for Corporate Resources • Chair of Board, Homes for Haringey • Director of Urban Environment • Assistant Director for Strategic and Community Housing Services • Chief Financial Officer

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
4	Management should measure the progress of the Decent Homes project against the initial strategic objectives agreed at the project outset. Furthermore, to aid the measurement of progress, management should set key milestones along the critical path of the project in order to gauge how the ALMO is achieving these strategic objectives. This should be undertaken in line with the Council's Project Management Framework in order to achieve continuity.	1	Ongoing	**Partly Implemented** The Decent Homes Programme Board has been established, as per recommendation 3. The progress of the Decent Homes project will be measured against the strategic objectives as set out in the Asset Management Directors Final report to the Board expected 21st January 2010. The Project baseline will then be plotted by the Client Team. Currently, there is monitoring against the targets for decency and returns are made to the DCLG quarterly. The first two quarterly returns including the quarter 2 finance return have been provided to Audit. This is in line with the Performance Framework. *Revised Deadline: February 2010*
5	Management within the Council should maintain a formal Strategic Risk Register that is aligned with the Risk Register maintained by the ALMO, where appropriate. Strategic risks identified should be included within the monthly project highlight reports for the attention of senior management.	1	Immediately	**Implemented** Formal strategic Risk Registers are maintained. The registers are updated on a monthly basis and there is a separate register for each of the four project areas; Wood Green; North Tottenham; South Tottenham and Hornsey. The registers are updated on the 18th of each month. The registers are produced by the ALMO who also maintain the system. A sample of the registers from September for all four project areas were made available to Audit. Audit also evidenced the existence of registers from October and November for the four areas. The registers are included in the Monthly project highlight reports.
6	The Council should maintain its Strategic Issues Log in compliance with the Council's Project Management Framework.	1	Immediately	**Implemented** The issues log is a working tool. Issues are logged

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

APPENDIX A

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
	Issues reflected within the log should be reported on in the Project Highlight Report.			on the system which is used to manage issues. The log is in line with the Council's Project Management Framework. Please refer to WP06.01 for a screen print of the issues log management system. The December Project Highlight Report was made available to Audit.
7	Management should define a formal remit and document a Terms of Reference for the ALMO Client Monitoring Team.	2	Implemented	**Implemented** This is included in the Draft Performance Protocol, which sets out the Terms of Reference as well as the liaison arrangements for monitoring performance.
8	All meetings held between the ALMO and ALMO Client Team should be documented.	3	Immediately	**Implemented** Meetings between the ALMO and the ALMO Client Team are now documented. There are monthly meetings between the Executive directors and the Directors to discuss operational issues. The minutes of the last three months were made available to Audit. There are also quarterly meetings between Executive Directors and the Leader of the Council. The last two quarters' meeting minutes were provided to Audit.

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

APPENDIX A

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

January 2010

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APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Adult, Culture & Community Services	Allegation that employee running own business in work time	1	1	1	Pending Employee Resigned	
Children & Young Persons Service	Alleged failure to disclose motoring convictions/Irregular expense claims (B/F)	1	1	1	Disciplinary Pending Employee Dismissed Dismissal Upheld at Appeal ET Lodged	
	Allegation that employee running business whilst off sick (B/F)	1	1	1	Pending Disciplinary Pending Employee Dismissed	
	Alleged Irregular use of contractor	1	0	0		
	Allegation of working whilst off sick	1	0	0		

APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of Theft and Irregular overtime	1	0	0		
	Allegation of Irregular overtime and allowance claims	1	0	0		
Chief Executive Service	Allegation that employee failed to disclose other employment	1	1	1	Employee Resigned	
	Allegation that employee has failed to declare other employment whilst off sick	1	1	1	Disciplinary Pending	

APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of irregular travel arrangements	1	1	1	Employee Resigned	
Corporate Resources	Misuse of Resources (BF)	1	1	1	Dismissed Re-instated at Appeal Final Written Warning	
	Allegation of irregular land sale	1	1	1	Disciplinary Pending	
	Allegation of Irregular Timesheets and Mileage Claims	1	1	1	Disciplinary Pending	
	Alleged Misuse of Council Vehicle	1	1	1	Disciplinary Pending	
Urban Environment	Allegation of irregular involvement with supplier (B/F)	4	0	0		

APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of irregular housing allocation	1	1	1	Disciplinary Pending	
Non-specific	LBH cheques claims of non-receipt	1	N/A	N/A	N/A	£300
Total		20	11	11		£300

Haringey Council – Audit Committee

Disciplinary Case Analysis October 2009 to December 2009

Introduction

The information in this report is taken from SAP, covering the period **01 October 2009 – 31 December 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	8	12	20	17
C	15	5	20	20
CR	7	1	8	8
PO	1	1	2	2
PP	1	1	2	1
UE	10	0	10	10
HGY	42	20	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.

- **Children's** has the highest percentage of disciplinary cases against its workforce at **2.17%** in this quarter

- **42** 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	10	7	17	27
Invest. - suspended	25	11	36	58
ET	1	0	1	2
Appeal	6	2	8	13
Total	42	20	62	100

The following table identifies the outcomes of the 20 cases that were concluded.

Disciplinary Case Outcomes

Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Appeal dismissed	0	0	1	0	1	5
Appeal upheld	0	0	1	0	1	5
Dismissal	0	1	0	0	1	5
No action	1	1	0	0	2	10
Other	2	0	0	0	2	10
Part upheld	0	0	0	0	0	0
Verbal warning	2	0	0	0	2	10
Written warning	2	0	0	0	2	10
Final writ warning	0	1	0	0	1	5
Resigned	0	5	0	0	5	25
Suspension lifted	0	2	0	0	2	10
Relegation/Demotion	0	1	0	0	1	5
Compromise Agreement	0	0	0	0	0	0
Total	7	11	2	0	20	100

- 25% of cases resulted in **Resignation**

This table displays reasons for Disciplinary action against employees.

Reasons for Disciplinary Cases

Reason	Cases Open	Cases Closed	Total	%
Assault	3	0	3	5
Attendance	1	0	1	2
Behaviour	12	7	19	31
Fraud / Theft	5	1	6	10
Misuse of resources	5	0	5	8
Negligence	10	7	17	27
Other	6	5	11	18
Total	42	20	62	100

- The highest cause for disciplinary action was for Behaviour at 31%

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

Disciplinary Case employee representation
by Ethnicity and Gender

Ethnic Class	Female		Male		All	
	Total	%	Total	%	Total	%
B & M E	21	64	12	36	33	21
White	12	48	13	52	25	12
Not Declared	0	0	0	0	0	0
Total	33	57	25	43	58	33

- **33%** of the workforce is male, but the male representation with disciplinary cases is significantly higher at **43%**

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	1	5.9	6	35.3	2	11.8	0	0.0	1	5.9	0	0.0	10	58.8
	White	0	0.0	7	41.2	0	0.0	0	0.0	0	0.0	0	0.0	7	41.2
	Total	1	5.9	13	76.5	2	11.8	0	0.0	1	5.9	0	0.0	17	100
C	B & ME	0	0.0	2	10.0	4	20.0	5	25.0	2	10.0	0	0.0	13	65.0
	White	0	0.0	1	5.0	2	10.0	0	0.0	2	10.0	2	10.0	7	35.0
	Total	0	0.0	3	15.0	6	30.0	5	25.0	4	20.0	2	10.0	20	100
CR	B & ME	0	0.0	0	0.0	2	25.0	1	12.5	0	0.0	0	0.0	3	37.5
	White	0	0.0	0	0.0	3	37.5	1	12.5	0	0.0	1	12.5	5	62.5
	Total	0	0.0	0	0.0	5	62.5	2	25.0	0	0.0	1	12.5	8	100
PO	B & ME	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0
	White	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0
	Total	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0	0	0.0	2	100
PP	B & ME	0	0.0	0	0.0	0	0.0	0	0.0	1	100	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	100	0	0.0	1	100
UE	B & ME	0	0.0	2	20.0	2	20.0	0	0.0	1	10.0	0	0.0	5	50.0
	White	0	0.0	2	20.0	0	0.0	2	20.0	1	10.0	0	0.0	5	50.0
	Total	0	0.0	4	40.0	2	20.0	2	20.0	2	20.0	0	0.0	10	100
HGY	B & ME	1	1.7	10	17.2	11	19.0	6	10.3	5	8.6	0	0.0	33	56.9
	White	0	0.0	10	17.2	5	8.6	3	5.2	4	6.9	3	5.2	25	43.1
	Total	1	1.7	20	34.5	16	27.6	9	15.5	9	15.5	3	5.2	58	100

Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases

Case status	Total
No. of cases heard	6
No. of cases not concluded	25
No. of cases not concluded - leaver	5
Total	36

Timescales (no of days) of Suspension Cases

The table below looks at the **36** 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	5	1	1	1	0	8	607	76	186	3	112
C	5	5	1	0	1	12	982	82	253	3	90
CR	2	2	0	2	0	6	624	104	204	0	0
PO	0	1	0	0	1	2	382	191	305	0	0
PP	0	0	0	0	0	0	0	0	0	0	0
UE	1	2	5	0	0	8	989	124	161	0	0
HGY	13	11	7	3	2	36	3584	100	305	6	101
Total cases heard	3	3	0	0	0	6					

On average, **100** days were spent on each suspension case within the quarter.

Average and Maximum Days Taken for Suspension Cases by Directorate
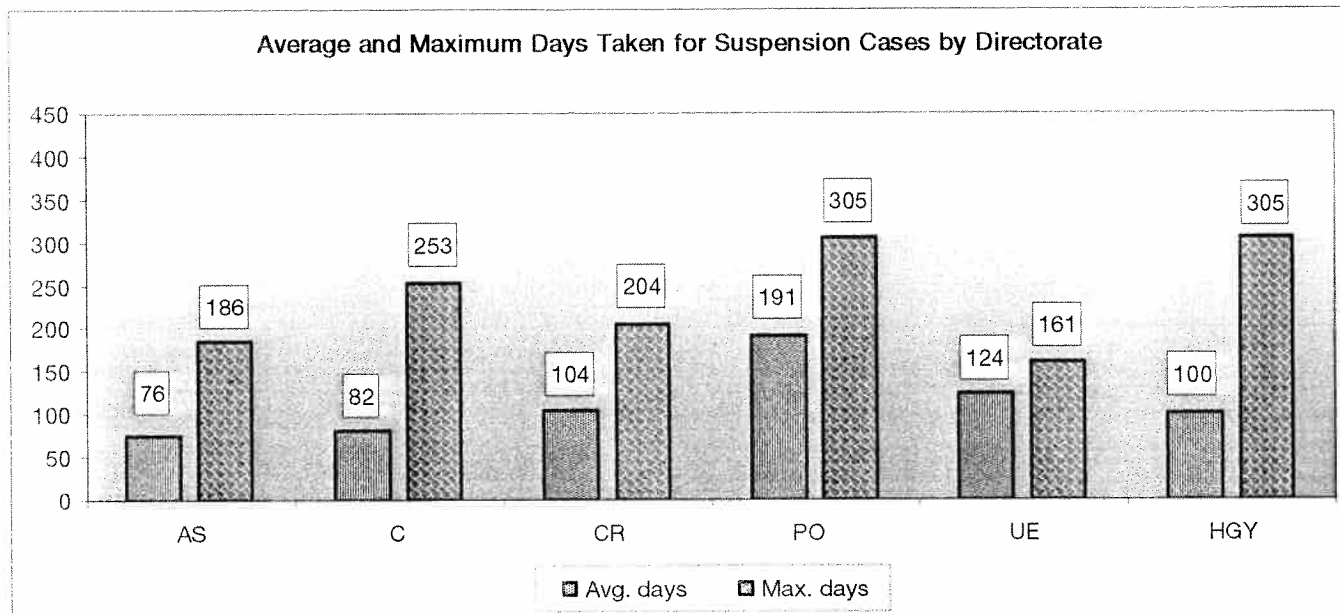
The chart below looks at the number of suspension cases per quarter and highlights Haringey Council's average number of days per case.

No. of Cases and Average days taken per Case by Quarter
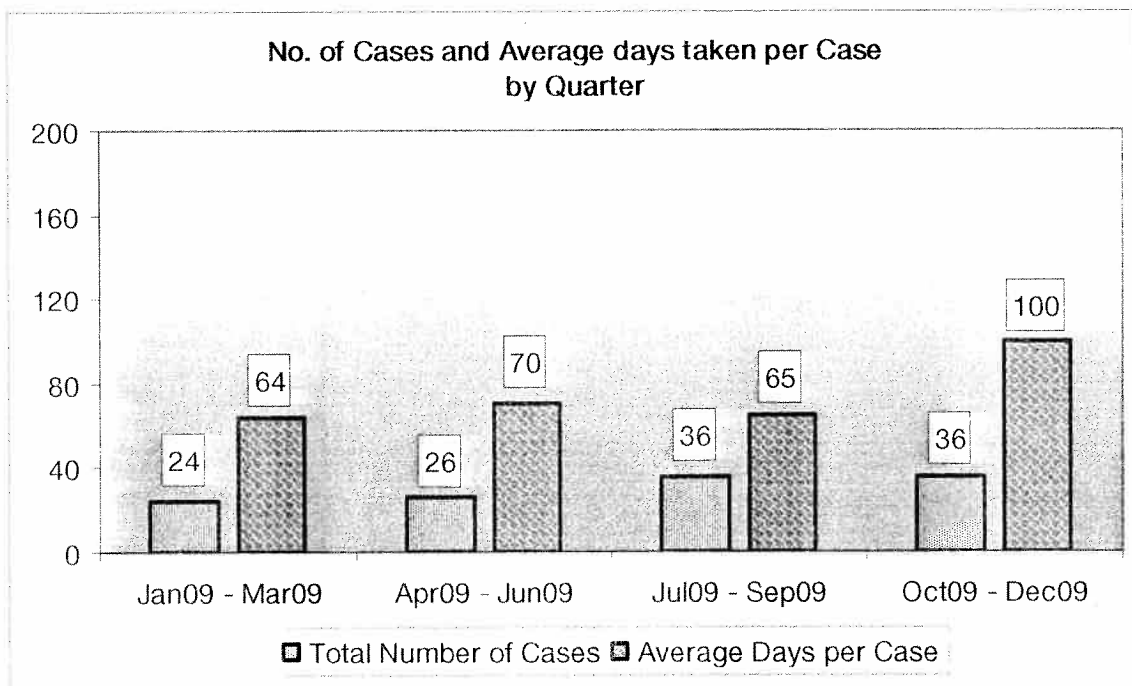
There are a number of difficult and complicated suspension cases (12) that are still under investigation. As a result of these cases, the number of average days have increased since the last quarter monitoring report.

Haringey Council

Agenda item:

[No.]

Audit Committee

On **1 February 2010**

Report Title: **Internal Audit – CIPFA benchmarking results**
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 advise the Audit Committee of the results of the CIPFA Benchmarking exercise completed in 2009/10.

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 internal audit services are delivered as effectively and efficiently as possible to maximise audit coverage and secure value for money.

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 considering reports dealing with the management and performance of providers of internal audit services to the Council as part of its Terms of Reference. In order to facilitate this, the outcome of the benchmarking exercise is reported to the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 This report outlines Internal Audit's participation in the annual CIPFA benchmarking exercise.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and notes that the processes and procedures adopted all follow published best practice guidance. Accordingly, there are no direct legal implications arising out of the recommendations in the report.

8. Chief Financial Officer Comments

8.1 The benchmarking results are positive and indicate that Haringey's internal audit service is offering value for money.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with how the internal audit service is provided to the Council. Effective and efficient service delivery will have an impact on various parts of the community. Improvements in value for money will therefore improve services the Council provides to all sections of the community.

11. Consultation

11.1 No consultation was required or undertaken in the production of this report.

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work undertaken to participate in and complete the CIPFA benchmarking exercise are contained and managed within the Audit and Risk Management revenue budget.

13. Use of appendices

13.1 N/A

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 Haringey Council is committed to delivering high quality, cost effective services across all of its functions. The Council is assessed by external inspectors on whether it is achieving 'value for money' for its residents. One element of this is the annual CAA Use of Resources assessment, which up until 2008 had a separate Value for Money element.

15.2 From 2009 onwards, the revised Use of Resources assessment incorporates the value for money judgement throughout all the elements. It is essential therefore that all services can demonstrate that they deliver their services in a cost effective and efficient manner in order to assist the council in achieving the highest possible ratings. The Internal Audit service has chosen to participate in the voluntary IPF benchmarking exercise as part of its overall objectives to deliver cost effective services to the Council.

16. Background

16.1 Haringey Council has participated in the Internal Audit Benchmarking Club administered by the Institute of Public Finance (IPF) since 2005/06. The IPF benchmarking club is a voluntary exercise which organisations can opt in to, or out of, on an annual basis. IPF is a division of the Chartered Institute of Public Finance and Accountancy (CIPFA).

16.2 The purpose of the benchmarking exercise is to provide comparative information which can form the basis upon which performance comparisons and value for money judgements can be made. The information from the Benchmarking Club can also be used in the audit planning process as comparisons with other authorities and the work which they are undertaking across the country can be considered.

16.3 Haringey Council provided quantitative and qualitative data to IPF in a standard spreadsheet format. This data is then used to produce comparative information. As part of the benchmarking process, IPF require authorities to self-select comparator organisations in order to produce the final reports. Haringey selected those 18 London authorities which completed the IPF benchmarking process as its comparator organisations.

16.4 The performance of the benchmarked group is shown over a number of categories, as follows:
- Cost analysis – shows the analysis of actual audit costs for 2008/09. The key benchmarks against which actual cost performance is analysed are: cost per audit day; cost per £m turnover; and chargeable days per auditor;
- Audit coverage – an analysis of how chargeable audit days available to the Council were used. The main benchmarks are: audit days per £m of gross revenues turnover; and how these days were applied in completing audit work on key financial systems, strategic risk areas, operational risk areas and corporate governance.
- Staffing – an analysis of the human resources used to deliver the internal audit service. The main benchmarks are: salary bandings; staff qualifications and experience.

17.   Analysis of Benchmarking Results

17.1 **Cost analysis.** The cost of Internal Audit indicates the cost of 'inputs' to the audit function, including the costs of in-house staff, bought in services (Deloitte contract) and overhead costs such as accommodation and other running costs.

- Figure 1 below shows that Haringey's audit cost per £m turnover was £583 compared against the London group average of £925. This indicates that Haringey's expenditure was relatively lower in comparison with other London authorities in the comparator group.

- It should be noted that Haringey has the second highest turnover value of all London authorities who participated in the benchmarking exercise.

- In addition, the audit costs for other authorities include the work completed by centralised corporate anti-fraud teams. Haringey's audit service does not include the resources for a corporate anti-fraud team.

Figure 1 – Audit cost per £m Turnover
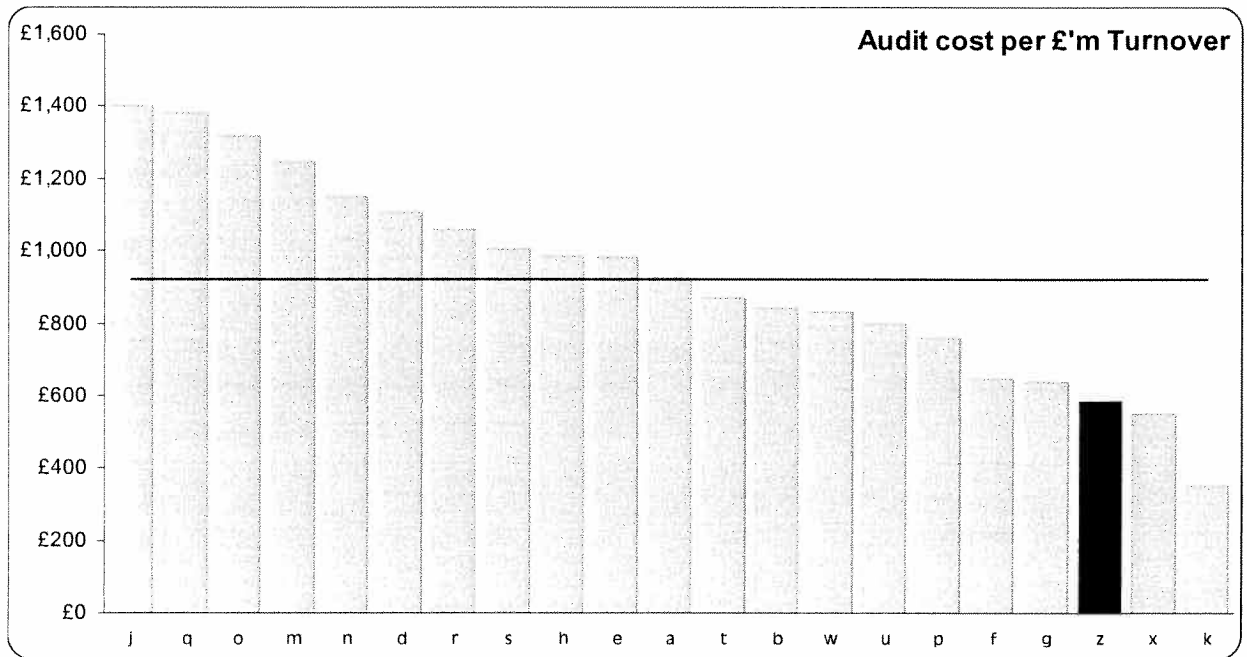
- Figure 2 below shows the overall cost per chargeable day for Haringey was £369 compared against the London group average of £362. The corporate costs (including accommodation, IT costs, other central costs) were higher per auditor for Haringey than other London authorities, although these include some outer London authorities where accommodation costs were substantially reduced compared to more central authorities.

Figure 2 – Cost per audit day

Cost per Chargeable Day
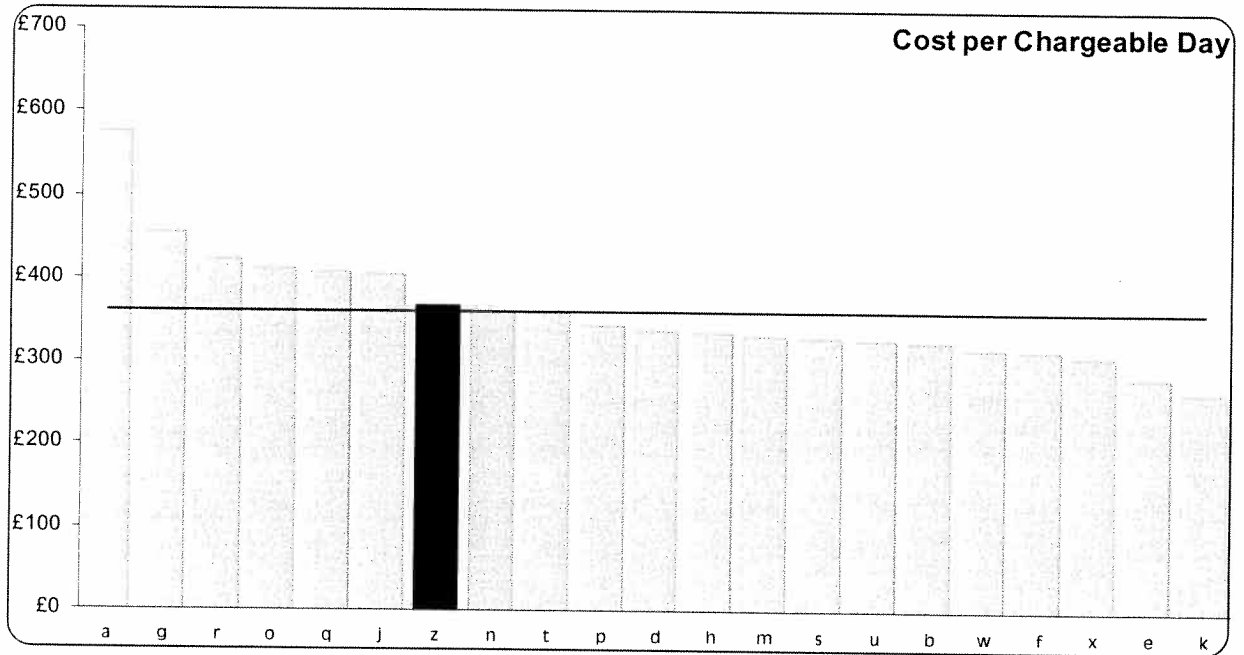
- Figure 3 below shows that Haringey internal audit delivered 174 chargeable days per auditor, which was 3 days above the London comparator group average of 171. Relatively low levels of sickness and management days contribute to this higher level of performance for Haringey.

Figure 3 – Chargeable days delivered per auditor

Chargeable days per Auditor
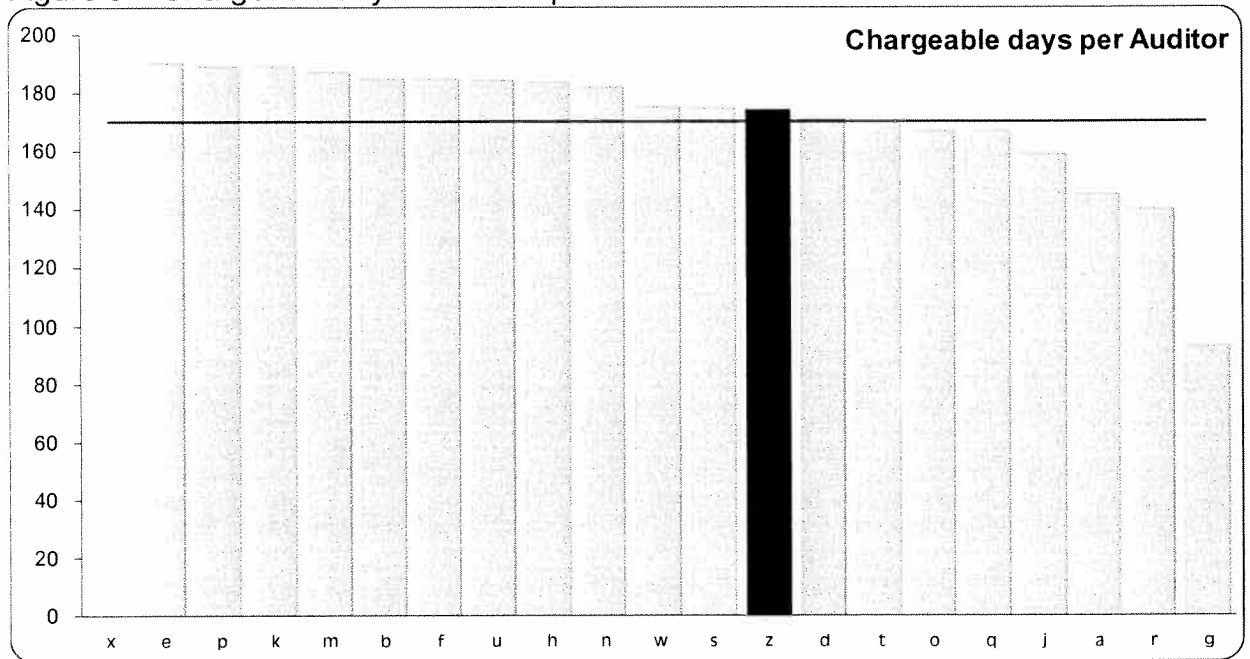
17.2 **Audit coverage.** In order to demonstrate how the chargeable audit days are utilised in carrying out the planned audit programme, Tables 1- 3 below compare the audit coverage provided by Haringey with other London comparators. From the tables, it can be seen that time spent on auditing fundamental financial systems was lower than other comparators. This reflects the increasing levels of assurance gained over previous years audit work and relatively few changes to operating systems, including IT systems, for those key financial systems. The reliance placed on internal audit's work by the council's external auditors provides assurance that the balance is appropriate. The level and scope of internal audit coverage is discussed and agreed on an annual basis with the Council's external auditors to ensure that key controls are tested and an appropriate level of assurance can be provided on their operation. Audit time spent on other areas, is broadly in line with comparator organisations. Audit work on fraud is lower than other London boroughs, although as noted above other authorities include a corporate team to deliver a larger proportion and volume of anti-fraud work.

Table 1 – Audit Coverage – fundamental financial systems

Fundamental Financial Systems

Bar chart with y-axis from 0.00 to 0.80. Categories along x-axis: o, b, f, n, w, a, m, q, d, s, e, p, u, g, x, r, t, h, j, z, k
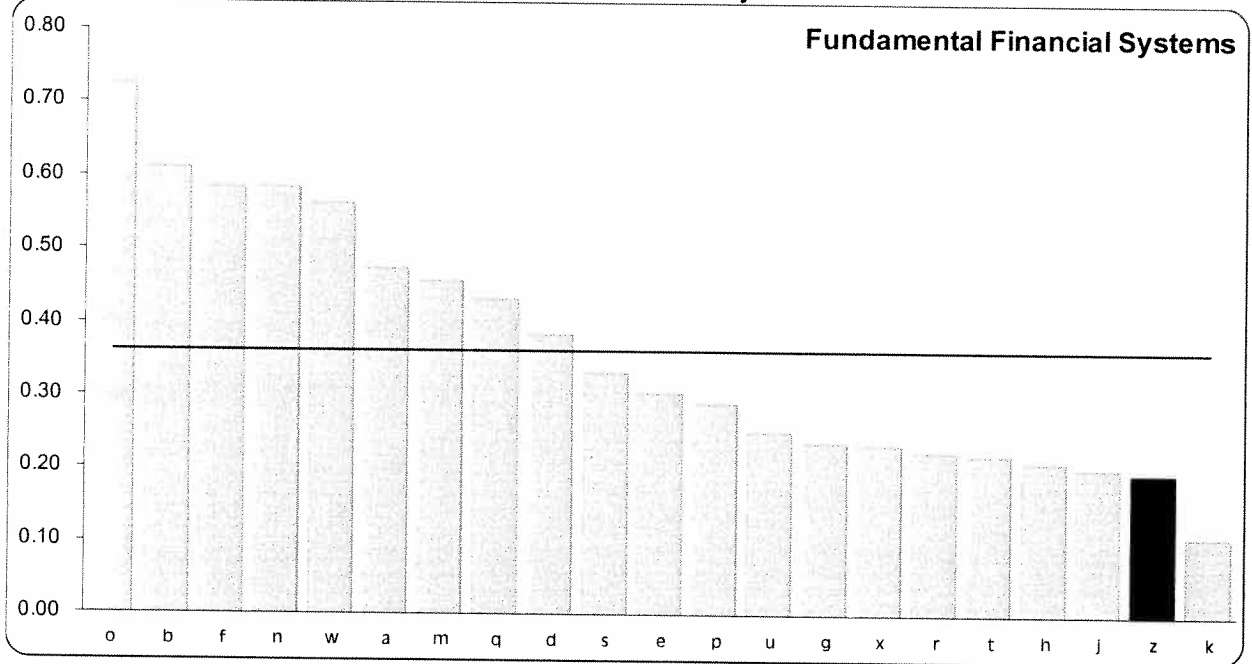
Table 2 – Audit Coverage – other systems

Operational Risks

Bar chart with y-axis from 0.00 to 2.50. Categories along x-axis: j, d, t, n, b, m, o, w, r, p, u, q, s, x, z, g, f, a, h, k, e
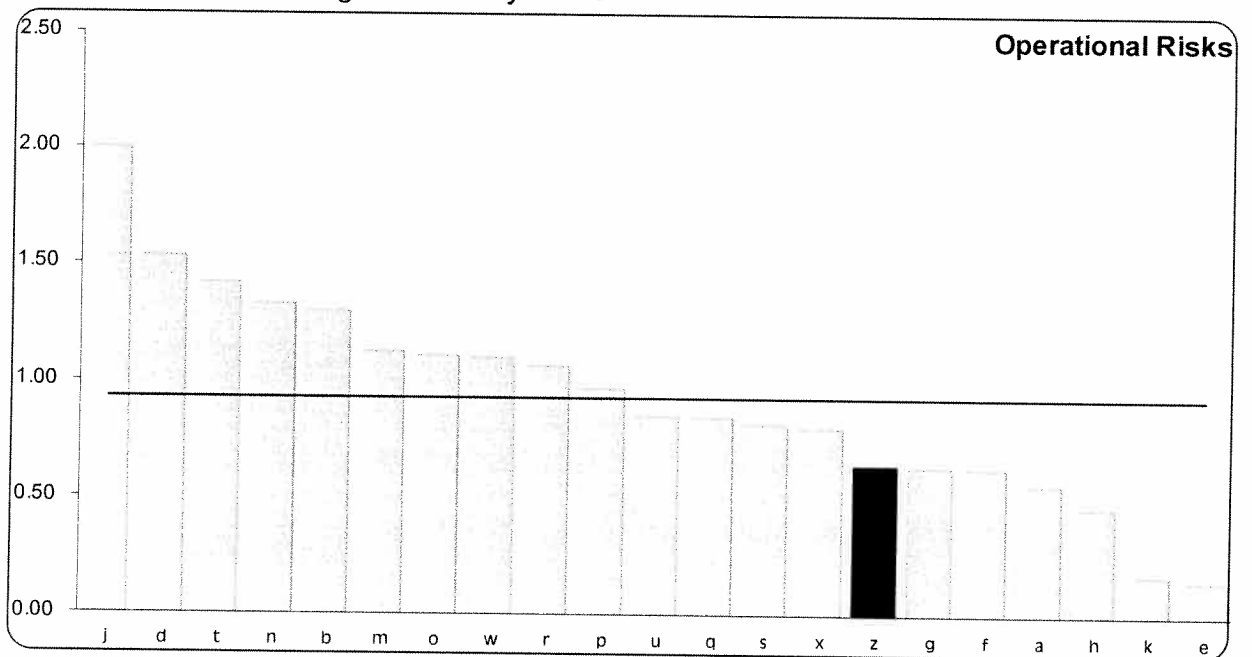
Table 3 – Audit coverage - Fraud

Fraud etc
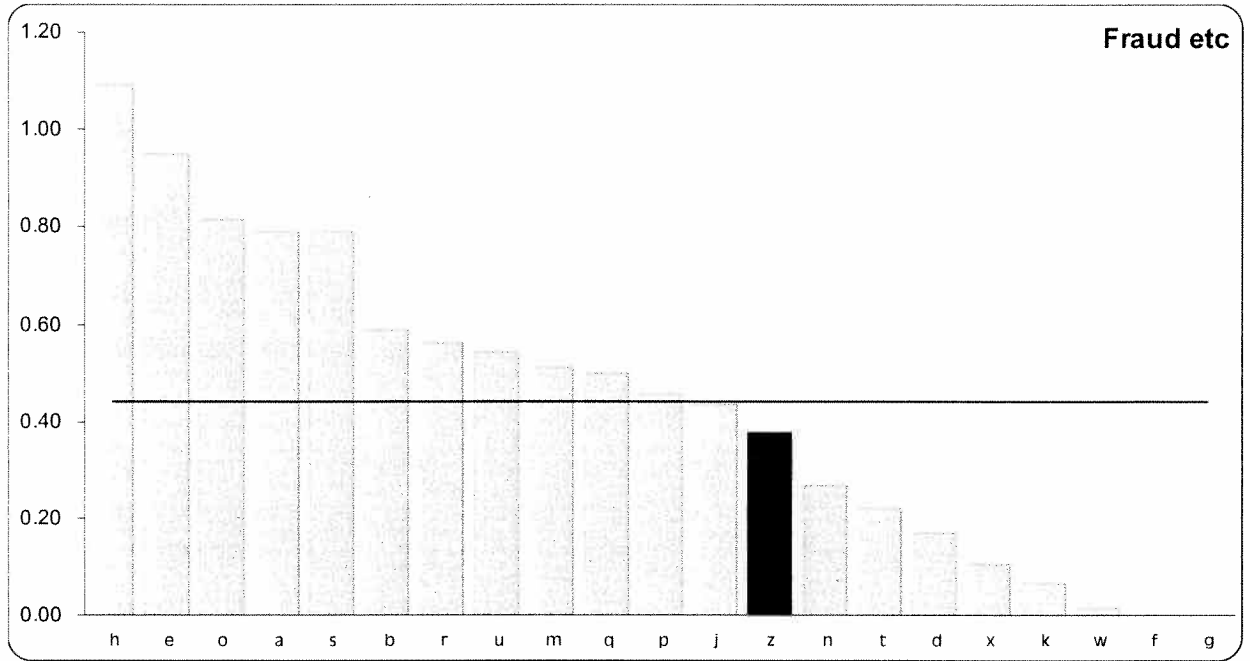
17.3 **Staffing.** Figure 5 below shows an analysis of salary bandings over the comparator organisations. Haringey's in-house team is very small (2.5 FTE's) compared to the London comparator organisations. Other London authorities have larger in-house teams to complete more of the audit work, including anti-fraud work, internally rather than via outsourced contracts.

Figure 5 – analysis of staff salaries

Pay £'k
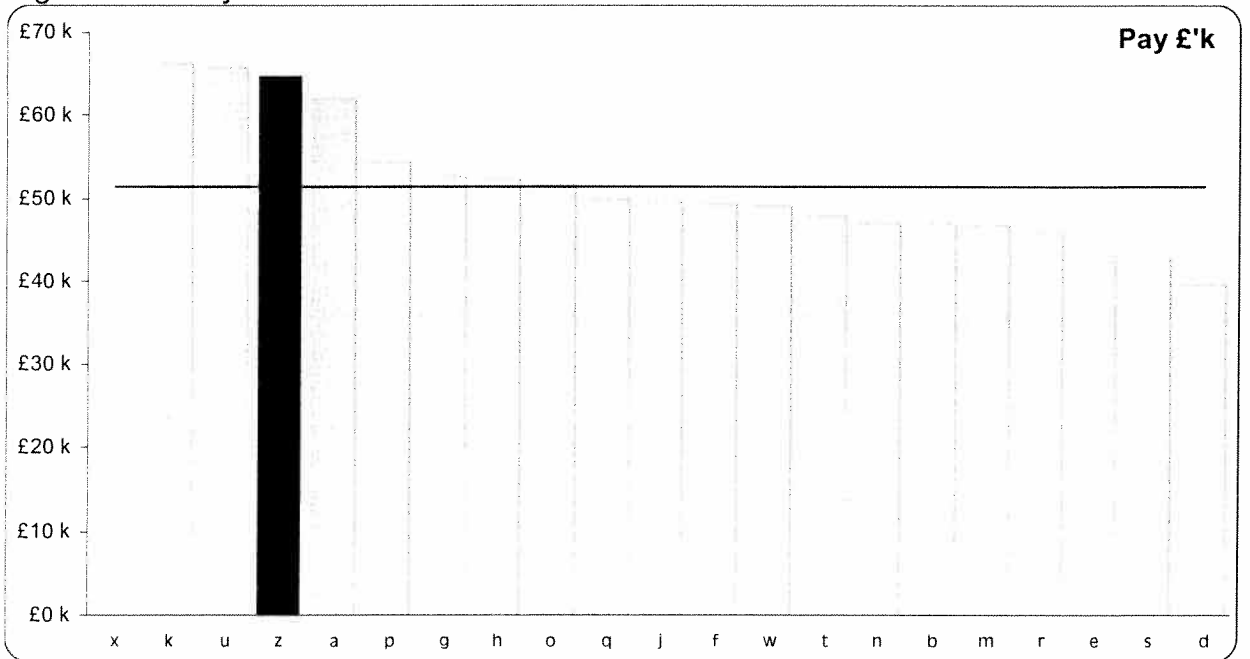
18. Conclusion

18.1 The purpose of the benchmarking exercise is to provide comparative information which can form the basis upon which quantitative performance comparisons and value for money judgements can be made. In 2009/10, 18 London Boroughs submitted data for benchmarking purposes in order to compare performance and value for money. Compared to the other London authorities:

- Haringey's audit costs per £m turnover was £583 compared to the London group average of £925;
- The cost per day for Haringey's audit service was £369, compared to the London group average of £362; and
- Haringey delivered 174 chargeable days per auditor, which was 3 days above the London comparator group.

18.2 In overall cost terms, Haringey has the second highest turnover value of all the 18 London authorities who participated in the benchmarking exercise. The 18 authorities included a number of outer London areas where expenditure on central costs, including accommodation and salaries, is substantially lower than those central London authorities, including Haringey.

18.3 In addition, the audit costs for other authorities include the work completed by centralised corporate anti-fraud teams. Haringey's audit service does not include the resources for a corporate anti-fraud team. The latest figures from the benchmarking exercise and the feedback received from other authorities indicate that development of corporate resources to tackle fraud has increased since the previous benchmarking exercise.

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Haringey Council

Agenda item:

[No.]

Audit Committee   On **1 February 2010**

Report Title: **Review of the effectiveness of the Audit Committee**

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: **Non-key decision**

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1. Purpose of the report

1.1 To advise Members of the level of compliance with the IPF Toolkit in relation to local authority Audit Committees and their effectiveness.

1.2 To provide Members with the results of the review and options for discussion and approval to ensure that the requirements of the IPF guidance are fulfilled and the Audit Commission feedback in relation to the Use of Resources assessments is appropriately addressed.

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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 report on the effectiveness of the Audit Committee ensure that the requirements of the CAA assessment are fulfilled.

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3. Recommendations

3.1 The Audit Committee notes the outcome of the assessment against and current level of compliance with the IPF Toolkit.

3.2 The Audit Committee identifies any further actions or issues it wishes to address either to improve the effectiveness of the committee or any future assessment process.

3.3 The Audit Committee agrees to the assessment being undertaken on an annual basis from 2009/10 and the item included on the annual work and agenda plan which is presented to the Committee at the start of the municipal year.

4. Reason for recommendation(s)

4.1 The external audit feedback as part of the Use of Resources assessment included a recommendation that the assessment of the effectiveness of the Audit Committee was undertaken on an annual basis.

4.2 The last assessment of the effectiveness of the Audit Committee was completed in 2007/08. Undertaking the assessment on a more regular basis would represent best practice and provide an opportunity for Audit Committee members to consider options to develop their role and responsibilities.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The Audit Committee has responsibility for audit, governance and risk management across the Council. A review of the effectiveness of the Audit Committee is considered best practice and was recommended to be undertaken on a more regular basis by the Council's external auditors.

6.2 This report looks at the work and operation of the Audit Committee measured against the IPF Toolkit. The details within the report have been complied from the agendas, reports and minutes of the Audit Committee during the 2008/09 municipal year.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and notes that the processes and procedures adopted all follow published best practice guidance. Accordingly, there are no direct legal implications arising out of the recommendations in the report.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer notes the report and in particular that the UOR feedback did not identify any issues with the Audit Committee of its effectiveness. The proposal to assess the effectiveness of the Audit Committee on an annual basis is supported to ensure on-going rigour.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with the operation and work of the Audit Committee 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.

11. Consultation

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.

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 – Completed IPF checklist

14. Local Government (Access to Information) Act 1985

14.1 CIPFA guidance and IPF Toolkit; Council Constitution; Audit Committee Agendas and Minutes.

15. Introduction

15.1 In 2006, the Chartered Institute of Public Finance and Accountancy (CIPFA) published guidance in order to assist local authorities promote best practice and ensure their audit committees are effective. This guidance was not mandatory, or prescriptive, but covered the purpose, role and function of an audit committee. Haringey Council complies fully with the CIPFA guidance, as detailed in the report to the Audit Committee meeting in June 2006.

15.2 In 2007, the Institute of Public Finance (IPF) produced a toolkit following the release of the CIPFA guidance, which built on the work already completed. The IPF toolkit aimed to provide a more detailed set of advice, give examples and suggest good practice to assist both officers and members who are involved in the operation of an audit committee.

15.3 A report was presented to the Audit Committee in October 2007, which assessed the compliance of the Council's Audit Committee against the IPF Toolkit. At that time, the Council's Audit Committee was found to comply with the majority of the requirements listed in the Toolkit.

15.4 The external audit feedback as part of the 2009 Use of Resources assessment did not identify any issues with the Audit Committee, or its effectiveness. However, external audit included a recommendation in the Use of Resources report that the assessment of the effectiveness of the Audit Committee was undertaken on an annual basis. This would allow the Audit Committee to consider its operation and effectiveness on a more regular basis and highlight any areas for improvement.

15.5 The Audit Committee's annual report to Full Council in November 2009 highlighted the work completed by the committee over the 2008/09 municipal year, including key areas where the recommendations and requests made by the Committee had improved governance and control, including:
- Input into the Council's corporate policies for Whistleblowing, Anti-fraud and Corruption (including Housing Benefit fraud policy), and Risk Management;
- The Council's corporate risk register;
- Setting and monitoring deadlines for implementation of internal audit recommendations to improve controls; and
- Monitoring implementation of key recommendations from external audit and external inspections.

16. IPF Checklist

16.1 Although the IPF Toolkit is not mandatory, the issues and actions contained within it are considered to represent best practice. The IPF Toolkit is generic and aimed at all local authority audit committees therefore not all issues will apply, or apply in full, to Haringey Council's Audit Committee. The completed IPF checklist is contained as Appendix A to this report. Where the Council's Audit Committee does not conform to the IPF Toolkit, explanations and/or suggested actions are included within the Appendix.

16.2 Members will note that the majority of issues are already undertaken by Haringey and its Audit Committee and therefore the council can be seen to be complying with best practice in most areas. The Comments/Action section indicates those areas where it is considered appropriate for Haringey to take further action and this is highlighted in bold text.

16.3 At the time of the last review, Members wanted to ensure that the Audit Committee was a useful tool for the council and that this opportunity to improve effectiveness was used to enable members to become more engaged with the work of the committee. Feedback and input from Members was used to improve various aspects of the Audit Committee. As a result, the following changes were made:
- Agreeing a clear timetable and agenda for the Committee in advance of each municipal year;
- The timetable and agenda plan identified whether the agenda items were statutory/best practice/ad hoc (from 2009/10, the agenda plan also indicated the links to the Committee's terms of reference);
- Sending out the summaries of audit reports (as per the quarterly progress reports) on a monthly basis to allow members the opportunity to review any individual reports in more detail and raise any questions and/or request officer or member attendance on a more timely basis; and
- Changing the quarterly reports from their previous format to make them more 'user-friendly'.

16.4 As part of the 2009/10 review, the current Audit Committee work programme was reviewed. This showed that the committee considered other items as part of their agenda which were over and above the IPF Toolkit requirements, for example reviewing external inspection reports and following up progress on agreed actions.

16.5 Members are requested to consider any other issues or areas for improvement which would enhance the effectiveness of the Audit Committee.

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	ESTABLISHMENT, OPERATION AND DUTIES				
	Role and remit				
Priority	**Issue**	**Yes**	**No**	**N/a**	**Comments/Action**
1	Does the Audit Committee have written terms of reference?	Y			Part of Council Constitution.
1	Do the terms cover the core functions of an audit committee as identified in CIPFA guidance?	Y			Replicate CIPFA best practice template.
1	Are the terms of reference approved by the council and reviewed periodically?	Y			Last updated and approved July 2008, part of ongoing review by Constitution Review Working Group.
1	Has the committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Y			Membership and authority in accordance with CIPFA guidance. Member Services provide support for: • agenda/minutes circulation and clerk to the committee meetings; • Regular agenda planning and report clearing meetings; • Follow up of agreed Audit Committee recommendations, requests and actions. Support to the Chair of the Committee from, and regular 1:1s with, Chief Financial Officer, Head of Audit and Risk Management. Other support and input from Deputy Head of BLT, plus other managers as and when reports and information required.
1	Can the audit committee access other committees and full council as necessary?	Y			Included in Audit Committee Terms of Reference
1	Does the authority's Annual Governance Statement (AGS) include a description of the audit committee's establishment and activities?	Y			Section (g) of the statutory AGS is the specific section requiring details of the Audit Committee and its operation.
2	Does the audit committee periodically assess its own effectiveness?	Y			First review undertaken 2007/08. Agreed to undertake annual review from 2009/10 onwards. **Include in annual work and agenda plan for the Audit Committee from 2010/11 onwards.**
2	Does the audit committee make a formal annual report on its work and performance during the year to full council?	Y			Completed each year – last report presented to Full Council November 2009.
	Membership, induction and training				
1	Has the membership of the audit	Y			

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	committee been formally agreed and a quorum set?				
1	Is the chair independent of the executive function?	Y			
1	Has the audit committee chair either previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y			Chair previously worked as Manager, Branches Control, Inspection and Audit for Sonali Bank. Ongoing briefings, training sessions and development activities are identified on an ongoing basis via the Member Development programme.
1	Are new audit committee members provided with an appropriate induction?	Y			Introduction to internal audit, external audit and the role of the audit committee provided each municipal year.
1	Have all members' skills and experiences been assessed and training given for identified gaps?	Y			Part of the Member Development and Learning Strategy.
1	Has each member declared his or her business interests?	Y			Part of the Council's overall governance framework (Members declarations of interest are published, or available), and declarations of interest are required prior to the start of each Audit Committee meeting.
2	Are members sufficiently independent of the other key committees of the council?	Y			Vice-Chair of Audit Committee sits on Overview and Scrutiny Committee.
Meetings					
1	Does the audit committee meet regularly?	Y			Quarterly meetings of the Audit Committee held as a minimum.
1	Do the terms of reference set out the frequency of meetings?		N		Terms of Reference reviewed on an annual basis to ensure compliance with CIPFA Code of Practice. No gaps identified – CIPFA Code does not include this requirement. No further action suggested.
1	Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y			Quarterly meetings held, plus additional meeting in place to deal with outstanding issues. Usually five meetings held per municipal year.
1	Are members attending meetings	Y			Attendance details included in the Audit Committee's 2008/09 annual report to Full

Appendix A

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	on a regular basis, and if not, is appropriate action taken?				Council.
1	Are meetings free and open without political influences being displayed?	Y			
1	Does the authority's S151 officer or deputy attend all meetings?	Y			
1	Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y			Audit Committee terms of reference includes its ability to require attendance by any officer or Member at its meetings. During 2009/10, Director of CYPS, Assistant Director of CYPS, Assistant Director of Strategic Housing Services, and Head of Corporate Policy and Performance attended the Committee
INTERNAL CONTROL					
1	Does the audit committee consider the findings of the annual review of the effectiveness of the system of internal control (as required by the Accounts & Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y			Annual internal audit report and AGS, both of which include a review and opinion on the effectiveness of the system of internal control, are produced and presented to the Audit Committee for review and approval.
1	Does the audit committee have responsibility for review and approval of the AGS and does it consider it separately from the accounts?	Y			Draft AGS is presented for review and approval, feedback and comments incorporated into the final version which is submitted to the Audit Committee for information.
1	Does the audit committee consider how meaningful the AGS is?	Y			Audit Committee input into the draft AGS prior to approval with the accounts.
1	Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y			Annual audit report and AGS cover whole financial year. Internal audit reports on key financial systems are completed on an annual basis External audit report provides opinion on internal audit
1	Has the audit committee considered how it integrates with other committees that may have responsibility for			N/A	Audit Committee has responsibility for council's overall risk management strategy. No further actions suggested.

Appendix A
Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	risk management?				
1	Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption"?	Y			
1	Does the audit committee ensure that "Actions to Counter Fraud and Corruption" are being implemented?	Y			Quarterly reports include HB counter-fraud activity and internal audit investigations Annual audit plan has resources for pro-active anti-fraud work and reports are provided to the committee
2	Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y			Internal audit strategy includes the relationship between risk management and internal audit. Annual audit plan identifies key risk areas as highlighted by business unit and departmental risk registers.
2	Does the audit committee review the authority's strategic risk register at least annually?	Y			Presented annually for review
2	Does the audit committee monitor how the authority assesses its risk?	Y			Risk Management Strategy reviewed and approved by the Audit Committee
2	Do the audit committee's terms of reference include oversight of the risk management process?	Y			
FINANCIAL REPORTING AND REGULATORY MATTERS					
1	Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y			Role in accordance with the CIPFA best practice model
1	Does the audit committee consider specifically: • the suitability of accounting policies and treatments • major judgements made • large write offs • changes in accounting	Y Y Y	N		Audit Committee terms of reference set out the role and responsibility in relation to statement of accounts which complies fully with CIPFA Code of Practice. No further actions suggested. Constitution specifies process and approval limits. Outside the remit of the Audit Committee

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	treatment • the reasonableness of accounting estimates		N		Outside the remit of the Audit Committee
	• the narrative aspects of reporting?		N		Outside the remit of the Audit Committee
1	Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y			
1	Does the audit committee review management's letter of representation?	Y			
2	Does the audit committee annually review the accounting policies of the authority?	Y			
2	Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y			Briefing session provided by Head of Corporate Finance and Head of Finance.
2	Does the audit committee have a mechanism to keep it aware of topical, legal and regulatory issues, for example by receiving circulars and through training?	Y			Reports on latest legal/regulatory issues and best practice provided to the Audit Committee as they arise e.g. National Fraud Initiative, Anti-money laundering regulations
INTERNAL AUDIT					
1	Does the audit committee approve, annually and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?	Y			

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

1	Does internal audit have an appropriate reporting line to the audit committee?	Y			
1	Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	Y			Quarterly and annual reports provided to the Audit Committee, monthly reports on internal audit activity provided to Audit Committee members.
1	Are follow up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?	Y			Detailed summaries of progress on implementing audit recommendations are provided to every Audit Committee
1	Does the audit committee hold periodic private discussions with the Head of Internal Audit?		N		Chair of Audit Committee holds monthly 1:1 meetings with Head of Audit and Risk Management. Terms of Reference allow for the Committee to question officers.
1	Is there appropriate cooperation between the internal and external auditors?	Y			Quarterly meetings held to discuss and review work and plans. Full reliance placed on internal audit's work.
1	Does the audit committee review the adequacy of internal audit staffing and other resources?	Y			Considered as part of the tender process for internal audit services. Options for service delivery provided for decision prior to last tender. Annual audit strategy considers resource requirements.
1	Has the audit committee evaluated whether its internal audit service complies with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom?	Y			Annual independent peer review of the internal audit service is undertaken and the results reported to Audit Committee.
2	Are internal audit performance measures monitored by the audit committee?	Y			Part of quarterly reports
2	Has the audit committee considered the information it wishes to receive from internal audit?	Y			Audit committee work and agenda plan presented to the first meeting of each municipal year for approval. Additional requests for information and reports are made during the Committee meetings.

Appendix A
Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

EXTERNAL AUDIT					
1	Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y			
1	Does the audit committee hold periodic private discussions with the external auditor?		N		Terms of Reference allow for the Committee to commission work from external audit.
1	Does the audit committee review the external auditor's annual report to those charged with governance?	Y			
1	Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y			Chief Financial Officer provides report and action plan in response to the external audit recommendations
1	Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit and inspection letter?	Y			Interim reports provided on quarterly basis, final reports presented.
1	Does the audit committee assess the performance of external audit?	Y			Part of the regular reporting process to Audit Committee.
1	Does the audit committee consider and approve the external audit fee?		N		External audit fee is presented to the Audit Committee
ADMINISTRATION					
Agenda management					
1	Does the audit committee have a designated secretary from Committee/ Secretary Services?				Member Services provide support for: • agenda/minutes circulation and clerk to the committee meetings; • Regular agenda planning and report clearing meetings; • Follow up of agreed Audit Committee recommendations, requests and actions.
1	Are agenda papers circulated in advance of meetings to allow	Y			Circulated 1 week in advance inn accordance with agreed timescales.

Audit Committee Review of Effectiveness – IPF Self-assessment Checklist

	adequate preparation by audit committee members?				
2	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y			
2	Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?			N/A	New items of urgent business are considered as part of the Council's standard committee meeting process.
Papers					
1	Do reports to the audit committee communicate relevant information at the right frequency, time and in a format that is effective?	Y			Quarterly reports are in the agreed format and contain all required information. Monthly reports on Internal Audit activity are provided to all Audit Committee members.
2	Does the audit committee issue guidelines and/or a pro forma concerning the format and contents of papers to be presented?			N/A	The Council has an agreed standard reporting format which specifies key content items within each committee report.
Actions arising					
1	Are minutes prepared and circulated promptly to the appropriate people?	Y			
1	Is a report on matters arising made and minuted at the audit committee's next meeting?		N		Committee Clerk circulates details of actions agreed, plus any information requested, to Audit Committee members prior to each meeting to ensure that all member requests and recommendations are addressed.
1	Do action points indicate who is to perform what and by when?	Y			

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Haringey Council

Agenda item: **[No.]**

Audit Committee   On **1 February 2010**

Report Title: **Anti-money laundering regulations and 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.uk

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

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1. Purpose of the report

1.1 To advise the Audit Committee of the updated Corporate Anti-money laundering policy.

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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 fully complies with anti-money laundering regulations where appropriate, to reduce risks and improve controls.

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3. Recommendations

3.1 That the Audit Committee notes the requirements of the various regulations on local authorities and that the Council has complied with these to date.

3.2 That the Audit Committee approves the updated Corporate Anti-money laundering policy.

3.3 That the Audit Committee approves the inclusion of the policy as an appendix to the Council's existing corporate anti-fraud strategy to ensure that all elements of fraud policy and strategy are held together and allow it to be publicised more effectively.

4. Reason for recommendation(s)

4.1The Audit Committee is responsible for Anti-fraud and Corruption arrangements as part of its Terms of Reference. In order to provide assurance that the corporate anti-money laundering policy is consistent with relevant professional guidance and other statutory and best practice requirements, it is reviewed on a regular basis, with approval for the final anti-money laundering policy resting with the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The Council needs to ensure that there are appropriate arrangements and processes in place for the monitoring and reporting of any instances of suspected money laundering operations. The Council's corporate Anti-money laundering policy form part of the assurances to satisfy the relevant requirements.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of this report, and notes that the processes and procedures adopted all follow published best practice guidance. Accordingly, there are no direct legal implications arising out of the recommendations in the report.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer notes the recommendations and agrees that the proposed approach to the anti-money laundering regulations should meet the Council's obligations and minimise the risk of this type of activity occurring within the organisation. It also ensures that staff are aware of their responsibility and who they should contact should they suspect money laundering transactions are taking place.

9. Head of Procurement Comments

9.1Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with how the Council deals with suspected instances of money laundering across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls and reducing the opportunity for money laundering 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 has been undertaken with relevant departments to ensure that all

corporate, statutory and best practice requirements are incorporated into the corporate Anti-money laundering policy.
12. Service Financial Comments
12.1 There are no direct financial implications arising from this report. Investigations into allegations of suspected money laundering and reporting these to relevant authorities are undertaken using existing available resources within Internal Audit and relevant service departments where applicable. The costs are contained within revenue budgets which are monitored on a monthly basis.

13. Use of appendices
13.1 Appendix A – Anti-money laundering policy

14. Local Government (Access to Information) Act 1985
14.1 List of background documents. The following documents were used in production of this report: • Money Laundering Regulations 2007 • CIPFA guidance 2009 – Combating financial crime, further guidance on anti-money laundering for public service organisations

15. Background

15.1 As part of the Chartered Institute of Public Finance and Accountancy's (CIPFA) 2006 Code of Practice, and the requirements of the Council's Whistle-blowing policy, Haringey Council 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) 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 responded to the Money Laundering Regulations 2007 by updating its Money Laundering procedure and guidance, which was written in conjunction with relevant Proceeds of Crime and Data Protection guidance.

15.4 Following the introduction of the Money Laundering Regulations 2007, CIPFA produced further guidance in 2009 on Anti-money laundering for Public Service Organisations. Therefore, it is now considered an opportune time to review the Council's existing policy and ensure that it complies fully with the 2007 Regulations and CIPFA's best practice guidance

16. Money Laundering Regulations 2007

16.1 The Money Laundering Regulations 2007 implemented the main preventative measure of the Third Directive, namely requiring risk based customer due diligence measures.

16.2 The Third Directive and the Money Laundering Regulations 2007 apply to a defined set of relevant financial services. Most of the Council's business does not fall within the classification of "relevant" financial services. It is mainly those services involving accountancy, audit, legal, and property transactions which could be carrying out relevant business. The following are examples of the type of transactions identified above:

- treasury management in accepting deposits/investments;
- legal services' involvement with financial or property transactions;
- collection or refunding of money from the council's debtors;
- loans and mortgage deals;
- formation and management of companies or trusts; and,
- dealing in transactions involving a total cash payment in excess of £10,000.

17. CIPFA 2009 Guidance on combating financial crime

16.3 CIPFA's guidance has reviewed the 2007 Money Laundering Regulations, which specify a list of 'relevant persons' to whom the regulations apply (Regulation 3 of the 2007 Regulations). Public authorities are not included on the list of relevant persons, therefore CIPFA guidance is that public authorities are not subject to the requirements of the 2007 Regulations.

16.4 However, an exception exists under Regulation 49(1) of the 2007 Regulations, which does place certain obligations on specific public authorities. The regulations states that public authorities must, if they know or suspect, or have reasonable grounds for knowing or suspecting, that a person has engaged in money laundering or terrorist financing, as soon as reasonably practicable inform the Serious Organised Crime Agency (SOCA).

16.5 In response to the 2007 Regulations, CIPFA's guidance states that there is substantial reputational risk for an authority which does not have policies and procedures in place to deal with instances of money laundering. CIPFA recognises that the vast majority of local authorities' business activities fall outside the scope of the 2007 Regulations, but maintains that Councils should be vigilant in this area to allow for any instances of money laundering to be identified and reported appropriately.

16.6 CIPFA recommends, as a minimum that local authorities:

- Make those staff most likely to be exposed to or suspicious of terrorist financing or money laundering aware of any requirements placed on the authority, its staff and on them as individuals;
- Provide targeted training to those staff considered to be the most likely to encounter the financing of terrorism and money laundering;
- To make arrangements for a nominated officer to receive and manage the concerns of staff, to make internal enquiries, to advise staff who feel they should make a report, and to co-ordinate suspicious activity reports to the SOCA; and
- To establish appropriate internal procedures which are both proportionate and cost effective.

17. Haringey's approach and policy

17.1 Haringey's approach to date has been to put in place arrangements within the Council that comply with the regulations and reflect good practice. In this way the Council is seen to be acting prudently and to the proper professional standards that certain officers will need to follow. In respect of legal issues, the Law Society requires the Council to have anti-money laundering policies and guidance in place and to complete regular returns in respect of money laundering. In respect of financial issues, the 2009 CIPFA guidance on combating financial is the key publication.

17.2 The Money Laundering Regulations 2007, for the first time, required firms to vary identification and monitoring of their customer on a risk sensitive basis. Firms are allowed to reduce the level of customer identification in specified lower risk situations, for example, dealing with public bodies.

17.3 The Council's policy and procedures relating to money laundering includes a section on due diligence (see appendix A). In most cases, the business undertaken will be where the client is another public or statutory body, and therefore the risk assessment indicates that no further due diligence about the status of the client is needed.

17.4 However, for other third party clients or politically exposed persons, there needs to be formal and recorded due diligence checks. In these rare circumstances, guidance on performing the due diligence checks will be provided by the Head of Audit and Risk Management, in their role as the Council's Money Laundering Reporting Officer, in consultation with relevant officers from legal and corporate finance where appropriate.

17.5 Therefore, a record must be maintained, including details of the customer due diligence, which needs to be kept for five years after the end of the business relationship and records of transactions, which also need to be kept for five years.

17.6 The Council's policy has been circulated to all relevant staff and training has been provided to those staff who are most likely to deal with the transactions detailed in paragraph 16.2. It is recommended that the Council's existing policy is incorporated into the corporate anti-fraud policy and strategy to ensure all elements of fraud and corruption are dealt with effectively and appropriately. These procedures will be made available on the Council's intranet site and regular reminders will be provided to all relevant staff.

17.7 In addition, as part of the Council's annual internal audit programme, testing of the key financial systems includes checks in relation to money laundering to ensure that risks are being appropriately managed.

17.8 Although local authorities are unlikely to be a prime target for money laundering, the size and scope of services is such that it is not possible to discount entirely the risks surrounding money laundering. The Council's approach is designed to mitigate and minimise these risks.

PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

1. What is money laundering?

Money laundering is the term used for several offences involving the proceeds of crime, or terrorism. This includes possessing, or in any way dealing with, or concealing, or converting the proceeds of any crime, as well as funds likely to be used for terrorism, as well as the proceeds of terrorism. Money laundering is generally used to describe the activities of organised criminals converting the proceeds of crime into legitimate activities, with the intention of hiding their true sources of income.

The current Money Laundering legislation covers all proceeds of crime, both money and property, regardless of how small the value. In reality, it involves a suspicion that someone is benefiting financially from dishonest activities. Therefore, the money laundering aspect would be the attempt to do legitimate business with the Council using assets and/or monies derived from the proceeds of crime or terrorism.

This guidance sets out the legal and regulatory requirements relating to money laundering, as they affect both the Council and you personally.

2. What laws exist to control money laundering?

In recent years, new laws have been passed which significantly shift the burden for identifying acts of money laundering from Police and Government agencies to organisations and their employees. The principal legislation and regulation relating to money laundering are the Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 (TA), and the Money Laundering Regulations 2007.

There are three primary offences to take account of:
- **'concealing'** is where someone knows, or suspects, a case of money laundering, but conceals or disguises its existence;
- **'arranging'** is where someone involves himself or herself in an arrangement to assist money laundering; and,
- **'acquisition', 'use', or 'possession'** is where someone seeks to benefit from money laundering by acquiring, using, or possessing the property concerned.

There are also two third party offences to take account of:
- **'failing to disclose a primary offence'** is where someone becomes aware or suspects money laundering, but fails to take action in reporting it; and,
- **'tipping off'** is where someone informs a person who is, or is suspected of being, involved in money laundering, in such a way as to reduce the likelihood of being investigated, or prejudicing an investigation.

These money laundering offences may be committed by the Council itself, or by any of the Members and employees (including permanent, agency and temporary staff) working within it.

PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

3. What is the Council's response to money laundering?

Local authorities have a responsibility to ensure the proper conduct of public business. The consequences of the Council or any of its Members or employees facing prosecution under the money laundering legislation would be very serious and reflect poorly not only on the Council, but on the public service as a whole.

Although local authorities are unlikely to be a prime target for money laundering, the size and scope of services is such that it is not possible to discount entirely the risks surrounding money laundering. In order to mitigate this risk, this policy and guidance, including reporting arrangements, has been produced.

Management should ensure that arrangements are in place to prevent the Council and its Members and employees being exposed to money laundering in those services where there is a potential risk. They should also ensure that those Members and employees who may become exposed to money laundering are made fully aware of this guidance and are suitably trained.

It should be noted that the professional bodies of some employees (e.g. accountants and solicitors) have issued guidance on personal obligations and responsibilities relating to money laundering, and those employees should familiarise themselves with that guidance.

4. What are the implications for staff who become involved?

Examples of possible situations involving exposure to money laundering are found in the appendix to this document. However, it cannot be stressed too strongly that it is every Member and employee's responsibility to be vigilant, and to be aware of the requirement to report actual or suspected cases of money laundering.

While it is unlikely that a Member or employee would commit one of the three primary offences, a failure to disclose a suspicion of money laundering is a serious offence in itself, and there are only very limited grounds in law for not reporting a suspicion.

Depending on the severity of the suspected offence, the Magistrates' Court can issue fines of up to £5,000, or sentences of up to 6 months in prison (or both), and, in the Crown Court, fines are unlimited, and sentences of up to 14 years may be handed out.

PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

5. How do we ensure 'due diligence'?

The Money Laundering Regulations 2007 require the identification and monitoring of clients on a risk sensitive basis. Where relevant business is undertaken, the clients need to be subject to some form of risk based due diligence. Most of the Council's business is not defined in the regulations as being relevant; it is mainly those services involving accountancy, audit, legal, and property transactions which could be carrying out relevant business.

In most cases, the business undertaken will be where the client is another public or statutory body, and therefore the risk assessment indicates that no further due diligence about the status of the client is needed. However, for other third party clients or politically exposed persons (see attached appendix for definition) there needs to be formal and recorded due diligence checks.

A record will be maintained, by Corporate Finance, including details of the customer due diligence, which needs to be kept for five years after the end of the business relationship together with a record of the transactions also kept for five years. In these rare circumstances, guidance on performing the due diligence checks can be obtained from the Head of Audit and Risk Management.

6. What should I do if I suspect a case of money laundering?

If you have any questions or doubts about an individual, company, or transaction that you have been dealing with, then it is important to seek advice from the Head of Audit and Risk Management. This approach means that the information can be considered at the time the transaction or the business takes place.

Section 2 of this guidance states that failure to take action or to report activities is an offence under the Regulations. However, failure to do so is only an offence if the suspicion relates, in the event, to an actual crime. Therefore, a common sense approach needs to be taken, in order to ensure that officers' time is not wasted.

The Council has nominated the Head of Audit and Risk Management within the Corporate Resources Directorate as the officer responsible for dealing with any suspicions of money laundering. You should therefore report any suspicious transactions or concerns to the Head of Audit and Risk Management in writing. The matter would then be discussed with you and a decision made whether to make a formal report to the Serious Organised Crime Agency.

PROCEEDS OF CRIME AND ANTI-MONEY LAUNDERING POLICY AND PROCEDURES

A. Examples of possible situations involving exposure to money laundering

1. There may be situations where funds come into the Council from an unfamiliar source. In particular, if the Council is forming a new business relationship, or is considering undertaking a significant one-off transaction, it would be prudent to identify fully the parties involved. This will be especially true if the parties concerned are not physically present, or may be acting for absent third parties.

2. Transactions involving the handling of the proceeds of asset disposals, e.g. land sales, can be especially vulnerable, and may demand further enquiry. Caution should be exercised in respect of:
   - unusual arrangements; offshore funds being used;
   - transactions involving a third party who is not known to the Council, or where the identity of a party is difficult to establish or is undisclosed;
   - where an intermediary is involved, or where the ultimate ownership of a company is hidden; and,
   - situations where a party is evasive as to the source of funds.

3. Members or employees having direct contact with the public or businesses may become suspicious where the nature of the goods or the amounts of the cash seems inconsistent with what might, in the circumstances, be regarded as normal.

4. Cashiers may be asked, in the normal course of their work, to accept payments in unusually amounts of cash for the settlement of debts. As a guide, sums in the region of £10,000 and above would be regarded as a sum of cash that should be reported.

5. Circumstances which might arouse particular suspicion are where cash is tendered which exceeds significantly the amount of the debt, or the debt is paid twice (or more) and the person or business requests subsequently a refund from the Council of the balance.

B. Politically Exposed Persons

The Regulations define politically exposed persons as a person *"...who is or has, at any time in the preceding year been entrusted with a prominent public function by a state other than the United Kingdom, a European Community institution or an international body"* or a family member or known close associate of such a person.

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Haringey Council

Agenda item:

| Audit Committee | On **1 February 2010** |

Report Title: **Risk Management update Quarter 3 2009/10 and Updated Corporate Risk Management Policy and Strategy**

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: **Non-key decision** |

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1. Purpose of the report

1.1 To inform the Audit Committee of the current position on risk management implementation across the Council.

1.2 To provide an updated Corporate Risk Management Policy and Strategy for review and approval.

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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.

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3. Recommendations

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

3.2 The Audit Committee reviews and approves the updated corporate Risk Management

Policy and Strategy.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. In order to facilitate this, and provide information on its implementation across the Council, the corporate Policy progress reports are provided on a regular basis for review and approval 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 third quarter of 2009/10 to ensure the risk management framework is complied with.

6.2 The Audit Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. An annual review of the Policy is completed in order to ensure that it complies with best practice and current operational requirements.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of the is report, and advises that there are no direct legal implications arising out of the report or the recommendations.

8. Chief Financial Officer Comments

8.1 The CFO notes that the Council is fully compliant with the strategy, with all risk registers now fully integrated into the Council's performance management system (Covalent). All registers have been reviewed and are up to date for Quarter 3 and automatic reminders are sent to ensure the registers are reviewed according to the agreed timetable. Further, as outlined in section 17, the risk management policy and strategy has ensured a much more robust and integrated approach to risk across the authority.

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 Council's 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 and managing the corporate risk management policy 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 1 – Update on risk registers Quarter 3 2009/10
Appendix 2 – Updated Risk Management Policy and Strategy 2010.

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 previous 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.

15.2 During 2009/10, the risk registers for all business units, departments and the corporate register were all integrated into the Council's performance management system (Covalent). Training for system users was provided when their risk registers were loaded onto the system and all risk registers have been managed using Covalent from quarter 3 2009/10, which was in accordance with the planned timetable.

16. Risk Registers

16.1 As stated above, all risk registers are now managed electronically at business unit, department and corporate level. Appendix 1 shows the latest position for all Business Units and Directorates as at 31 December 2009. Risk registers for business units and directorates are up to date and reviewed in accordance with the Council's risk management strategy. 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 risk registers have been reviewed in accordance with the planned programme of audit work. The electronic Covalent system replicates the previous format for the council's risk registers, but provides 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.

16.5 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. All business units and directorates have reviewed their risk registers in accordance with the corporate policy and strategy for the third quarter.

16.6 The corporate risk register is reviewed on a quarterly basis by the Chief Executive's Management Board and reported annually to the Audit Committee.

17. Risk Management Policy and Strategy

17.1 In addition to risk registers, the corporate risk management policy and strategy has brought together all key processes involving risk, including health and safety, business

continuity planning, emergency planning and project management. A corporate Risk and Emergency Planning Steering Group is in place, with representatives from all directorates, which reviews key risk issues on a regular basis and ensures implementation of the risk management strategy across the council.

17.2 Key documentation, including the Pre-Business Plan Review and Business Plan templates have been revised to take account of the revised risk management strategy and ensure that risk management processes are embedded across all key functions and processes. The Business Planning process for 2010/11 will ensure that all key service and business plan objectives are appropriately linked to the business unit and departmental risk registers.

17.3 The risk management strategy and policy has now been updated to reflect the implementation of the electronic performance management system and is attached at Appendix 2 for review and approval. No other changes to the strategy have been made.

Progress Report Quarter 3 2009/10 - Risk Register Update Summary

	Department	Level	Risk Register Title	Date of most recent update
1	Corporate - CEMB	Corporate	Corporate Register	January 2010
2	CE - Policy Performance Partnerships & Communication	Dept	Policy Performance Partnerships & Communication	January 2010
3	CE - PPPC	BU	Safer Communities	December 2009
4	CE - PPPC	BU	Communications	January 2010
5	CE - PPPC	BU	Policy & Performance	January 2010
6	CE - Organisational Development	Dept	Organisational Development	December 2009
7	CE - OD	BU	Human Resources	December 2009
8	CE - OD	BU	Local Democracy & Member Support	December 2009
9	CE - OD	BU	Organisational Development & Learning	December 2009
10	Corporate Resources (CR)	Dept	Corporate Resources	January 2010
11	CR	BU	Legal Services	December 2009
12	CR	BU	IT Services	January 2010
13	CR	BU	Customer Services	December 2009
14	CR	BU	Benefits & Local Taxation	December 2009
15	CR	BU	Corporate Finance	December 2009
16	CR	BU	Audit & Risk Management	December 2009
17	CR	BU	Corporate Procurement	December 2009
18	CR	BU	Corporate Property Services	January 2010
19	Children & Young People's Service (CYPS)	Dept	Children & Young People's Service	December 2009
20	CYPS	BU	Children & Families	December 2009
21	CYPS	BU	School Standards & Inclusion	December 2009
22	CYPS	BU	Business Support & Development	December 2009
23	CYPS	BU	Children's Networks	December 2009

Progress Report Quarter 3 2009/10 - Risk Register Update Summary

	Department	Level	Risk Register Title	Date of most recent update
24	Adults Culture & Community Services (ACCS)	Dept	Adults Culture & Community Services	December 2009
25	ACCS	BU	Commissioning & Strategy	December 2009
26	ACCS	BU	Adult Services	December 2009
27	ACCS	BU	Recreation Services	December 2009
28	ACCS	BU	Culture, Learning & Libraries	December 2009
29	Urban Environment (UE)	Dept	Urban Environment	January 2010
30	UE	BU	Strategic & Community Housing Services	January 2010
31	UE	BU	Frontline Services	December 2009
32	UE	BU	Planning & Policy Development	December 2009

London Borough of Haringey

The Management of Risk

Corporate Policy and Strategy

Version 6.1

January 2010

Contents

RISK MANAGEMENT POLICY

Haringey is committed to developing a Risk Management Strategy, framework and the necessary supporting processes as part of the Council's on-going improvement programme. This will help to improve and strengthen corporate governance and front-line service delivery throughout the Council. The aim is to minimise the incidence and impact of risk taking activity, improve decision making and increase opportunities for innovation.

The Council undertakes that this policy will promote and ensure that:

1.   The management of risk is linked to performance improvement and the achievement of its priorities and service objectives.

2.   Members, Chief Executive's Management Board (CEMB) and senior management own, lead and support on risk management.

3.   Ownership and accountability are clearly assigned for the management of risks throughout the Council.

4.   There is a commitment to embedding risk management into the Council's culture and organisational processes at all levels including strategic, programme, project and operational.

5.   All Members and officers acknowledge and embrace the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.

6.   Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.

7.   Open and inclusive processes are established and maintained by involving all those associated with the planning and delivery of services, including stakeholders and partners.

8.   Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.

9.   Accountability to stakeholders is fully demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.

10.   The Council's approach is regularly benchmarked against high performing public and private sector organisations.

11.   The Risk Management Strategy is reviewed and updated annually in line with the Council's developing needs and requirements.

1.   BACKGROUND

1.1 It is now recognised that all organisations face a range of risks which may affect the achievement of their objectives. Risk management is therefore an essential part of securing the 'health' of an organisation. Risk management is an important element in the running of any business: ensuring that threats to corporate objectives and service delivery are minimised; and that business opportunities are exploited to maximise resources or revenue.

1.2 Risk management is part of the overall arrangements for securing effective corporate governance. Corporate governance can be described as the systems which local authorities use to direct and control their operations and relate to their communities.

1.3 Good corporate governance can provide the authority's various communities, partners and other organisations, with confidence that the council maintains the highest possible standards in delivering their services. It is impossible for any organisation to achieve effective corporate governance arrangements without an effective risk management framework.

1.4 The council also has to comply with various statutory requirements which include issues relating to corporate governance or risk management. The Accounts and Audit (Amendment) (England) Regulations 2006 require local authorities to review, at least once a year, systems they have in place to control and manage the services they provide. From 2007/08, the Council must publish an Annual Governance Statement, which represents the end results of its annual review, with its financial statements.

1.5 The Comprehensive Area Assessment (CAA) is the external review process which is designed to evaluate local authorities' performance over a number of areas. Risk management is included within the annual 'Use of Resources' assessment and is a key part of the assessment criteria that is integral to the CAA.

1.6 Other key statutory issues for the council in relation to risk management include the requirements of the Civil Contingencies Act 2004 and the Health and Safety at Work Act 1974 and its related legislation. Internally, the council has developed various business planning, performance and project management frameworks, including business continuity and emergency planning - which all require risk management to be considered.

1.7 Everyone within the council has a role to play in managing risk. In order to put this in context and provide an explanation of how the various statutory and local requirements should be met, this corporate policy and strategy has been developed. This builds on the Council's previous risk management strategies to indicate where the various statutory and key corporate requirements fit in.

2   INTRODUCTION

2.1 This strategy provides an overview of Haringey's risk management position and what the council needs to do to move towards achieving the highest ratings in the relevant CAA assessments. It updates the previous risk management strategy (April 2009) and clarifies the various roles, responsibilities and governance structures.

2.2 Haringey Council, via statutory requirements and corporately set objectives, must balance the demands of service users and tax payers; involve communities in service provision; deliver, commission and regulate services; and enter into strategic and local partnerships, often involving complex funding arrangements.

2.3 Balancing all of these, sometimes conflicting, objectives means that the council needs a framework which ensures that a pro-active approach is taken and risks are considered before decisions are taken by the appropriate body.

2.4 The aim of this strategy is to ensure that risks are identified at the right time to enable good decisions to be made, including:

- reducing the impact and/or number of risks which could prevent the council achieving its objectives;
- ensuring that the council takes advantage of opportunities to improve its performance; and
- working with organisations within the Haringey Strategic Partnership (HSP), and other key external partners, to maximise opportunities available.

2.5 Risk management can make a difference and enhance the performance of the council by:

- Identifying and preventing the bad things from happening; and
- Ensuring that all the good things we want to do actually happen.

2.6 The aim of this strategy is to ensure that everyone responsible for managing and taking decisions is aware not only of the key risk management functions, but also their responsibilities in relation to them.

2.7 From the departments' and business unit managers' perspectives, the emphasis should be to achieve their objectives and deliver their services. Risk management should be used to facilitate this in the most effective way possible. By using a systematic approach, managers will ensure that they consider all the options available to them, and be in a better position to anticipate and respond to changing social, environmental and legislative requirements.

3   WHAT IS RISK?

3.1 For a public body such as Haringey Council, risk can be defined as:
Anything that poses a threat to the achievement of our objectives, programmes or service delivery to the residents, businesses and communities of Haringey.

3.2 Risks can come from inside or outside the council, and may include financial loss or gain, physical damage to people or buildings, client dissatisfaction, unfavourable publicity, failure of equipment, or fraud. Failing to take advantage of opportunities may also have risks for the Council, for example not bidding for external funding, or not publicising successes.

3.3 Taking advantage of new opportunities, for example working with the voluntary sector to deliver services, or working as part of the Haringey Strategic Partnership can also mean the Council has to deal with different types of risks. However, not taking advantage of these opportunities may leave the Council facing bigger risks in the future.

3.4 Therefore, some risks should not necessarily always be avoided. However, this means the Council should always carefully think through decisions which may cause losses of confidence, finance, or reputation. If risks are identified and managed effectively, they can allow the council to take opportunities for improving services.

3.5 Risks can be classified according to how they may affect the council as it delivers its services:

- **Corporate (strategic) risks** - risks which may affect the council's ability to achieve its plans.
- **Reputational risks** - risks that may undermine the confidence that the council's partners, customers, staff and the public have in it, e.g. adverse news articles.
- **Service (operational) risks** – risks which may prevent the council delivering its core services, e.g. lack of staff, damage to buildings, equipment failure.
- **Financial risks** – risks which may cause a breakdown in the council's financial systems e.g. fraud. Alternatively, risks arising from the credit crunch and economic downturn, e.g. on investments, debt management, etc.

4 WHAT IS AN ACCEPTABLE RISK?

4.1 As a general principle, the Council will seek to eliminate and control all those risks which:
- have a high potential for incidents to occur;
- would have a substantial adverse financial or reputational impact;
- would cause loss of public confidence in the Council and/or its partner organisations; or
- may stop the Council from carrying out its statutory functions or achieving its strategic objectives.

4.2 The Council recognises that it is impossible to eliminate all risks, especially those which it has no control over e.g. the UK economy, changes to legislation, climate and weather influences, or external power failure. This is not an exhaustive list, but provided for illustrative purposes only.

4.3 The Council will always try to reduce or eliminate risks wherever possible, but it needs to strike the right balance between how much it costs to manage or eliminate risks and taking no action. For example, the costs of eliminating risks in a system may be more than the amount of money the Council may lose if the system were to fail. In these circumstances, the Council would want to ensure that there were sensible precautions taken to manage the risks, but that these were balanced against what it would cost if the system were to break down.

4.4 Systems that the Council puts in place should therefore be flexible enough to encourage innovation and imaginative use of its limited resources, subject to any legal requirements, in order to deliver better services to its residents.

4.5 All projects and change programmes carry with them some risk of failure. The willingness to take advantage of opportunities or new innovation, in a managed way, is a sign of an ambitious organisation. It is important that risks associated with opportunities and innovation are identified and effectively managed, to ensure that the strategic objectives of the Council are achieved.

5 WHAT IS RISK MANAGEMENT?

5.1 There is no such thing as a risk-free environment, but many risks can be avoided, reduced or eliminated through good risk management. Good risk management also takes advantage of opportunities while analysing and dealing with risks.

5.2 Risk management is something that managers do every day as part of their normal work, although it may not always be written down, and managers may not use a formal procedure to make their final decision. Risk management can be explained as a tool for managers to use so that they are able to identify, evaluate and manage both risks and opportunities in a logical and consistent way.

5.3 Good risk management is forward looking and helps to improve business decisions and manage performance. It is not only about avoiding or minimising losses, but also about dealing positively with opportunities.

5.4 In addition to fulfilling statutory requirements, it should be recognised that there are many benefits to making sure that risk management is considered and applied at all levels in the Council, including:[1]

- Allowing managers to focus on the issues that really matter;
- Spending less management time on operational issues;
- Fewer surprises;
- Managers are focused on doing the right things, in the right way;
- Better chance of achieving business objectives;
- Better chance that new developments can be delivered on time, in accordance with the planned programme and within budget; and
- More informed risk taking and decision making.

5.5 Risk management should be considered as a continuous process, which evolves as the Council gains more understanding of the risks and opportunities facing it and how to manage these effectively.

5.6 Risk management consists of a number of elements, which should be considered and applied regularly during the course of the year, as part of the Council's cycle of performance management and improvement processes:

- Understanding the Council's, department's, or business unit's objectives;
- Identifying and assessing the risks facing it;
- Assessing the actions in place to manage the risks;
- Taking action to improve, monitor and learn from experiences.

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[1] *Source: 'Embedding Risk Management into the Culture of your Organisation' The Institute of Internal Auditors – UK and Ireland, October 2003.*

6   WHO IS RESPONSIBLE FOR RISK MANAGEMENT?

6.1 Directors and senior managers are responsible for managing their services. They are therefore responsible for identifying, assessing and managing the risks associated with planning, delivering and monitoring each of their services.

6.2 The following diagram illustrates the key processes in the council's overall approach to the provision of its services. The assessment and management of risk is essential to all aspects of this approach and is shown as an overarching aspect of service delivery.

Figure1
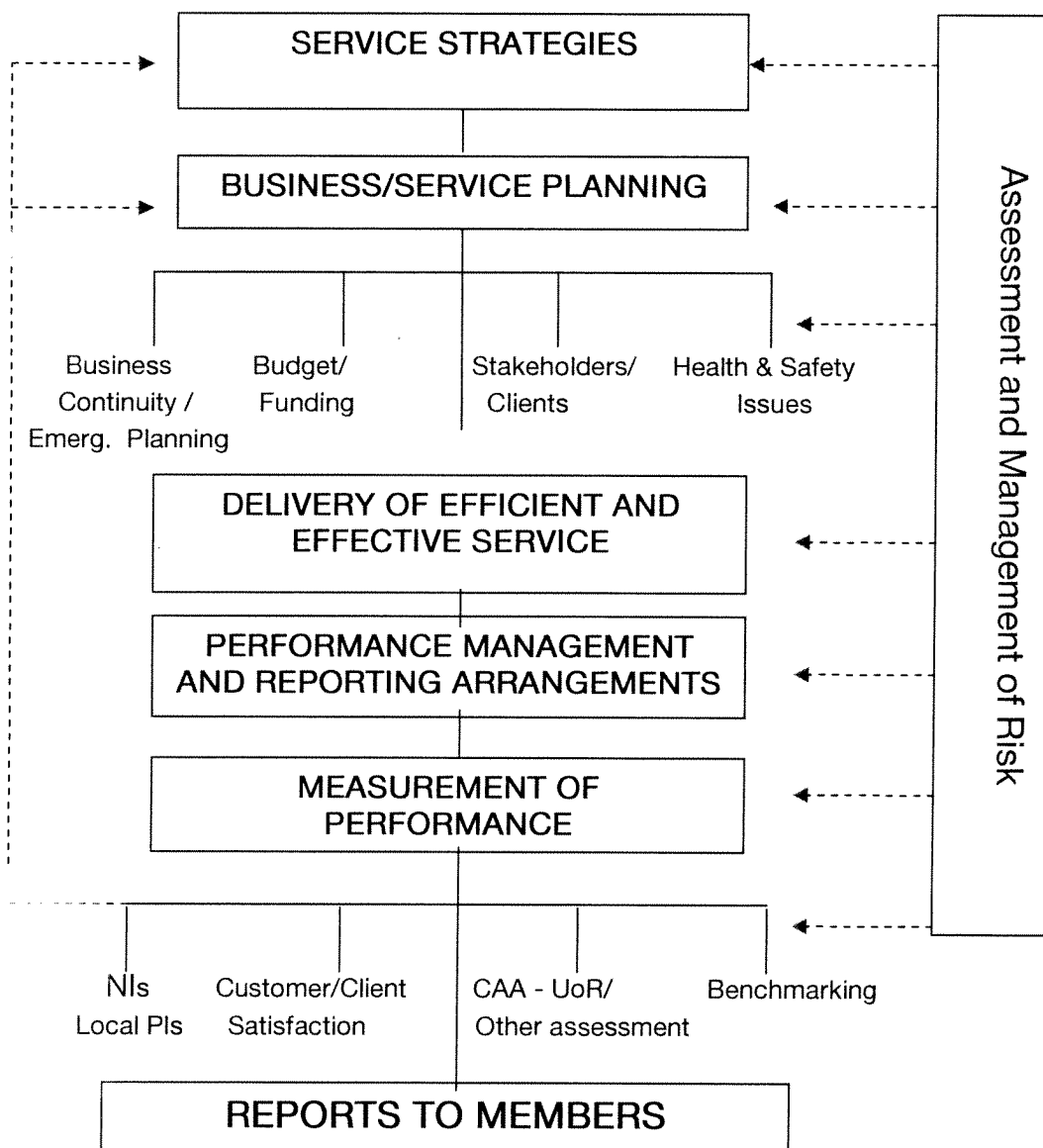
6.2 Additionally, the Chief Financial Officer has a specific statutory responsibility, under section 151 of the Local Government Act 1972, to ensure that the Council maintains high standards in managing its financial systems and that procedures comply with all relevant legislation and local procedures.

6.4 The Chief Executive's Management Board (CEMB) is responsible for approving the Council's risk management strategy at officer level and for ensuring that this is reviewed and updated on a regular basis. CEMB is also responsible for reviewing and approving the corporate risk register, business continuity plan and health and safety policy on a regular basis.

6.5 The Council's Audit Committee has responsibility for approving the risk management strategy at member level and is also responsible for reviewing, on an annual basis, the implementation of risk management across the Council. Risk management is included as part of the portfolio for the Cabinet Member for Resources.

6.6 The Council has a statutory responsibility to "assess the risk of an emergency occurring" under the Civil Contingencies Act 2004. This responsibility is undertaken in partnership with other agencies (e.g. the Emergency Services), and the resulting Community Risk Register is signed off at the Local Resilience Forum.

6.7 The Council also has a responsibility to ensure that the strategy covers bodies working in partnership with the Council. It is critical that both the risk appetite and risk management arrangements for all parties are discussed and clearly understood before a partnership is created. In particular, a risk management strategy has been implemented for the Haringey Strategic Partnership and risk registers are in place for each of the partnership theme boards.

6.8 Figure 1 above sets out the various areas across the council where managers need to consider the risks in relation to their business, and how these should be addressed. In practice, the council has various corporate systems and processes which should be completed in order to ensure that risks are appropriately considered. These are set out below in Table 1 below:

Table 1

Area/Process	Action required/Response
Business/Service Planning	Risk Register(s) to be completed
Project & Programme Management	Haringey Project Management Framework to be followed
Business Continuity/Disaster Recovery	Business Continuity Plan(s) to be completed
Health and Safety	Risk Assessment(s) to be completed
Performance Management	National (LAA) and local indicators to be monitored

7   RISK MANAGEMENT – THE FRAMEWORK

7.1 Our vision is that all significant risks which may prevent the Council from achieving its objectives and all appropriate opportunities are identified, assessed and cost effectively managed, as part of the whole Council performance management process.

7.2 The key objectives of the framework are to ensure that the Council has a consistent approach and basis for measuring, controlling, monitoring, follow-up and reporting of risk that is based on what the Council, not any individual, judges to be acceptable levels of risk.

7.3 The framework demonstrates how the management of risk is embedded in the various business processes across the council, including business planning, financial planning, business continuity, performance management and project management.

7.4 Table 2 below provides a summary of the council's business planning cycle and how the business processes operate within this.

Table 2

Timing	Activity	Completed by	Key Contact
April	Finalise Business Plans	BU Head	Policy and Performance Team
April, June September, December	Review and update of risk register	BU Head/ DMT/ CEMB	Head of Audit & Risk Mgmt/Policy & Performance Team
April and September	Review and update of Business Continuity Plan	BU Head/ DMT/ CEMB	Emergency Planning and Business Continuity Manager
September	Complete Pre-Business Plan Review	BU Head	Policy and Performance Team
April - March	Collate and monitor performance Indicators	BU Head	Policy and Performance Team
April - March	Submission of Project Management Highlight reports	Project Lead	Project Management Office
April	Undertake risk assessments	BU Head/ DMT	Health & Safety Manager

7.5 Education, training & awareness is achieved by:

- Facilitated workshops, training sessions and meetings with Members, managers and staff at various levels.
- A developing framework of standards, practical guidance notes and briefings.
- Regular meetings with managers and staff to heighten awareness and share views, ideas and experiences.

7.6 From April 2009, the Council has implemented **Covalent** as its corporate performance management framework. This electronic interactive database is used for the following:

- Corporate, departmental and business unit risk registers that will be updated on a continuous basis. These will be based on identifying an "analysis gap" between "where we are now" and where we want to be over an agreed timeframe.
- High level risk actions that form part of Managers' performance management dashboards.
- A database of risk data and information for analysis and reporting.
- The identification of control areas that need to underpin the Strategic and Annual Internal Audit Plans.
- Further integration with outcomes from value for money reviews; outstanding high risk audit recommendations; corporate health and safety risks; business continuity management; Civil Contingencies Act; Crime and Disorder; and Equalities.
- Effective links between risk management, performance management and business planning.

7.7 Previous sections of this strategy have listed the areas where the council requires managers to complete corporate processes. Table 3 below details the appendices which set out how the framework operates in practice for each of these areas:

Table 3

Area	Appendix
Completion of Risk Registers	A
Project & Programme Management	B
Business Continuity Plans	C
Performance Management Framework (Overview)	D

8 HOW ARE RISKS REVIEWED AND REPORTED?

8.1 The council has various means of measuring and recording risks. The reporting of each of these areas, together with the links between each process, is set out below.

8.2 Risk registers are subject to regular review and update on a quarterly basis by business units, departments and CEMB. The timing for the quarterly review coincides with and forms part of the annual business planning process. Key risks are escalated from business unit registers to departmental registers and ultimately on to the corporate register where the realisation of the risk may impact on the ability to achieve corporate or statutory objectives.

8.3 The Corporate Business Continuity Plan (BCP) is reviewed on a quarterly basis, and subject to test on an annual basis. The Emergency Planning and Business Continuity Planning team maintain the corporate plan, incorporating lessons from incidents and exercises. Business Unit BCP's should be reviewed twice a year in line with the business planning cycle (in September and April). Reports are provided to CEMB and members detailing the implementation and management of the council's BCP's. Key BCP risks are included on business unit, departmental and the corporate risk register as appropriate.

8.4 The council's project management framework requires risks affecting each project to be reviewed prior to the submission of each project highlight report (normally monthly) and reported to the relevant project and programme board. Reports to CEMB and members are provided on a regular basis as part of the reporting cycle. Projects which carry significant risks to the achievement of business unit or departmental objectives should be included in business unit or departmental risk registers, with escalation to the corporate risk register in cases where the failure of the project may impact on the ability to achieve corporate or statutory objectives.

8.5 Health and safety risks are addressed based on the Health and Safety Executive's 'Sensible Risk Management' strategy, which the council has adopted. Managers at all levels are required to ensure that key assessment processes e.g. display screen assessments and safe working practices are completed on a regular basis. Reports to CEMB and members detailing compliance with the council's policies are provided on a regular basis.

8.6 Performance management information, including statutory and local performance indicators, is provided on a regular basis to CEMB and members. The council uses a 'scorecard' to highlight key risk areas.

8.7 The Council has to produce an **Annual Governance Statement** every year, which is an assessment of the systems the Council has in place to control and manage the services they provide. This risk management strategy and framework will provide assurance to CEMB and members that risks are being properly managed.

The completion of risk registers

1. Identification of risks

1.1 Risk registers should allow Business Unit Heads, Directorate Managers and members of CEMB to identify and manage those risks which are the most important in making sure that the council delivers its services effectively.

1.2 The first stage of the process is to identify the risks (including opportunities) facing the Business Unit/Directorate/Council. In line with the CIPFA/SOLACE guidance, Haringey's risk management framework is linked to business objectives. These business objectives are identified by departments and business units as part of the annual business planning process.

1.3 The council has a corporate risk register which identifies the most significant risks facing it. Each department has its own risk register which identifies the key high level risks which could impact on the directorate or the council as a whole. All business units within the council also have their own risk registers which focus on the risks affecting each individual service, although some of the risks may have an impact on whether the department or the Council meets its objectives.

2. Assessment of risks

2.1 When all the relevant risks have been identified, a numerical scoring system is used to determine which are the key risks to the department or business unit. Risks are scored using two factors:

- *Likelihood.* An assessment is made of how likely the risk is to occur in practice; and
- *Impact.* An assessment is made on if the risk did occur, what would be the impact on the department, business unit, or system.

2.2 Managers decide on the likelihood and impact of each of the risks identified for their department or business unit as they are in the best position to be able to assess the likelihood and impact of each of the risks on their specific departments.

2.3 In order to ensure a consistent approach across the Council, specific criteria have been agreed for the likelihood and impact scores. The Impact and Likelihood Scales are attached at Appendix A1, which also provides further detail on when the relevant managers should take action, or further action, to manage risks effectively and consistently.

2.4 The impact and likelihood of individual risks may change over time, therefore it is important to review the assessments which have been made on a regular basis.

2.5 The identified control in place to manage each risk should either reduce the likelihood that a risk will occur, or the impact if it were it to occur. If the score is still at an unacceptably high level having considered the controls in place, additional actions may be required in order to reduce the risk level further.

2.4 The Council's objective is to make sure that the most cost-effective controls are in place for each risk, and that managers have considered the cost against the benefit of the control. This may mean that certain risks have a high residual score because the cost of reducing the risk may be higher than the potential cost, if the risk actually happens.

The completion of risk registers

2.5 The risk registers therefore contain the following:
- service delivery objectives;
- key risks and which officer is responsible for managing those risks;
- controls in place to manage the risks, and who is responsible for those controls;
- risk scores; and
- any further actions required, and who is responsible, together with a timescale for completion.

3. Assurances on the effectiveness of key controls

3.1 The Council wants to ensure that the controls which managers say are in place to manage the key risks, are both in place and working effectively. The annual programme of internal audit work includes resources to test the key controls specified within the risk registers, based on the level of risk involved.

4 Monitoring of risks

4.1 Setting up the risk registers is only one part of the risk management process. In order to achieve real benefits from implementing risk management, it is important that the risk registers are reviewed and kept up to date on a quarterly basis, in accordance with the corporate risk management strategy.

4.2 The Chief Executive's Management Board (CEMB) will review and update the corporate risk register on a quarterly basis. The update may take the form of new risks, changes to or additional controls, and changes to risk scores. Key triggers for significant changes to risk registers will be new or changing regulations, implementation of new departmental or corporate projects, high staff turnover, changes in the external environment, and Internal Audit reviews.

4.3 The Audit Committee will, on an annual basis, review the corporate risks identified and confirm their acceptance of both the risks which have been identified, and the actions in place to manage them.

4.4 Using the framework, a consistent methodology for measuring and scoring risks is applied throughout the Council. What is an acceptable level of risk for the Council, and what managers need to do to deal appropriately with risks at various levels, is detailed at Appendix A1.

APPENDIX A

The completion of risk registers
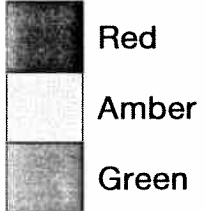
APPENDIX A1 – Impact and Likelihood Scales

To be used as a guide in assessing risk ratings:

Descriptor	Impact Guide	Likelihood Guide
1	No impact	<1% likely to occur in next 12 months
2	Financial loss up to £5,000 or no impact outside single objective or no adverse publicity	1%-5% likely to occur in next 12 months
3	Financial loss up to £10,000 or no impact outside single objective or no adverse publicity	5%-10% likely to occur in next 12 months
4	*Financial loss up to £50,000 or minor regulatory consequence or some impact on other objectives*	10%-20% likely to occur in next 12 months
5	Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism	20%-30% likely to occur in next 12 months
6	Financial loss up to £300,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports)	30%-40% likely to occur in next 12 months
7	Financial loss up to £500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions	40%-60% likely to occur in next 12 months
8	Financial loss up to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration	60%-80% likely to occur in next 12 months
9	Financial loss above £1 million or major impact at strategic level or closure/transfer of business	>80% likely to occur in next 12 months

The completion of risk registers

Measuring what is an acceptable risk

Impact	9	9	18	27	36	45	54	63	72	81
	8	8	16	24	32	40	48	56	64	72
	7	7	14	21	28	35	42	49	56	63
	6	6	12	18	24	30	36	42	48	54
	5	5	10	15	20	25	30	35	40	45
	4	4	8	12	16	20	24	28	32	36
	3	3	6	9	12	15	18	21	24	27
	2	2	4	6	8	10	12	14	16	18
	1	1	2	3	4	5	6	7	8	9
		1	2	3	4	5	6	7	8	9
		Likelihood								

Red
Amber
Green

Risk Score	Value	Action required
12 or less	Up to £50k	Acceptable level of risk. No further action is required to reduce risks, but managers should ensure that the relevant controls are operating effectively. However, departmental managers should review the controls for low risk areas carefully, to ensure there are not too many controls in place.
14 - 30	£5k - £300k	Implementation of additional controls is required. The costs and benefits of additional controls should be considered. The relevant departmental management team may then agree that no further action should be taken. This decision must be recorded on the risk register.
32 or more	£50k – £1m	Implementation of additional controls is required. If the Business Unit, or Department does not want to introduce any more controls, they must seek approval from CEMB. Any agreement from CEMB must be recorded on the risk register.
		If the impact of the risk is considered significant (impact score of 5 or 6) and/or the likelihood of the risk happening is thought to be high (likelihood score of 9), the relevant departmental management team must review them and agree the approach to manage them.
		If the impact of the risk is considered substantial, major or catastrophic (impact score of 7, 8 or 9), CEMB must review them and agree the approach to manage them.

Project and Programme Management

Projects are one-off activities which bring about change. Projects tend to be risky for two reasons, because:
1. the organisation has limited, if any, experience of undertaking the work before; and
2. the impact of change cannot always be predicted from the outset.

To minimise risk to work done in a project environment project managers follow Haringey's Project Management Framework (PMF). The PMF outlines:
• set project management processes;
• roles and responsibilities;
• guidance on governance; and
• the monitoring structure, sign-off procedures, and quality assurance provided by the Programme Management Office.

It also contains standard templates for all key documents and guidance on how they should be completed.

The Council also has a Corporate Programme Management Office (PMO) to ensure compliance with the PMF and to manage risk at a programme level.

The Risk Management Cycle
All risks within the project environment, whether programme or project level, are handled according to the standard risk management cycle. See diagram below:

Risk Analysis

Identify the risks → Evaluate the risks → Identify suitable responses to risks → Select

Risk Management — Monitor and report — Plan and resource
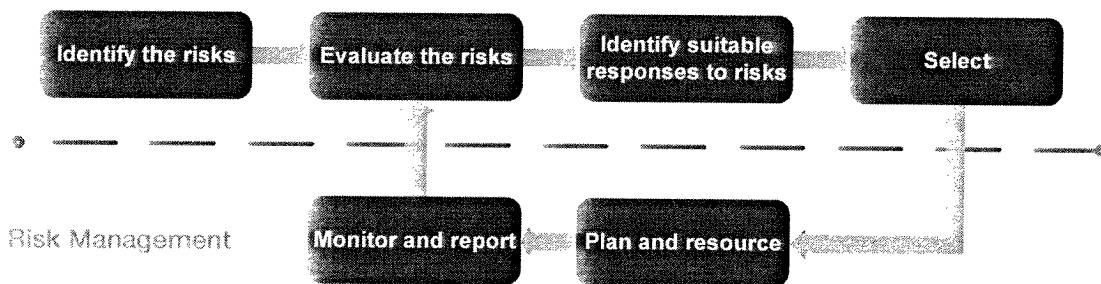
Risk Management at Programme vs. Project level
Programme-level risks are those risks which affect the intended benefits of a programme. There are two main types of programme level risks:
a) those risks which affect all or a number of projects within the programme; and
b) those risks which so substantially affect the benefits of a key project that they put the programme benefits at risk.

These risks are held by the Corporate PMO in the Programme Risk and Issue Log. The Corporate PMO manages the log by:
▪ Horizon scanning for risk;
▪ Holding and updating the log, whether risks are raised inside or outside the PMO;

- Circulating the log to the Programme Boards and through the Chairs of the Boards to CEMB and other key stakeholders to ensure that there is an awareness of risks; and
- Monitoring whether risk owners are undertaking management action as assigned.

Project-level risks are those risks which affect the intended outputs or benefits of the project. Project managers are responsible for managing and logging project level risks. Project managers may delegate the management of risk to appropriate risk 'owners', but they retain accountability for the management of risk. Project managers are expected to keep unwanted outcomes to an acceptable minimum.

Project managers should review the project risk log every time they submit a Project Highlight Report. A full risk review of the project should be undertaken at the end of every project stage.

Link with Corporate Risk Management Processes

The steps in project and programme risk management are as follows:
1. Risks which are identified at project level are logged by the project manager in the project risk log, and if this places the directorate's objectives at risk, it should also be logged on the Corporate Risk Register for the Business Unit.
2. Corporate PMO receive a copy of each project's risk log as part of the monthly Project Highlight Report.
3. Corporate PMO assess whether the risks are deemed significant at programme level. If they are, the risk is logged in the Programme Risk Log. The Programme Risk Log is circulated to all project managers, sponsors, and the senior management team on a monthly basis.
4. Programme-level risks may also be picked up by Corporate PMO and other stakeholders through horizon-scanning. If they are also significant at the project level they may be devolved down to the project manager for monitoring within the project environment too. This process is shown in the diagram below:

Risks can be escalated up or devolved down by Project Board / Team or Corporate PMO

Programme Level Risk

Corporate Risk Log

Project Level Risk

Corporate Risk Log
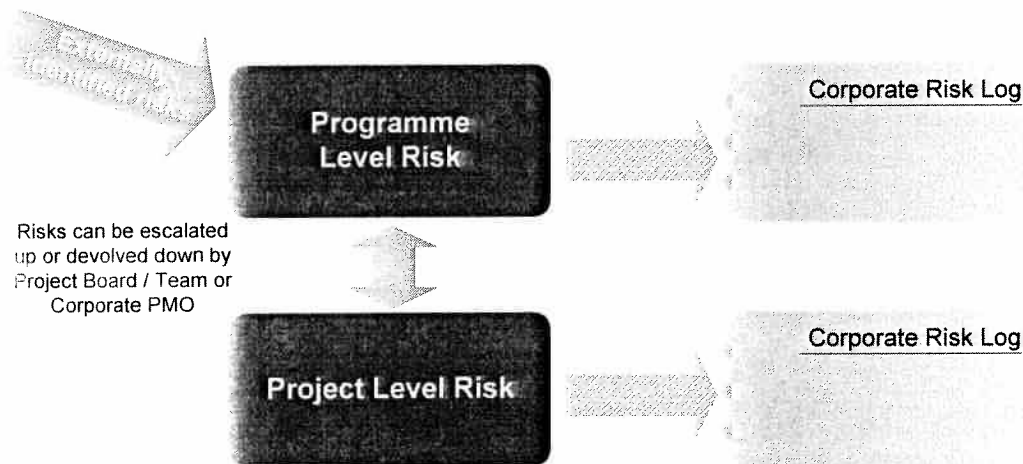
Business Continuity Plans

1. Overview

1.1 Business Continuity Plans allow Business Unit Heads, Departmental Managers and members of CEMB to manage threats or incidents that have the potential to disrupt the delivery of services or the conduct of Council business.

1.2 By focusing on the impact of disruptive events, BCM identifies the critical services and function the organisation depends on, and what is required for the organisation to continue to meet its obligations to its many stakeholders. This allows the organisation to:

- Take steps to protect its people, premises, IT, supply chain, reputation etc
- Plan to respond effectively to disruptive events and challenges

1.3 Business Continuity Management is a cyclical process, and is designed to manage and control risks which can be described as "low probability, high impact" events. It involves four stages:

- Understanding the organisation
- Determining the Business Continuity Strategy
- Developing and implementing the BCM Plans
- Exercising maintaining and reviewing

1.4. It requires both leadership and ownership from senior management, and understanding and support throughout the organisation. For this reason, Business Continuity Management is a mainstream activity, that is required of all Business Units.

2 Roles and responsibilities

2.1 The Emergency Planning and Business Continuity Team are responsible for :

- maintaining the corporate Business Continuity Plan, and advising CEMB of key Business Continuity risks, and mitigation strategies.
- providing advice and training to Business Units to support their Business Continuity planning.
- Providing a programme of exercising to validate corporate and Business Unit plans.

2.2 Heads of Business Units are responsible for:

- Considering the risk of business continuity disruption in their Risk Register
- Ensuring Business Continuity Plans are in place and reviewed twice a year.
- Providing data to the Emergency Planning and Business Continuity Team to inform the corporate Business Continuity strategy.

...ch Directorate should appoint a Tier 2 lead on Business Continuity who will:

- Lead on and champion Business Continuity within the Directorate
- Represent the Directorate on the corporate Business Continuity Management team in the event of an incident requiring a corporate response.

3 Understanding the organisation

3.1 There are two aspects to this stage of Business Continuity Planning:
- Identification and assessment of Business Continuity risks
- Analysis of the criticality of services and functions, and the resources required to support them.

3.2 Business continuity risks are identified by the Emergency Planning and Business Continuity Team, based on the Community Risk Register compiled in conjunction with the Emergency Services. Other Business Continuity Risks are identified by the IT Services.

3.3 Guidance on the likelihood of these risks occurring is provided centrally to Business Units, who must then consider the impact of these risks on their own operations and services. Business Units are expected to enter into their Risk Register any individual BC risks that are of particular significance to them, or a generic BC risk if no individual risk is significant.

3.4 Analysis of the criticality of services and functions of a Business Unit is undertaken on the basis of the length of time the service could cease to function for, before a "Level 5" impact was felt on the Council Risk Management Framework Impact scale (see Appendix B1). Since this prioritisation of services will determine the order in which the Council recovers its services in the event of an incident, these priorities should be agreed with the responsible Cabinet Member.

3.5 Each service is also required to identify and report to the Emergency Planning and Business Continuity Team annually on the resources they would require to maintain their service, considering:
- People
- Premises / workspace
- Resources
- Suppliers
- IT
- Vehicles

4 Determining the Business Continuity Strategy

4.1 The Councils Business Continuity Strategy operates at two levels: local strategies developed by Business Units and services managers, and the corporate strategy for dealing with larger events.

4.2 Each Business Unit is required to identify local actions they can take to maintain services in an incident. These can include remote working, temporary suspension of non-key functions, supplier management strategies etc. Business Units should also consider what actions they can take to improve the resilience of their operations – for example by changing operational processes, identifying alternative suppliers of goods and services, identifying changes to the configuration of premises or infrastructure.

4.3 Corporate Business Continuity strategy focuses primarily on larger disruption of access to premises, and major workforce disruption. This strategy is developed based on an analysis of the data provided by the Business Units (see 2.5).

4.4 This plan is linked to the IT Disaster Recovery Plan, and provides the priority order for recovery of IT Services in aftermath of an incident affecting IT Services.

5 Developing the Business Continuity Plans

5.1 The Business Continuity Response is again split into corporate and local actions. The Corporate Business Continuity Plan sets out the incident management framework for the Council as a whole, roles and responsibilities, notification and escalation processes.

5.2 Business Unit or service Business Continuity Plans are produced according to a corporate template, and include local notification and incident management arrangements and checklists, along with the recovery requirements and actions plans for restoration of services.

5.3 Every Business Unit must have a Business Continuity Plan or plans covering every aspect of their service.

5.4 Business Units are also required to verify the Business Continuity arrangements of their key suppliers and partners.

6 Exercising, maintaining and reviewing

6.1 The Corporate Business Continuity Plan is reviewed on a quarterly basis, and exercised annually. The Emergency Planning and Business Continuity Planning team maintain the plan, incorporating lessons from incidents and exercises.

6.2 Business Unit plans are required to be reviewed twice a year (in September and April). These reviews should take account of lessons from incidents and exercises, and organisational and operational changes that have occurred since the last review.

6.3 In addition, the Emergency Planning and Business Continuity Plan will audit a number of Business Unit plans each year on a risk basis.

6.4 Business Units plans will be exercised at least every three years, based on a corporate programme developed by the Emergency Planning and Business Continuity Team.

APPENDIX B1: Service Prioritisation Guide

What are your priorities for Business Continuity, in the event of an incident, and the target recovery time?

Emergency Response (Immediate)	Critical Services (Recover within 4 hours)	High Priority (Recover within 24 hours)	Medium Priority (Recover within 3 days)	Low Priority (1 week +)
	List individual services	*or aspects of services*	*in these boxes according*	*to their priority.*

At what point would service disruption have a "Level 5" Impact: i.e. Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism

Likely to be services with a public-facing element, but not immediately time-critical. For example, street cleansing can be delayed for a few days, without serious consequences.

Likely to be project work, consultation, strategy development etc.

Services which are very visible to the public may well fall into this category. Services like IT, on which many other services depend, may also fall into this category.

In general, the only services that fall into this category are those where the welfare of the public is immediately affected. For example, Home Care Services – if this was suspended, clients who were not visited may well be at a serious health risk.

The Council will prioritise services needed to respond to the immediate needs of the public in an emergency. If no emergency response is required – for example if the incident is purely internal to the Council – then these services will not be prioritised.
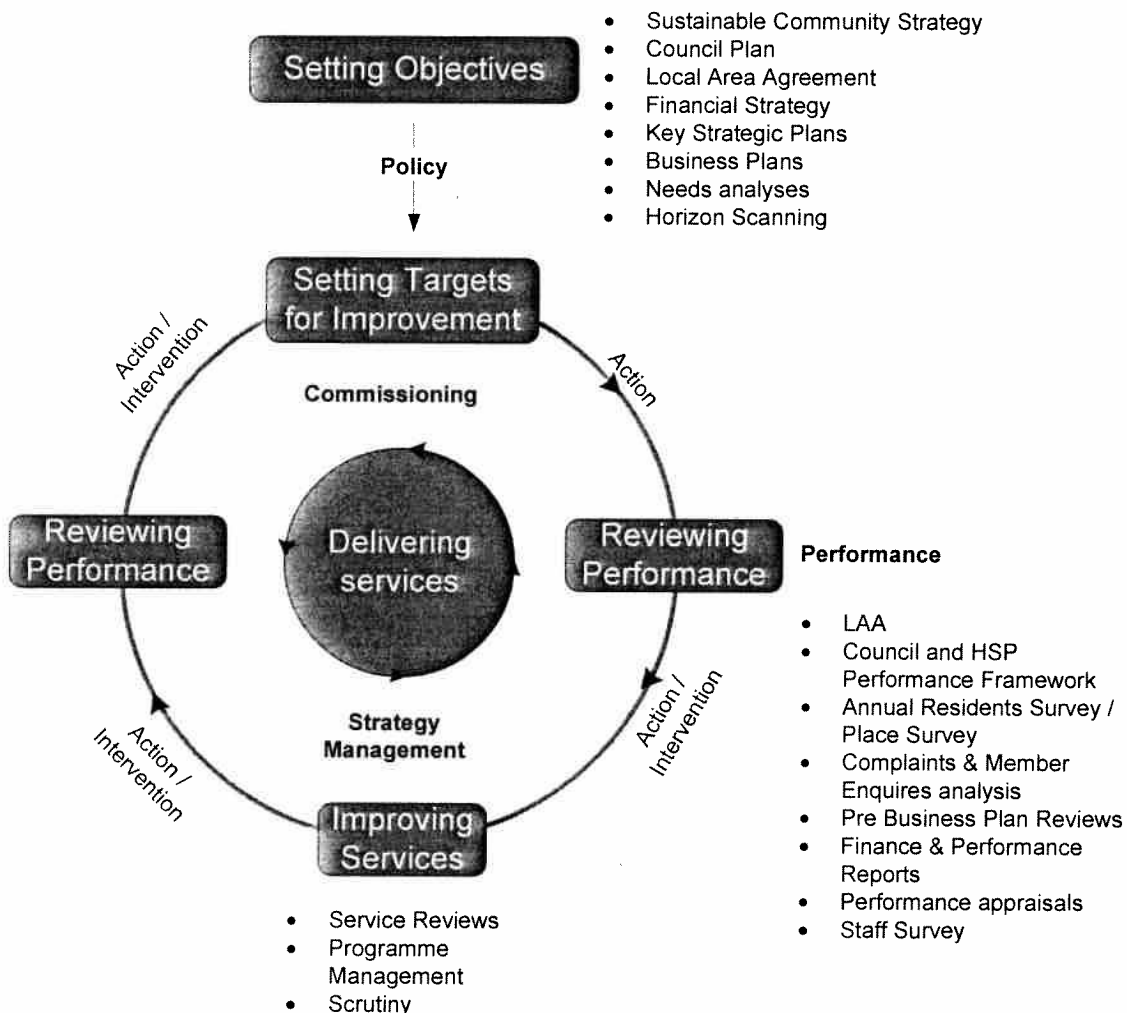
Performance Management Framework

An overview

Haringey has a clear vision with strong political and managerial leadership. The vision is reflected in Haringey's Community Strategy which sets out the ambitions for the borough and the outcomes we want to achieve. It provides the framework for all our plans and puts the community at the heart of everything we do. We have established a golden thread that links the Community Strategy to our Council Plan, business plans and performance appraisal of our staff.

The diagram below shows our approach to performance management and how all the component parts fit together.

Haringey's Performance Management Approach

- Sustainable Community Strategy
- Council Plan
- Local Area Agreement
- Financial Strategy
- Key Strategic Plans
- Business Plans
- Needs analyses
- Horizon Scanning

Performance

- LAA
- Council and HSP Performance Framework
- Annual Residents Survey / Place Survey
- Complaints & Member Enquires analysis
- Pre Business Plan Reviews
- Finance & Performance Reports
- Performance appraisals
- Staff Survey

- Service Reviews
- Programme Management
- Scrutiny

Three-year targets for improvement are set out in our Council Plan, business plans and in the Council's Financial Strategy. Stretch targets have been agreed between Haringey and the Government in our Local Area Agreement (LAA). Our Local area agreement focuses specifically on addressing the big issues identified by the local community. We negotiated thirteen stretch targets in line with our priorities as part of our first LAA and have signed off a new LAA covering the period 2008/09 to 2010/11 including 35 key improvement targets and a number of local targets.

Performance against objectives and targets is reviewed through a number of well-established mechanisms. The Community Strategy and progress against national and local improvement targets in our Local Area Agreement is monitored through a performance management framework developed for the Haringey Strategic Partnership (HSP). Regular performance review is undertaken by the HSP thematic partnership boards. The HSP main board and the executive Performance Management Group receive quarterly updates on areas key to both the delivery of the Community Strategy and the Local Area Agreement.

Progress against the business plans is reviewed mid-year through the Pre-business Plan Review (PBPR) process. The review is reported to Scrutiny and Cabinet Members and feeds into budget planning ensuring that resources are directed to priorities. Business Plans are reviewed at year end and at this stage, 3 year targets are set in line with best performance in comparable authorities.

Every month, Management Board and Cabinet Members receive a report (with a performance appendix) that tracks performance against a basket of key national and local indicators and expenditure against budget. The report focuses on reviewing performance against council priorities. In addition there are quarterly performance discussions at Cabinet Advisory Board. These discussion focus on seeking solutions and for areas where targets are not being met.

We have a well established performance appraisal scheme which ensures that our staff are clear about their contribution towards the council's objectives and that they have the necessary skills to deliver quality services. In 2007 the Council's Performance Appraisal system was updated with the introduction of a revised competency framework and management standards and upward appraisal feedback were introduced in 2008. The council has long recognised the importance of the organisational culture and people's behaviours as a major determinant of our ability to meet aims and aspirations.

The views of our residents are important to us and we consider them as key indicators of our performance. Every year we commission an independent residents survey which tracks perceptions over time and against other London authorities. This information informs our business and other strategic plans. Every eighteen months we also carry out an independent staff survey which shapes the way we manage and develop our staff. We are also an accredited Investor in People employer.

Complaints and Members' Enquires are key in identifying problem areas and in learning from our mistakes in order to improve services.

Where we feel that performance can be improved we take action to do so. Some of the mechanisms we use include: service reviews, Business Process Re-design and Scrutiny Reviews led by Overview and Scrutiny Members. To ensure that key projects are delivered within time and budget we use our project management framework which is based on Prince2.

An outline of the monthly performance review process is set out below.

Monthly Performance Review Process

Who?	**Process**
• Directorate Performance Teams • Service Finance leads	Prepare Directorate Dashboard
Directorate dashboard · · · :nator	Submit monthly dash board to Policy & Performance Team (Richard Hutton)
Policy & Performance Team	Collate combined packs (finance, performance and HR) for monthly officer meeting
• Chief Executive • Director • Chief Financial Officer • ACE POD • ACE PPP&C	Hold combined monthly Budget, Performance & HR officer review meetings
Corporate Finance	Collate & circulate actions arising from meetings
Directors office/support co-ordinate responses from Heads of Service/ Directors	Send responses to actions arising from meetings
Policy & Performance · orate Finance	Prepare monthly summary Finance & Performance Report for CEMB & Cabinet

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