



## NOTICE OF MEETING

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# Audit Committee

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THURSDAY, 25TH MARCH, 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 17 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 - 16)**

To confirm and sign the minutes of the Audit Committee held on the 1<sup>st</sup> February 2010.

**5. DEPUTATIONS AND PETITIONS**

**6. ANTI-MONEY LAUNDERING REGULATIONS AND COUNCIL POLICY (PAGES 17 - 26)**

Item deferred from 1 February 2010. Report of the Head of Audit and Risk Management to advise the Audit Committee of the updated Corporate Anti-money laundering policy.

**7. QUARTER 3 RISK MANAGEMENT UPDATE AND REVISED CORPORATE RISK MANAGEMENT POLICY (PAGES 27 - 62)**

Item deferred from 1 February 2010. 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.

**8. JAR ACTION PLAN UPDATE (PAGES 63 - 116)**

Report of the Director, Children and Young People's Service to provide an update on progress with delivery of the Safeguarding Plan, as requested by the Committee, and an update on the findings of the Ofsted follow-up inspection.

**9. DATA QUALITY UPDATE (PAGES 117 - 128)**

Report of the Assistant Chief Executive, Policy, Performance, Partnerships and Communication, to provide an update on work being done to improve data quality across the council in particular the Children's and Benefits and Local Taxation service.

**10. PARTNERSHIP WORKING (PAGES 129 - 174)**

Report of the Assistant Chief Executive, Policy, Performance, Partnerships and Communications to present the findings of a review of partnership working undertaken by Grant Thornton.

**11. LEASEHOLDER CHARGES (PAGES 175 - 202)**

Report of the Chief Financial Officer – To to present the findings of a review of leasehold services undertaken by Grant Thornton

**12. GRANT THORNTON - AUDIT PROGRESS REPORT (PAGES 203 - 210)**

Grant Thornton progress report.

**13. HOUSING BENEFITS 4TH QUARTER TO DATE PROGRESS REPORT ON COUNTER FRAUD ACTIVITY (PAGES 211 - 216)**

Report of the Chief Financial Officer to advise and update Members on the Counter Fraud performance of the Benefit and Local Taxation Service from the 1<sup>st</sup> January 2010 to the 8<sup>th</sup> March 2010.

**14. TACKLING HEALTH INEQUALITIES IN HARINGEY (PAGES 217 - 234)**

Report of the Acting Joint Director of Public Health to update the Committee on progress made in addressing the recommendations in the Grant Thornton *Tackling Health Inequalities* Audit Report.

**15. INTERNAL AUDIT ANNUAL PLAN AND STRATEGY 2010/11 (PAGES 235 - 276)**

Report of the Head of Audit and Risk Management to inform Members of the proposed Annual Internal Audit plan for 2010/11 and to advise Members of the internal audit strategy.

**16. ANNUAL AUDIT LETTER 2008/09 (PAGES 277 - 300)**

Report of the Chief Financial Officer to receive the Annual Audit Letter for 2008/09 from the Council's external auditors Grant Thornton and to note the issues raised and actions being taken.

**17. NEW ITEMS OF URGENT BUSINESS**

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

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17 March 2010

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**MINUTES OF THE AUDIT COMMITTEE**  
**MONDAY, 1 FEBRUARY 2010**

Councillors Khan (Chair), Diakides, Meehan, Butcher and Dobbieemirci

Apologies Councillors Gorrie and Mughal

MINUTE NO.	SUBJECT/DECISION	ACTION BY
<b>PRAC139.</b>	<p><b>APOLOGIES</b></p> <p>Apologies for absence were received from Cllr Mallett, for whom Cllr Demirci was acting as substitute.</p> <p>Apologies for absence were also received from Cllrs Gorrie and Mughal.</p>	
<b>PRAC140.</b>	<p><b>URGENT BUSINESS</b></p> <p>The Committee expressed concern that the meeting was being held in a room which was not fully accessible to members of the public and asked that all future meetings be held in a more suitable venue.</p>	
<b>PRAC141.</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no declarations of interest.</p>	
<b>PRAC142.</b>	<p><b>MINUTES</b></p> <p><b>RESOLVED</b></p> <p>That the minutes of the meeting held on 5 November 2009 be approved and signed by the Chair.</p>	
<b>PRAC143.</b>	<p><b>DEPUTATIONS AND PETITIONS</b></p> <p>There were no such items.</p>	
<b>PRAC144.</b>	<p><b>GRANT THORNTON PROGRESS REPORT</b></p> <p>Paul Hughes, Grant Thornton, introduced the report on audit progress. It was reported that a meeting in preparation for the 2009/10 accounts audit was scheduled for 10 February 2010 and that a draft timetable for the Use of Resources had been agreed with officers.</p> <p>In response to a question from the Committee regarding how the Council could make audit processes more successful in future, particularly in relation to interim visits, Grant Thornton reported that the process had worked very well in the previous year, and that it was hoped that this success would be repeated in the current year. In response to a question from the Committee, Grant Thornton confirmed that the Council's audit had been completed on time but that the authorities singled out for</p>	

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	<p>mention in the Audit Commission publicity were those who had completed very early and had evolved their processes for a number of years with a higher level of resources to enable their audits to be completed at an early stage.</p> <p><b>RESOLVED</b></p> <p>That the content of the report be noted.</p>	
<p><b>PRAC145.</b></p>	<p><b>GRANTS REPORT 2008/09</b></p> <p>Graham Oliver, Corporate Finance, introduced Grant Thornton's Grants Report 2008/09. It was reported that good progress had been made on the relevant performance indicators and that this was reflected in the decrease in fees payable. Further improvements were still required, and the management responses to the recommendations made by Grant Thornton were attached to the report. Paul Hughes, Grant Thornton, advised that the report showed an improvement and that the number of claims qualified by the auditor had decreased on the previous year, which was positive. The data quality issues identified had been raised with the Committee previously. It was reported that the number of qualified claims at Haringey was broadly in line with other London Boroughs audited. In respect of the issues identified in relation to Housing and Council Tax Benefit, it was reported that management were aware of these issues, and that the actions being undertaken to address them were encouraging.</p> <p>The Committee expressed concern at the scale of some of the issues identified, and asked why these issues had not been picked up internally rather than by the external auditor. Ian Biggadike, Benefits and Local Taxation, reported that a new, more robust quality assurance process had been introduced and that a compliance team had been established to focus on quality checking. New software had also been brought in to flag up any errors, and where an error had been identified, all the work by the officer concerned was data-checked. Mr Biggadike also reported that new training had been introduced for Benefits and Local Taxation staff. It was noted that there was a national issue in relation to data quality, due to the complexity of this area of work.</p> <p>The Committee commented that errors in Benefits led to a very direct impact on individual residents, and asked why these issues had not been flagged up by complaints from residents. The Chief Financial Officer reported that quality assurance procedures had been in place, but that these had not focused sufficiently on areas such as performance indicators, and this was now being addressed. There had been no direct impact on residents. Mr Biggadike reported that the main issue identified was that of start dates. A test for staff on the issues identified had been introduced, and anyone failing the test would require all their assessments to be signed off by another officer to ensure accuracy.</p> <p>The Committee asked whether the cost of revenue lost as a result of errors had been calculated, in response to which the Chief Financial</p>	

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	<p>Officer reported that the final amendment to the claim had been calculated at around £18k. The Committee expressed surprise that this amount appeared small compared to the scale of the problems that had been identified, in response to which it was reported that this was due to the nature of the errors, many of which did not have a direct financial impact. The Committee noted that Members dealt with a number of cases relating to errors in benefits payment as part of their case-load, and emphasised that the Council should be getting things right first time, every time. It was reported that a lot of information that could prevent errors being made was freely available to officers and should be used to cross-reference in a systematic way, for example in relation to single person discount claims. Mr Biggadike reported that a full review of the single person discount had been completed and the Chief Financial Officer reported that all discounts had been reviewed in February 2009, and that this had now been introduced as an annual exercise.</p> <p>The Chair noted that the report showed some improvement in relation to three of the five performance indicators, but that further improvement was necessary, particularly in relation to claims amended. Officers provided assurance that action was being taken to address the issues identified, and it was anticipated that next year's Grant Report would show that the problems identified this year had been addressed.</p> <p>Taking into account the concerns raised by the Committee and the responses provided by officers it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the management responses contained in the action plan be agreed.</li> <li>ii) The progress against the action plan be reviewed by the Committee in 6 months.</li> </ul>	
<p><b>PRAC146.</b></p>	<p><b>EXTERNAL AUDIT PLAN 2009/10</b></p> <p>Paul Dossett, Grant Thornton, presented the audit plan for 2009/10, and reported that from 2009/10 the Audit Commission had introduced an approach whereby an indicative audit fee was agreed before the year began and that a more detailed audit plan was then compiled, including the audit of the accounts work and the Use of Resources audit. The report set out the issues that had arisen since the indicative fee had been agreed by the Committee, of which data quality was a key area. As a result of the issues relating to data quality it was reported that a significant increase in audit work on data quality would be required to ensure that robust arrangements were in place. As a result of the issues identified during the year, the fee for 2009/10 had increased from £505k to £515k. It was reported that the indicative fee for Haringey had been above the Audit Commission's scale fee as a result of Use of Resources issues; it was anticipated that the indicative fee for 2010/11 would demonstrate a reduction in the previous year's fee, but this would depend on the outcome of the Use of Resources audit.</p>	

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	<p>The Committee expressed concern at the increase in fee set out in the report, and asked how much of the workload generated by the issues identified had been over and above the expectations of the audit workload anticipated at the start of the year. Mr Dossett explained that the Audit Commission established a scale fee, and expected auditors to set a fee based on the scale fee on the basis that areas of higher risk led to higher fees. It was reported that Haringey was an authority with a relatively high risk in relation to Use of Resources, which had led to the initial indicative fee being higher than the scale fee. It was reported that auditors had to justify the fees they had set to the Audit Commission, and that the Audit Commission would look at the level of risk. It was hoped that it would be possible for the fee for 2010/11 to be reduced.</p> <p>In response to a question from the Committee regarding the fee for previous years, Mr Dossett reported that the fees for 2007/08 and 2008/09 had been the same, but that there had been a 4-5% increase from 2008/09 to 2009/10. The Committee requested information on the additional work carried out in order to justify the increase on the indicative audit fee for 2009/10 that had been agreed.</p> <p>The Chair asked what significant issues the auditor anticipated as a result of the transition to IFRS accounting, in response to which Mr Dossett advised that while 2010/11 would be the first year in which IFRS would be introduced, the Council would be required to provide comparative data for 2009/10. Grant Thornton were working with the Council to assist with preparation for the transition to IFRS. The Chair emphasised the need for the Committee to be provided with a breakdown of the additional work that justified the increase in fee. In response to a question from the Chair regarding the proposed increase in fee for 2009/10 to £515k, the Chief Financial Officer reported that the issues identified had increased the audit work and so the proposed increase was understandable.</p> <p><b>RESOLVED</b></p> <p>That, subject to the Committee being provided with evidence of the additional work as a result of which an increased fee had been proposed, the proposed audit plan and fees for 2009/10 be approved.</p>	
<p><b>PRAC147.</b></p>	<p><b>TACKLING HEALTH INEQUALITIES IN HARINGEY - FOLLOW UP REPORT</b></p> <p>Paul Hughes, Grant Thornton, presented the Tackling Health Inequalities in Haringey report, which was a follow up report to an issue considered by the Committee in June 2008. The report set out how the Council and PCT were working together on Health Inequalities, and reported progress against the action plan. It was reported that 8 of the 11 recommendations in the action plan had been implemented by the deadline, and that a further follow up would be carried out to check that the outstanding actions had been implemented, although the initial deadlines for these had already expired. The Chair noted that Health Inequalities was of concern to every individual, and that the Overview</p>	

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	<p>and Scrutiny Committee was increasing its involvement in this area. It was noted that this was a follow up report to a report that had been considered by the Committee in 2008, and that it was essential for all the actions in the action plan that had been agreed at the time to be implemented.</p> <p>The Committee expressed concern that some of the actions had not been implemented after two years, and questioned the effectiveness of an action plan if it was not being followed. It was noted that partnership working could lead to some issues with progress, and that all the auditor could do was to monitor the progress made, and highlight where this was unsatisfactory. The Committee requested that the responsible officer attend the meeting of the Audit Committee on 25 March 2010 to explain the reasons for the progress made, and it was noted that this would be the Joint Director of Public Health.</p> <p><b>RESOLVED</b></p> <p>That the Joint Director of Public Health attend the meeting of the Audit Committee on 25 March 2010 to explain the progress made in the area of Health Inequalities.</p>	
<p><b>PRAC148.</b></p>	<p><b>JAR ACTION PLAN UPDATE</b></p> <p>Mark Gwynne, JAR Programme Manager, presented the report on progress in delivery of the Safeguarding Plan up to the month of December. It was reported that progress was being made and that there was an emphasis on quality of work. The milestones were largely based on building sound foundations to allow further improvements, with a key emphasis on staff stability and increasing capacity. Ofsted had carried out a follow up visit in January 2010 and would provide a progress update later in February 2010, although this would not affect the Council's CAA rating for the current year.</p> <p>The Committee expressed concern that only one in four initial assessments were being completed within the target of 7 days, and that only four in ten core assessments were being completed within 35 days. Mr Gwynne reported that although the targets were not yet being met, a far larger proportion of assessments were now being completed just outside of target time and that risk management of assessments was much more robust than previously, so that all cases were risk assessed and reviewed regularly, ensuring that priority cases were dealt with in a timely manner.</p> <p>The Committee noted that staffing issues had been identified as a key problem in the past, and expressed concern that despite an increase in resources available and management attention, progress was still not being seen to be made. The Committee expressed concern that lives could be put at risk by any delays in assessments, and that the progress reported demonstrated that there were still issues to be addressed. The Committee noted that it was useful to know that a high proportion of assessments were being completed just outside the target timescales,</p>	

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and felt that it might have provided some reassurance for this to be included within the report. The Committee also noted that no information had been provided on how many social workers who had been in post 15 months ago were still employed with the Council, and how many had moved on.

Mr Gwynne reported that information on the number of assessments being completed within 10 days would be provided to Committee Members outside the meeting. While the Service was working to meet the 7 day target, it was reported that the focus was on getting things right. The Committee was assured that all cases were being risk assessed and that at-risk cases were being assessed within the target timeframe. It was reported that the focus had to be on the children involved and not on performance indicators.

The Committee discussed the need for all staff in Children's Services to be fully trained to perform their roles to a high quality. It was reported that investment in training and qualifications for staff had increased, and that there had been active recruitment for social worker positions, with some staff turnover. Enhanced training had been introduced within the Council and Local Safeguarding Children's Board.

The Chair questioned the use of the phrase 'wherever possible' in the priority expressing commitment to provide support and protection to the most vulnerable people in the community. It was reported that the intention was to protect everybody, but that no 100% assurance that this would be possible could be provided. The Chair expressed concern that it should be in the mission statement that all people would be safeguarded from abuse and neglect. The Chair asked about the safeguarding plan steering group, whether minutes of its meetings and follow up actions were produced, and who was monitoring its work. Mr Gwynne reported that the steering group, members of which included the Chief Executive of the Council, the Chief Executive of NHS Haringey and the Borough Commander, met fortnightly and that minutes were produced and progress reported to the Chief Executive's Management Board and the Children's Trust Executive Performance Management Group. The steering group was chaired by the Director of the Children and Young People's Service. In response to a question from the Committee, it was reported that elected Members saw the minutes of the steering group at the Children's Trust Executive Performance Management Group.

The Chair asked why the full safeguarding plan had not been included in the report to the Committee for better understanding of the subject. It was reported that the full list of milestones was included in the report, but that that the full text of the safeguarding plan would also be made available to the Committee. The Chair asked whether Mr Gwynne felt that the list of milestones would enable progress that would assure elected Members that they were fully meeting their responsibilities and duties in relation to safeguarding to the best of their abilities, in response to which Mr Gwynne confirmed that the milestones flowed from the JAR action plan updated with the recommendations made by Ofsted in June

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2009 and that it was felt both internally and by Ofsted to be the right things that are being focused on and to be progressing at a suitable pace. It was felt that it would be for the Director of the Children and Young People's Services to provide his opinion on whether these milestones would enable Members to fulfil their duties in relation to safeguarding, and the Committee expressed regret that the Director had not been able to attend the meeting. The Chair noted that there had been 7 themes reported in February 2009, and that there were now 5, in response to which Mr Gwynne confirmed that 2 of the original themes had now been included within the remaining 5 enabling greater focus and easier communication of the key messages.

The Chair referred to the Annual Audit and Inspection Letter, considered by the Committee in July 2009, in which the Audit Commission had raised the issue of teenage pregnancy rates. It had been recorded and confirmed by the Chief Executive that teenage pregnancy rates would be addressed in the action plan, yet the Chair noted that none of the milestones in the report referred to this issue, and asked why. Mr Gwynne reported that the Safeguarding Plan, as the refreshed JAR action plan, focused solely on safeguarding issues, and that the issue of teenage pregnancy rates was addressed by other action plans within the Council and partnership bodies. The Chair expressed concern that there seemed to be a lack of co-ordination within the Council in respect of this issue.

In response to a question from the Chair regarding the approach to risk management, Mr Gwynne reported that the Council's standard risk management approach had been adopted and that risks were monitored on a monthly basis and reported to CEMB. The Chair asked whether the Council was asking for increased funding from Government in response to the increased demand on safeguarding services, in response to which Mr Gwynne reported that some additional funding had been received, and that further bids had been submitted. It was reported that significant work was being done in the area of early intervention and prevention, which should in time reduce the demand on Children's Services as more cases would be picked up and addressed before reaching the referral stage. The Chair noted that the Council was being asked to take on a greater responsibility within limited resources, and that additional funds would be required from Government. The Chief Financial Officer reported that the Children and Young People's Service had received additional funding for one-off improvements but that it had been indicated that there would be no increase in funding on an ongoing basis, further to a request from the Leader in response to the Council's grant settlement from the Government. The Chair noted that it was important that the Council not be penalised for the increasing responsibility it was taking on, in response to which the Chief Financial Officer advised that the Council had to manage its responsibilities within the resources available, and that safeguarding was a key priority within this.

The Chair asked whether the Chief Financial officer felt that the report provided an accurate picture of progress on the JAR action plan, in

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	<p>response to which the Chief Financial officer confirmed that this was the case.</p> <p>Cllr Butcher moved an amendment to the recommendations of the report, which was seconded by Cllr Dobbie. In discussion of the amendment, it was noted that Cabinet Members were not routinely invited to Audit Committee to speak on reports relating to their portfolio, although Cabinet Members could be invited to attend the Committee to address specific issues. The Committee agreed that the Cabinet Member should be asked to attend the next meeting of the Audit Committee to discuss progress against the JAR action plan. It was also noted that it was not normal procedure for Cabinet Members to sign off reports for Audit Committee. The amended recommendation was agreed by the Committee and it was:</p> <p><b>RESOLVED</b></p> <p>That the Committee note with concern the performance indicators on the safeguarding plan and request the Cabinet Member responsible to attend to answer questions at the next Audit Committee to explain the limited progress.</p>	
<p><b>PRAC149.</b></p>	<p><b>DATA QUALITY - UPDATE REPORT</b></p> <p>Wayne Longshaw, Assistant Chief Executive, Policy, Performance, Partnership and Communication, presented the report on the work being done to improve data quality across the council. It was reported that a series of workshops were being held with managers to improve data quality and to progress the data quality strategy.</p> <p>The Committee asked for information on the outcome of the data quality audits completed during 2009, and asked on what basis it was being judged that good progress had been made overall. Mr Longshaw reported that in the most recent data quality audit carried out in Children's Services, a data sample of 300 cases had been looked at to give an indication of whether progress was being made. It was reported that the progress of the department had been positive, and that no major concerns had been identified as a result of the audit. It was also reported that no data quality concerns had been raised by Ofsted inspectors during their most recent visit. Mr Longshaw reported that the Council was working with the auditors and that an independent assessment and testing of data quality would be carried out. It was anticipated that the CAA rating in the area of data quality would improve, but that the outcome of the assessment would not be known until later in the year.</p> <p>In response to a question from the Committee, Mr Longshaw reported that sampling was being undertaken and that this was being focused on the areas where it was recognised that there was a particular risk, in Children's Services and Benefits. Members welcomed the practice of random sampling and not just reliance on processes, and encouraged that more sampling be undertaken. The Committee requested information on the outcome of the 300 data samples from Children's</p>	



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	<p>Services, referred to earlier, so that the Cabinet member responsible could talk the Committee through the findings and to clarify the issues. It was also suggested that information on sampling undertaken in Benefits would be useful. The Committee felt that data quality was an issue that it would be appropriate for the Chief Executive to advise the Committee on. The Committee requested that a further update on data quality issues in Children's Services and Benefits be provided to the Committee at the next meeting in March.</p> <p>The Chair thanked Mr Longshaw for his report, and emphasised the importance of the Committee considering the financial and non-financial performance of the Council, in accordance with the terms of reference of the Audit Committee. The Chair asked the Chief Financial Officer if he was satisfied that the data quality strategy and action plan to address the issues raised, including in Children and Young People's Services, Housing, Council Tax and Benefits and Local taxation would improve the Council's CAA rating, in response to which the Chief Financial Officer confirmed that this was the case.</p> <p>Taking into account the points raised by the Committee, it was:</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the report and progress being made in respect of data quality be noted.</li> <li>ii) That a further update report on data quality progress in Children's Services and Benefits be presented at the next meeting of the Audit Committee.</li> </ul>	
<p><b>PRAC150.</b></p>	<p><b>HOUSING BENEFITS 3RD QUARTER PROGRESS REPORT ON COUNTER FRAUD ACTIVITY</b></p> <p>Ian Biggadike, Benefits and Local Taxation, presented the report on the Counter Fraud performance of the Benefits and Local Taxation Service from 1 October to 31 December 2009. Mr Biggadike reported that the number of sanctions for this quarter had been 23. Overall performance in relation to sanctions was below target, but it was reported that there was a focus on increasing prosecution rates; there had been 16 successful prosecutions in the year to date, a significant increase on the previous year, and 18 further cases had been identified for prosecution. It was reported that it was unlikely that the overall target for sanctions would be met, but the number of sanctions would increase when the data-matching exercise was resumed. Mr Biggadike reported that the initial pilot of a scheme to identify fraudulent employment details had led to 168 claims being cancelled, resulting in a potential saving of £700k. In response to a question from the Committee, Mr Biggadike confirmed that the cases chosen for the pilot scheme had been identified as those with a high risk of fraud.</p> <p>It was reported that £731k in overpaid benefits had been identified, and a further £7k in administrative penalties. Due to a national software error, no accurate figure for the amount recovered for the quarter could be</p>	

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	<p>provided, but this information would be provided once the error had been corrected. It was reported that the Fraud Investigation Team had been part of a successful bid to procure an integrated Intelligence and Case Management IT system, which would facilitate the sharing of intelligence across directorates. In relation to the National Fraud Initiative, it was reported that 3 key areas for action had been identified, which were in and out of borough payroll cases, undeclared students and alcohol licence holders. The Committee welcomed the results, but expressed concern that cross-referencing of information from licence applications, etc, might lead to people being deterred from applying for licences and result in licensable activities being carried out by people without valid licences. The Chief Financial Officer acknowledged the concerns raised by the Committee, but advised Members that the Council was required by law to ensure that licence holders were not also claiming benefits to which they were not entitled.</p> <p>In response to a question from the Committee regarding the subsidy for recovered payments, the Chief Financial Officer advised that there was a subsidy of 40% available from the Government in addition to the amount recovered by the Council, so in theory it would be possible to recover 140% of the amount overpaid in total, were 100% of the original overpayment recovered, although this was extremely unlikely as the income recovery is between 50% and 60%. The Committee asked why alcohol licence holders had been identified as a key area as part of the NFI, and it was reported by Steve Thomas, Benefits and Local Taxation, that this had been identified as a new area where a significant amount of undeclared income had been identified. In response to a question from the Committee, it was confirmed that checks were made as to whether licence holders were in fact working before any action was taken and that for any individual identified by the NFI, evidence was required for any prosecution to be commenced. Paul Dossett, Grant Thornton, advised that the Audit Commission was actively promoting the national fraud initiative and was proposing to roll out the initiative to all its suppliers. The Chair noted that the Council was required to pursue the Counter-Fraud strategy, and that a balance had to be reached between meeting the targets for identifying fraud and not penalising Haringey residents unfairly.</p> <p><b>RESOLVED</b></p> <p>That the report and work being carried out by the Benefits and Local Taxation Service in relation to Counter Fraud activity be noted.</p>	
PRAC151.	<p><b>IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - PROGRESS REPORT</b></p> <p>Graham Oliver, Corporate Finance, presented the report on the progress made in respect of the implementation of International Financial Reporting Standards (IFRS) and the actions proposed in order to secure full implementation. It was reported that the Council was working closely with Grant Thornton and other London Boroughs on this issue.</p> <p>In response to a question from the Committee regarding PFI, the Chief</p>	

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	<p>Financial Officer confirmed that the way in which PFI was accounted was a major change as part of the introduction of IFRS, but that this would have no impact on Haringey as PFI had been brought onto the balance sheet two years previously. The Committee asked about the issue of group accounts, in response to which Mr Oliver reported that there were potentially complex issues to resolve in relation to accounting systems to reflect the debt relating to Alexandra Palace and Park. Paul Dossett, Grant Thornton, reported that following the introduction of group accounts in the Health sector, the Charity Commission had taken the view that accounts of charities should not be consolidated, and that this position would have to be considered in looking at the presentation of the accounts relating to the Alexandra Park and Palace Charitable Trust. It was reported that a significant amount of work was still required in order to address issues relating to bottom line impact.</p> <p>The Chair asked the Chief Financial Officer if he was happy that the training being provided to staff in preparation for the IFRS compliance was satisfactory, in response to which the Chief Financial Officer reported that the training was, in his view, satisfactory.</p> <p><b>RESOLVED</b></p> <p>That the progress to date and proposed actions to ensure full IFRS implementation be noted.</p>	
<p><b>PRAC152.</b></p>	<p><b>TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) AND INVESTMENT STRATEGY 2010/11 TO 2012/13</b></p> <p>The Committee was provided with a supplementary note in relation to the item on Treasury Management. The Chief Financial Officer presented the report and supplementary note on the Treasury Management Strategy Statement 2010/11 to 2012/13 to the Committee for scrutiny prior to its adoption by the Cabinet and the Council and following its agreement by the General Purposes Committee. It was reported that the CIPFA Code of Practice had very recently been revised and that this had resulted in a change in the way in which the Treasury Management Strategy Statement was approved, as a result of which the Audit Committee would now have responsibility for scrutiny of the Statement prior to its consideration by Cabinet and Council. It was confirmed that the Council's Constitution would be amended to reflect this change. The General Purposes Committee received reports on Treasury Management issues on a quarterly basis and had made recommendations and amendments to the Treasury Management policy.</p> <p>The Committee was notified that the Council's Treasury Management Advisors, Arlingclose, had advised that local authorities were now required to have regard to the ratings issued by the three main agencies, Fitch, Moody's and Standard and Poor's, in relation to determining the institutions on the Council's counterparty list for approved lending. It was reported that this had not led to any change in the counterparty list. Arlingclose had provided a list of possible foreign financial institutions who could be considered for inclusion in the counterparty list in future, but it was reported that officers were still undertaking due diligence in</p>	

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relation to this list and so no recommendations to change the list were being made at this time. It was reported that this situation would remain under review, and progress would be reported to the General Purposes Committee and the Council. The Committee was advised that an increase in the maximum total investment in Money Market Funds from £10m to £45m was proposed in the Strategy Statement, subject to a maximum exposure in any one fund to £15m.

Committee Members requested additional training in order to enable them to fulfil the new responsibility of the Audit Committee in scrutinising the Treasury Management Strategy Statement and to make sure that it did not become a 'rubber-stamping' exercise. The Committee asked for clarification of the section of the report which mentioned maximum exposure to any one institution (or group) of £10m, in response to which the Chief Financial Officer advised that this was in relation to foreign institutions only, and would be in conjunction with a requirement for a higher minimum credit rating than for UK institutions. The Committee expressed concern regarding the possibility of investing in foreign institutions, and the Chief Financial Officer confirmed that the report was setting out the criteria that would need to be looked at before investment in any foreign institution was considered, and that no recommendation to invest in foreign banks was being made at this time. Officers would be carrying out due diligence in respect of the foreign banks suggested by Arlingclose, and would report their recommendations back to the relevant Committees. The Chief Financial Officer reported that any recommendation in relation to a foreign bank would be based on a number of factors being investigated in detail, and not just the credit rating. It was suggested by Committee Members that the Council needed to be increasingly risk-averse as a consequence of the impact of the Icelandic banks collapse in 2009. It was reported that the General Purposes Committee had asked the Council to explore the possibility of investing in mutuals and to report back on this issue.

The Committee asked for clear information on the process by which changes in relation to the credit ratings required by the policy were determined, and were not clear as to how the changes in the Council's acceptable risk thresholds were agreed. The Committee also asked about the expertise of officers involved in due diligence relating to foreign institutions, and the way in which this work was undertaken. The Committee further asked about the possibility of internal borrowing, and whether this had been considered by the Council. The Chief Financial Officer reported that in respect of the process by which the Council's appetite for risk was revised, an immediate assessment (on the same day) would be carried out by officers as soon as changes in credit ratings were reported, and that the Chief Financial Officer would then have responsibility for signing off any action required as a result. Discussions would also take place with Arlingclose. There would then be a report to the General Purposes Committee and to Full Council if any change to the Treasury Management Policy was being recommended as a result. In response to a question from the Committee regarding the speed with which any change could be implemented, it was reported that in the event of a downgrade in credit rating, the Council would cease

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	<p>lending to that institution with immediate effect and that no further investment would take place until a full review could be carried out. The Chief Financial Officer stated that the due diligence work to be carried out by officers, would review each individual bank against the criteria set out in the Treasury Management Strategy Statement. The Chief Financial Officer confirmed that internal borrowing was included in the Treasury Management Strategy Statement and that officers would ensure that this information was clearly set out. It was reported that the Council was already undertaking internal borrowing.</p> <p>The Chair questioned the information in Annex 4 to the Treasury Management Strategy Statement attached to the report, where it was indicated that there was instant access to AAA rated money market funds and that the maximum maturity term for bonds was 6 years. In response, the Chief Financial Officer advised that 6 years was the maximum term that bonds could be invested for theoretically, although it had been agreed that it was unlikely the Council would invest for more than 1 year in practice. In relation to the access to funds invested in money markets, it was confirmed that these were held in reserve and were not committed, in order to facilitate immediate recall of cash and to meet the Council's responsibilities in relation to liquidity. The Chair asked that the Committee's concerns regarding investment in foreign institutions be noted and taken into consideration, and suggested that when looking at these institutions a criterion should be whether they are part of a Government credit guarantee scheme.</p> <p>That Committee emphasised that training on the responsibilities of scrutinising the Treasury Management Strategy Statement for Audit Committee and General Purposes Committee Members must be prioritised.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That, taking into account the comments made by the Committee in relation to the need for Member training and the need to exercise caution regarding consideration of investment in foreign banks, the Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13 be noted.</li> <li>ii) That the changes to the Council's Constitution in relation to the reporting arrangements for the Treasury Management Strategy Statement be noted.</li> </ul>	
PRAC153.	<p><b>INTERNAL AUDIT 3RD QUARTER PROGRESS REPORT</b></p> <p>The Head of Audit and Risk Management, Anne Woods, presented the report on the work undertaken during the third quarter by the Internal Audit Service in completing the annual audit plan and any responsive fraud investigation work, and the work the Council's personnel division has undertaken in supporting disciplinary action taken across all departments by respective council managers. It was reported that this</p>	

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	<p>was the second quarterly update report where all priority 1 recommendations had been implemented. Further to a request at the previous Committee meeting, a detailed follow up report on the Decent Homes Standards report had been provided. The Chair expressed satisfaction with the performance outlined in the report, and that the backlog of recommendations had been cleared. The Chair noted that, of the recommendations arising from the Decent Homes Standard audit, two priority 1 recommendations had been partially implemented and a revised deadline for completion agreed.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the audit coverage and progress during the third quarter 2009/10 be noted.</li> <li>ii) That the progress and responses received in respect of outstanding audit recommendations be noted.</li> <li>iii) That the actions taken during quarter 3 to address the outstanding recommendations be confirmed as appropriate.</li> </ul>	
<p><b>PRAC154.</b></p>	<p><b>INTERNAL AUDIT - CIPFA BENCHMARKING</b></p> <p>The Head of Audit and Risk Management, Anne Woods, presented the report on the results of the CIPFA benchmarking exercise completed in 2009/10. It was reported that 18 other London Boroughs submitted participated in this exercise and that Haringey had the second highest turnover value of all London authorities who participated in the benchmarking exercise. It was noted that a number of local authorities had moved to a corporate anti-fraud team model within Audit since 2008/09.</p> <p>In response to a question from the Committee regarding the average cost per chargeable day, it was reported that Haringey's was comparatively high as the exercise covered a number of outer London Boroughs, whose costs were significantly lower than those for more central Boroughs.</p> <p><b>RESOLVED</b></p> <p>That the content of the report be noted.</p>	
<p><b>PRAC155.</b></p>	<p><b>REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE</b></p> <p>The Head of Audit and Risk Management, Anne Woods, presented the report on the level of compliance with the IPF Toolkit in relation to local authority Audit Committees and their effectiveness. It was reported that the IPF Toolkit was considered to be best practice, although there were some areas in which it differed from the CIPFA guidance on Audit Committee effectiveness. The Chair confirmed that he had looked into the report in detail, and that 95% of the requirements of the IPF Toolkit had been fully complied with and that the Grant Thornton Use of</p>	

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	<p>Resources report had confirmed that they were happy with the effectiveness of the Committee.</p> <p>The Committee suggested that Members be given further opportunity to liaise with the Head of Audit and Risk Management outside of Committee meetings, and it was suggested that this be explored further following the election in May. The Committee also discussed the size of agendas for the Committee, and suggested that the possibility of increasing the number of meetings per year be explored, and that a clear timetable of the items to be taken at each meeting be produced in order to assist with agenda management. The Chair accepted the points raised by the Committee, and noted that the number of meetings per year had already increased from 4 to 6. As it was essential for the Committee to consider both non financial and financial aspects of the Council's operations, the Committee's workload had increased. The Committee asked about the areas in which non-compliance had been identified, in response to which the Chair advised that he felt to the best of his understanding, as well as the advice of the Section 151 Officer, that these had been adequately addressed in the responses provided in the report.</p> <p><b>RESOLVED</b></p> <ul style="list-style-type: none"> <li>i) That the outcome of the assessment against and current level of compliance with the IPF Toolkit be noted.</li> <li>ii) That the following issues be explored further with the aim of improving the effectiveness of the Committee: increasing the opportunities for interaction between Committee Members and the Head of Audit and Risk Management, the possibility of increasing the number of Committee meetings annually, that a clear timetable of items for each meeting throughout the year be produced to assist with agenda management.</li> <li>iii) That the assessment being undertaken on an annual basis from 2009/10, the item to be included on the annual work and agenda plan which is presented to the Committee at the start of the municipal year, be agreed.</li> </ul>	
<b>PRAC156.</b>	<p><b>ANTI MONEY LAUNDERING REGULATIONS AND COUNCIL POLICY</b></p> <p>This item was deferred to the next meeting of the Committee.</p>	
<b>PRAC157.</b>	<p><b>QUARTER 3 RISK MANAGEMENT UPDATE AND REVISED CORPORATE RISK MANAGEMENT POLICY</b></p> <p>This item was deferred to the next meeting of the Committee.</p>	
<b>PRAC158.</b>	<p><b>NEW ITEMS OF URGENT BUSINESS</b></p> <p>There were no new items of urgent business.</p>	

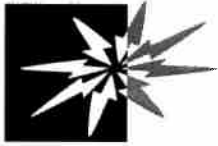
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<b>PRAC159.</b>	<b>DATE OF NEXT MEETING</b>  Thursday, 25 March 2010 at 19:30hrs.  The meeting closed at 22:05hrs.	
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COUNCILLOR GMMH RAHMAN KHAN

Chair





Haringey Council

Agenda item:

**[No.]****Audit Committee****On 25 March 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](mailto:anne.woods@haringey.gov.uk)Wards(s) affected: **All**Report for: **Non-key decision****1. Purpose of the report**

1.1 To advise the Audit Committee of the updated Corporate Anti-money laundering policy.

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

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by ensuring that the Council fully complies with anti-money laundering regulations where appropriate, to reduce risks and improve controls.

**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)**

4.1 The 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**

9.1 Not 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

<p>corporate, statutory and best practice requirements are incorporated into the corporate Anti-money laundering policy.</p>
<p><b>12. Service Financial Comments</b></p> <p>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.</p>
<p><b>13. Use of appendices</b></p> <p>13.1 Appendix A – Anti-money laundering policy</p>
<p><b>14. Local Government (Access to Information) Act 1985</b></p> <p>14.1 List of background documents. The following documents were used in production of this report:</p> <ul style="list-style-type: none"> <li>• Money Laundering Regulations 2007</li> <li>• CIPFA guidance 2009 – Combating financial crime, further guidance on anti-money laundering for public service organisations</li> </ul>

## 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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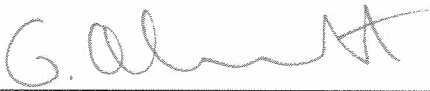


**Haringey** Council

Agenda item:

**Audit Committee**

**On 25 March 2010**

Report Title: <b>Risk Management update Quarter 3 2009/10 and Updated Corporate Risk Management Policy and Strategy</b>	
Report authorised by: <b>Chief Financial Officer</b> 	
Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management <b>Tel:</b> 020 8489 5973 <b>Email:</b> <a href="mailto:anne.woods@haringey.gov.uk">anne.woods@haringey.gov.uk</a>	
Wards(s) affected: <b>All</b>	Report for: <b>Non-key decision</b>
<p><b>1. Purpose of the report</b></p> <p>1.1 To inform the Audit Committee of the current position on risk management implementation across the Council.</p> <p>1.2 To provide an updated Corporate Risk Management Policy and Strategy for review and approval.</p>	
<p><b>2. State link(s) with Council Plan Priorities and actions and/or other Strategies:</b></p> <p>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.</p> <p>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.</p>	
<p><b>3. Recommendations</b></p> <p>3.1 The Audit Committee is recommended to note the implementation of the risk management strategy across the Council.</p> <p>3.2 The Audit Committee reviews and approves the updated corporate Risk Management</p>	

Policy and Strategy.
<p><b>4. Reason for recommendation(s)</b></p> <p>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.</p>
<p><b>5. Other options considered</b></p> <p>5.1 Not applicable</p>
<p><b>6. Summary</b></p> <p>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.</p> <p>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.</p>
<p><b>7. Head of Legal Services Comments</b></p> <p>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.</p>
<p><b>8. Chief Financial Officer Comments</b></p> <p>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.</p>
<p><b>9. Head of Procurement Comments</b></p> <p>9.1 Not applicable</p>

**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**

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## 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:<sup>1</sup>

- 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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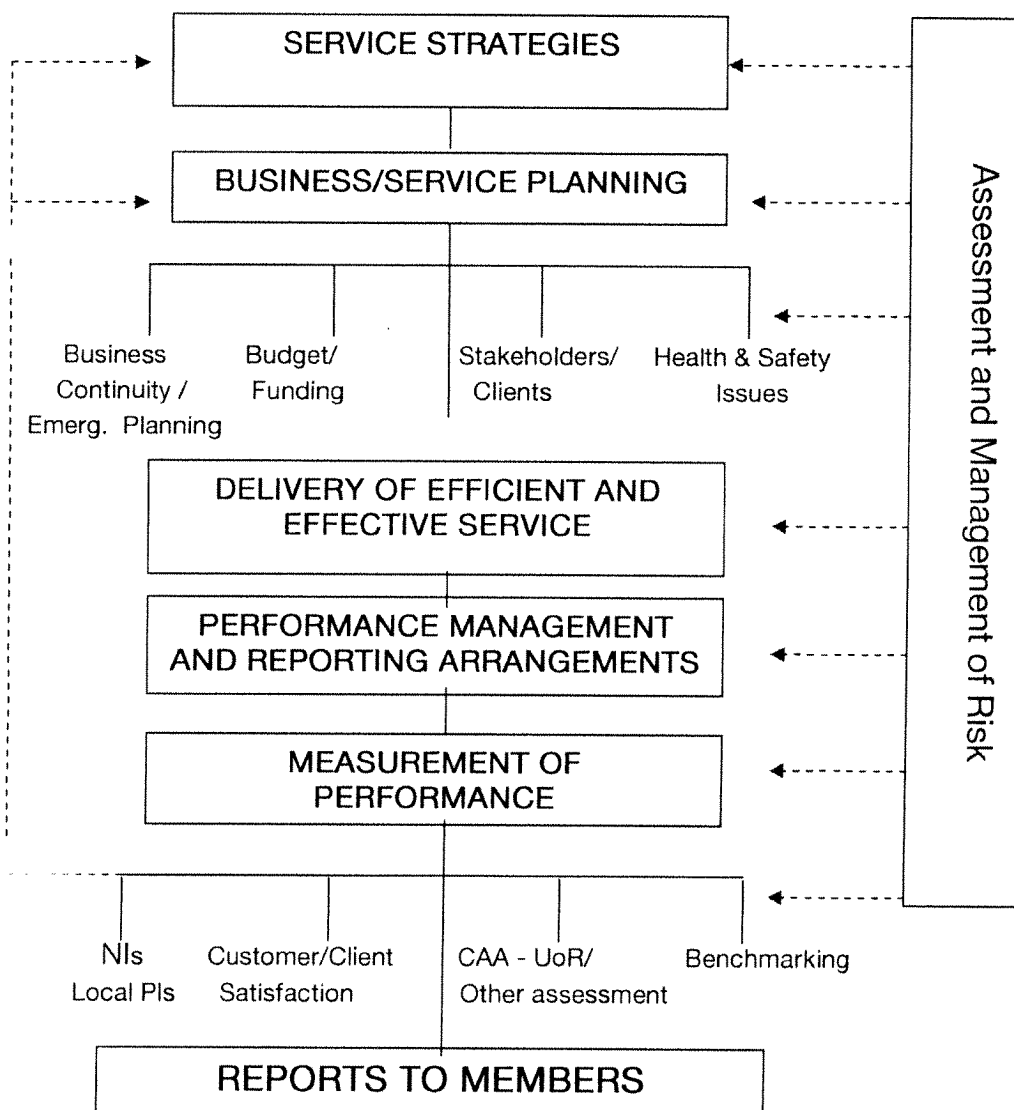
<sup>1</sup> Source: 'Embedding Risk Management into the Culture of your Organisation' The Institute of Internal Auditors – UK and Ireland, October 2003.

## 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**

<b>Area/Process</b>	<b>Action required/Response</b>
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.
- 3.4 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.





## APPENDIX A

## 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 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	<i>Financial loss up to £50,000 or minor regulatory consequence or some impact on other objectives</i>	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

## APPENDIX A

## 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.

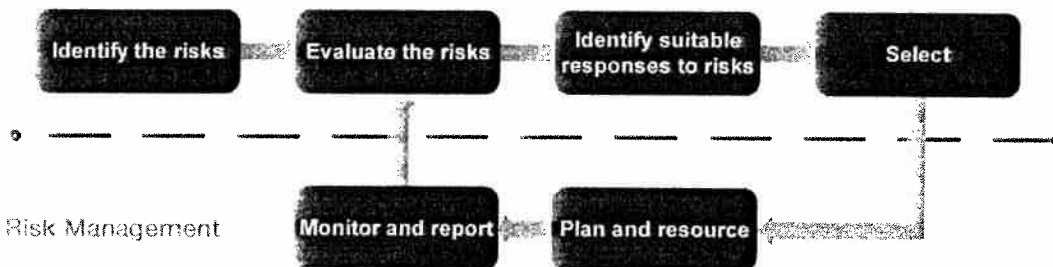
It also contains standard templates for all key documents and guidance on how they should be completed.

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



### 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;

## Appendix B

- 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.

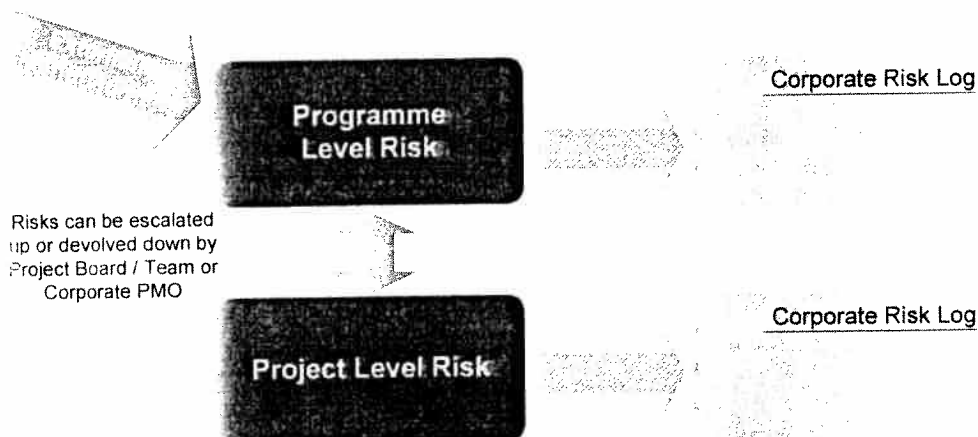
Project-level risks are those risks which affect the intended outputs or benefits of the project. Project managers are responsible for managing and logging project level risks. Project managers may delegate the management of risk to appropriate risk 'owners', but they retain accountability for the management 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:



## 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.

Each 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) <i>List individual services</i>	High Priority (Recover within 24 hours) <i>or aspects of services</i>	Medium Priority (Recover within 3 days) <i>in these boxes according</i>	Low Priority (1 week + ) <i>to their priority.</i>
<p>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</p>				
	↓	↓	↓	↓
				Likely to be project work, consultation, strategy development etc.
			↓	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.
				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



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.

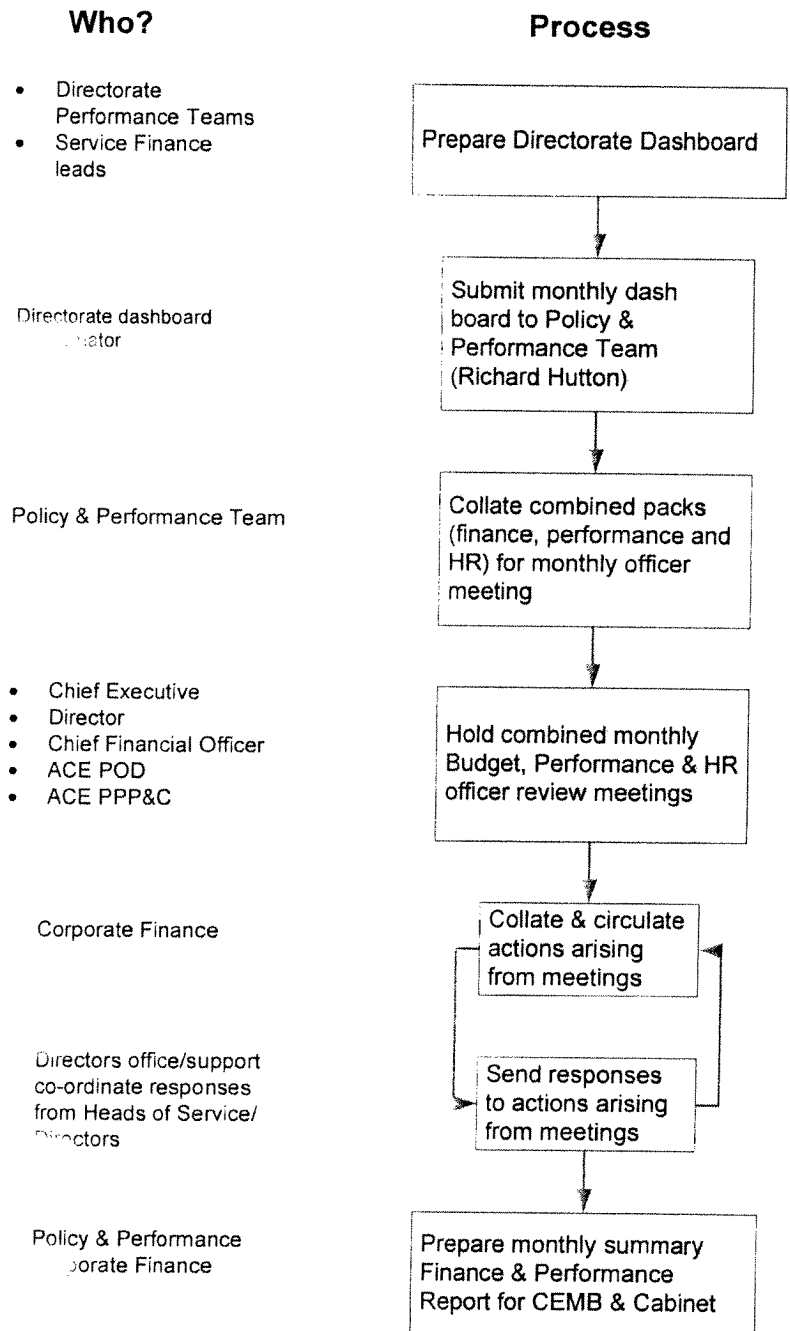
The views of our residents are important to us and we consider them as key indicators of our performance. Every year we commission an independent residents survey which tracks perceptions over time and against other London authorities. This information informs our business and other strategic plans. 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**




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Agenda item:

**[No.]**

**Audit Committee** **On 24<sup>th</sup> March 2010**

<b>Report Title JAR Action Plan Update</b>	
<b>Report of Peter Lewis, Director, Children &amp; Young People's Service</b>	
Signed : 	
<b>Contact Officer : Mark Gwynne, JAR Programme Manager</b>	
<b>Wards(s) affected: All</b>	<b>Report for: Non-Key Decision</b>
<p><b>1. Purpose of the report</b></p> <p>1.1. This report provides an update on progress with delivery of the Safeguarding Plan, as requested by the Committee, and an update on the findings of the Ofsted follow-up inspection.</p> <p>1.2. Audit Committee note:</p> <ul style="list-style-type: none"> <li>• Progress made against the milestones and performance indicators for the Safeguarding Plan; and</li> <li>• The good progress and good capacity to improve that has been developed in relation to safeguarding and as recognised by Ofsted.</li> </ul>	
<p><b>2. Introduction by Cabinet Member</b></p> <p>2.1. N/A</p>	
<p><b>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>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</p>	

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 progress in delivery of the milestones (contained within Appendix 1) and performance (contained in Appendix 2).
- 4.2. To note the good progress made in improving safeguarding, as evidenced by Ofsted and contained in Appendix 3.

#### **5. Reason for recommendation(s)**

- 5.1. At the previous meeting the committee were advised of the programme management arrangements, establishment for the Safeguarding Plan and the role of the Steering Group within the governance arrangements for ensuring the improvements are delivered at an appropriate pace and in accordance with the plan.
- 5.2. Further progress has been made since the last meeting in continuing to deliver the actions in a timely and appropriate manner. In the meantime the Ofsted report has also been published which acknowledges the "extensive and consistent evidence of good progress overall and good capacity for further improvement".
- 5.3. The committee were advised at the last meeting of the focus that has been placed on improvements to the quality of assessments rather than focus simply on the timeliness. The Ofsted report recognises the "significant improvements in the quality of practice and management".
- 5.4. Whilst these improvements are clear and evident within the service, much remains to be done. The plan is being refreshed in light of the Ofsted findings and will be re-focused to enable the Council to achieve its' ambition of being amongst the best by 2012.



**6. Other options considered**

6.1. N/A

**7. Summary**

7.1. The Safeguarding Plan was developed following the June 2009 follow-up inspection providing a streamlined plan focused around 5 themes to deliver significant improvements in a short period of time. Following publication of the Ofsted report last month, the plan is being refreshed to provide actions that will enable further improvement enabling Haringey to be amongst the best by 2012. This refreshed plan will retain the five themes.

7.2. The Safeguarding Plan will continue to be actively managed on a fortnightly basis by the Safeguarding Plan Steering Group, whilst reviewing some of the other reporting channels to ensure that time and effort is spent on delivering improvements rather than reporting on progress.

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

7.4. Key milestone issues arising since the last report are:

- Induction training has been delayed, but will be on track by June
- Critical incident training has not been completed but guidance is in development.

7.5. Performance reporting continues to be drawn from the Covalent system, which identifies the following issue:

- Although priority performance indicators (NI 59 & 60 – Initial and Core Assessments) are showing an upward trend the rate of progress has not been as fast as originally planned. Whilst some progress has been made in timeliness, Ofsted identified that “significant improvement has been achieved in the quality of assessments”.

7.6. In the light of progress in delivering the milestones within the Safeguarding Plan and the improvements that have been evidenced, by Ofsted, within the service, 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

<p>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.</p> <p>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.</p>
<p><b>9. Head of Legal Services Comments</b></p> <p>9.1. No legal comments.</p>
<p><b>10. Head of Procurement Comments</b></p> <p>10.1. N/A</p>
<p><b>11. Equalities &amp; Community Cohesion Comments</b></p> <p>11.1. N/A</p>
<p><b>12. Consultation</b></p> <p>12.1. N/A</p>
<p><b>13. Service Financial Comments</b></p> <p>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.</p> <p>13.2. The revised analysis reflects the fact that as additional support has been engaged this has been deployed across various themes.</p>
<p><b>14. Use of appendices /Tables and photographs</b></p> <p>14.1. Appendix 1: Safeguarding Plan – Milestone Progress Report, December 2009</p> <p>14.2. Appendix 2: Performance Indicator Report, November 2009</p> <p>14.3. Appendix 3: Ofsted Follow-Up Inspection Report, February 2010</p>
<p><b>15. Local Government (Access to Information) Act 1985</b></p> <p>15.1. JAR Report (December 2008)</p> <p>15.2. Annual Performance Assessment (December 2008)</p> <p>15.3. JAR Monitoring Visit Report (July 2009)</p> <p>15.4. Ofsted Follow-Up Inspection Report (February 2010)</p>

# Appendix 1. Safeguarding Plan Milestone Report


Generated on: 01 March 2010








**Haringey Council**

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	Planned 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		<b>Sep 2009 - Achieved</b>	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		<b>Sep 2009 - Achieved</b>	Peter Lewis	
		Children's Trust joint communications strategy and approach agreed	01 Aug 2009	31 Oct 2009		<b>Dec 2009 - Achieved.</b>	Peter Lewis	
		Partners engaged in development	01 Oct 2009	30 Nov 2009		<b>Dec 2009 - Achieved</b>	Peter Lewis	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		of draft partnership agreement						
		Partnership agreement encompassing financial commitments agreed	31 Oct 2009	31 Mar 2010		<b>Feb 2010 - On track.</b>	Peter Lewis	

Action	Action Lead	Milestones	Planned 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 Safeguarding communications programme implemented Events held to communicate findings of SCRs SCR Materials and framework developed for dissemination through staff meetings Communication materials and messages developed for dissemination through team meetings	01 Jul 2009 01 Aug 2009 01 Oct 2009 01 Oct 2009 01 Oct 2009	31 Aug 2009 31 Dec 2009 31 Oct 2009 31 Oct 2009 31 Oct 2009	    	<b>Aug 2009 - Achieved</b> <b>Oct 2009 - Achieved</b> <b>Oct 2009 - Achieved</b> <b>Oct 2009 - Achieved</b> <b>Oct 2009 - Achieved</b>	Sarah Peel Peter Lewis Sarah Peel Sarah Peel Sarah Peel	Leadership and Governance

Action	Action Lead	Milestones	Planned 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 Governance arrangements and sub-group structure agreed Review of membership and Terms of Reference of subgroups completed Work programme and business planning processes developed	01 Aug 2009 01 Sep 2009 01 Sep 2009 01 Oct 2009	30 Sep 2009 31 Oct 2009 31 Oct 2009 30 Nov 2009	   	<b>Sep 2009 - Achieved</b> <b>Oct 2009 - Achieved</b> <b>Oct 2009 - Achieved</b> <b>Nov 2009 - Achieved.</b>	Sarah Peel Sarah Peel Sarah Peel Sarah Peel	Leadership and Governance

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.04 Partnership Family Support Strategy developed and published	Jan Doust	Family development and consultation completed	01 Jul 2009	30 Nov 2009	✓	Dec 2009 - Achieved.	Jan Doust	Early Intervention
		Strategy published	01 Dec 2009	31 Dec 2009	✓	Dec 2009 - Achieved.	Jan Doust	
		Reporting cycle and mechanism determined	01 Dec 2009	31 Dec 2009	✓	Dec 2009 - Achieved.	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.	Alison Botham	

Action	Action Lead	Milestones	Planned 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.	Mark Gurrey	

Action	Action Lead	Milestones	Planned 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		<b>Oct 2009 - Achieved</b>	Mark Gurrey	Good Practice
		Safeguarding resources panel established with clear terms of reference established for all panels	01 Jul 2009	31 Aug 2009		<b>Aug 2009 - Achieved</b>	Mark Gurrey	
		Independent social workers engaged to support social workers / team managers in decision making	01 Jul 2009	31 Oct 2009		<b>Sep 2009 - Achieved</b>	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		<b>Dec 2009 - Achieved.</b>	Mark Gurrey	Good Practice
		Mechanisms established to challenge appropriateness of invites to, and judge quality of input at, conferences	01 Sep 2009	31 Oct 2009		<b>Dec 2009 - Achieved.</b>	Mark Gurrey	
		Improvements demonstrated through quality of care plans / conference minutes	01 Oct 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	Mark Gurrey	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.09 Identify opportunities for further integrated working across the strategic partnership	Jane Elias	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		<b>Oct 2009 - Achieved</b>	Jane Elias	Good Practice
		Health Visitors Child Protection & Children in Need folders audited and revised standards developed	01 Sep 2009	30 Sep 2009		<b>Sep 2009 - Achieved</b>	Penny Thompson	
		NHS and Police input into integrated working reflected within	01 Sep 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Jane Elias	













Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		proposals						
Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.10 Achieve an acceptable standard for the quality of care planning	Penny Thompson	Review current practice across all Trusts and develop action plan for improvements Audit programme for plans developed to demonstrate improvement Standard agreed for inclusion of sibling information	01 Jul 2009 01 Sep 2009 01 Sep 2009	30 Sep 2009 31 Oct 2009 31 Oct 2009	  	Sep 2009 - Achieved Oct 2009 - Achieved Oct 2009 - Achieved	Penny Thompson Penny Thompson Penny Thompson	Good Practice
Action	Action Lead	Milestones	Planned 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 Updated manual launched to staff Staff engaged to establish a rolling programme of quarterly updates to the manual	01 Jul 2009 01 Oct 2009 01 Oct 2009	31 Oct 2009 31 Oct 2009 31 Oct 2009	  	Oct 2009 - Achieved Oct 2009 - Achieved Oct 2009 - Achieved	Rachel Oakley Rachel Oakley Rachel Oakley	Good Practice
Action	Action Lead	Milestones	Planned 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 Procedures implemented across all agencies	01 Jun 2009 01 Oct 2009	30 Sep 2009 31 Dec 2009	 	Sep 2009 - Achieved Dec 2009 - Achieved.	Alison Botham Alison Botham	Good Practice

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.13 Commissioning directory developed to describe services, criteria and outcomes available	Ian Bailey	Existing directories update with summary provided by services	01 Aug 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	Ian Bailey	Good Practice
		Domestic violence commissioning intentions completed following reviews of evidence base; current provision and a gap analysis	01 Sep 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	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		<b>Dec 2009 - Achieved.</b>	Ian Bailey	
		Directory entries quality checked, appropriate levels of need assessed and added and ongoing maintenance process developed	01 Jan 2010	31 Mar 2010		<b>Feb 2010 - Not on track.</b> At present progress is slower than hoped, though still expect to recover for June deadline.	Ian Bailey	






Action	Action Lead	Milestones	Planned 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		<b>Sep 2009 - Achieved</b>	Eleanor Brazil	Capacity and Staffing
		Longer term capacity needs and staffing levels identified and resources identified	01 Aug 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Eleanor Brazil	
		Capacity increased to take on complex cases and provide supervision to social workers	01 Sep 2009	31 Mar 2010		<b>Jan 2010 - Achieved.</b> Extra capacity in place and longer term plans being made about establishment levels.	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		<b>Sep 2009 - Achieved</b>	Rachel Oakley	Capacity and Staffing
		Social work graduate trainee scheme expanded	01 Jul 2009	30 Sep 2009		<b>Oct 2009 - Achieved</b>	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		<b>Sep 2009 - Achieved</b>	Penny Thompson	
		Resource plan developed and approved by NHS Haringey	01 Aug 2009	31 Jan 2010		<b>Jan 10 - Achieved.</b>	Julie Quinn	
		Health workers vacancies filled and staff in post	01 Aug 2009	31 Mar 2010		<b>Feb 2010 - On track.</b> Rolling programme of recruitment is ongoing	Julie Quinn	
		Monitoring mechanism established to enable review of workloads of Health Visitors, School Nurses and Paediatricians	01 Aug 2009	31 Aug 2009		<b>Sep 2009 - Achieved</b>	Penny Thompson	
		New social workers and social work managers in post	01 Sep 2009	31 Dec 2009		<b>Nov 2009 - Achieved.</b>	Rachel Oakley	
		Health safeguarding vacancies filled and staff in post	01 Aug 2009	30 Nov 2009		<b>Nov 2009 - Achieved.</b>	Julie Quinn	
		Health worker numbers increased above June 2009 baseline	01 Aug 2009	30 Nov 2009		<b>Nov 09 - Achieved.</b>	Julie Quinn	
Action	Action Lead	Milestones	Planned 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		<b>Sep 2009 - Achieved</b>	Rachel Oakley	Capacity and Staffing
		Assessment centres held to establish managers' ability to deliver quality supervision	01 Aug 2009	30 Sep 2009		<b>Nov 2009 - Achieved.</b>	Rachel Oakley	
		Individual tailored development programmes for front line managers implemented	01 Sep 2009	30 Nov 2009		<b>Nov 2009 - Achieved.</b>	Rachel Oakley	
		Reporting of supervision integrated into existing reports	01 Sep 2009	30 Nov 2009		<b>Nov 2009 - Achieved.</b>	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		<b>Nov 2009 - Achieved.</b>	Debbie Cotterill	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		Hubs of Change (Tavistock / Haringey) project implemented	01 Sep 2009	30 Nov 2009		Oct 2009 - Achieved	Rachel Oakley	
1.17 Ensure effective supervision arrangements for health staff	Julie Quinn	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.	Julie Quinn	
1.18 Ensure effective supervision arrangements for police staff	Dave Grant	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

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		<b>Jan 2010 - Achieved.</b>	Rachel Oakley	Capacity and Staffing
		Social work staff trained on risk assessment, information sharing and the recording of decisions	01 Jul 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	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		<b>Jan 2010 - Achieved.</b>	Rachel Oakley	
		Multi-agency exercise using MACIE implemented	01 Sep 2009	31 Dec 2009		<b>Oct 2009 - Achieved</b>	Dave Grant	
		Agree, implement and train staff on a Critical Incident De-briefing model within organisations and across multi-disciplinary teams	01 Sep 2009	30 Apr 2010		<b>Jan 2010 - Not Achieved.</b> Training has not been implemented but will be in place by the summer and looking at how this can be incorporated within MACIE training. Critical incident protocol being developed and partnership critical incident manual to be completed by end April 2010. (SPSG Update)	Dave Grant	

Action	Action Lead	Milestones	Planned 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		<b>Nov 2009 - Achieved.</b>	Rachel Oakley	Capacity and Staffing
		All appropriate staff attend programme	01 Oct 2009	31 Jul 2010		<b>Feb 2010 - Not on track.</b> Timeline extended to allow completion of the initial phase of training by July 2010. Draft programme in place; timeline to rollout across partners in 2010/11, starting with Council in April. Pilot with new CYPS / Adults Service staff in March 2010 and milestone now to be completed by end of July 2010. Full programme dates and attendance to end July to be provided (SPSG Update)	Rachel Oakley	

Action	Action Lead	Milestones	Planned 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		<b>Oct 2009 - Achieved</b>	Mark Gurrey	Performance Management
		Programme of sampling and qualitative assessment of case files implemented across the partnership	01 Jul 2009	31 Dec 2009		<b>Jan 2010 - Achieved.</b>	Eleanor Brazil	
		Measures for quality and performance of safeguarding practice across the partnership developed	01 Jul 2009	31 Dec 2009		<b>Jan 2010 - Achieved.</b>	Eleanor Brazil	
		Annual framework for case file audit agreed within each organisation	01 Aug 2009	30 Sep 2009		<b>Sep 2009 - Achieved</b>	Eleanor Brazil	
		Tools implemented to help ensure the quality of NHS referrals meet an acceptable standard	01 Sep 2009	30 Sep 2009		<b>Nov 2009 - Achieved.</b>	Justin Daniels	
		First Response create guidance on what a quality referral looks like	27 Oct 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	Sylvia Chew	

Action	Action Lead	Milestones	Planned 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		<b>Sep 2009 - Achieved</b>	Christine Jorge	Performance Management
		Review accuracy of framework 1 reports in conjunction with Core Logic	01 Aug 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Christine Jorge	
		Internal audit programme agreed with Corporate Services to audit the work of the performance team	01 Sep 2009	30 Sep 2009		<b>Sep 2009 - Achieved</b>	Christine Jorge	
		Review actions from external audit of performance indicators	01 Sep 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Christine Jorge	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.23 Establishing the volume of	Eleanor Brazil	Establish demand from January to June 09	01 Aug 2009	31 Oct 2009		<b>Nov 2009 - Achieved.</b>	James Hood	Performance Management

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
demand for services and forecasting future demand		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.	James Hood	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
1.24 NHS provider trusts performance management capability improved	Penny Thompson	Safeguarding Assurance Framework agreed and presented to NHS 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	


Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
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.	Jan Doust	Performance Management
		Electronic access to information	01 Aug 2009	30 Nov 2009	✓	Nov 2009 - Achieved.	Rachel Oakley	




Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		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 CAMHS staff						
		Multi-agency record audit - random sample of audits undertaken	01 Sep 2009	30 Nov 2009		<b>Dec 2009 - Achieved.</b>	Eleanor Brazil	
		All social care related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009		<b>Sep 2009 - Achieved</b>	Eleanor Brazil	
		All health related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Penny Thompson	
		All police related Action Plan milestones incorporated within delivery organisations business / service plan	01 Sep 2009	31 Oct 2009		<b>Oct 2009 - Achieved</b>	Dave Grant	


Action	Action Lead	Milestones	Planned 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 Team Evidence Files developed Team Performance Plans developed	01 Sep 2009	30 Sep 2009		<b>Sep 2009 - Achieved</b>	Christine Jorge	Performance Management
			01 Sep 2009	31 Dec 2009		<b>Feb 2010 - Achieved.</b> Team evidence files have been developed. This approach will now be extended across further teams as appropriate.	Mark Gurrey	
			01 Sep 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	Mark Gurrey	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.01 Develop fit for purpose governance	Peter Lewis	A senior lead is identified in each agency who will assess and monitor the organisations	01 Aug 2009	30 Sep 2009		<b>Oct 2009 - Achieved</b>	Peter Lewis	Leadership and Governance




Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
arrangements across the partnership		governance arrangements in relation to safeguarding						
		Partnership protocols developed and approved	01 Jul 2009	31 Mar 2010		<b>Dec 2009 - Achieved</b>	Peter Lewis	
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		<b>Nov 2009 - Achieved.</b>	Sarah Peel	Leadership and Governance
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		<b>Feb 2010 - On track</b>	Peter Lewis	Leadership and Governance
		Determine how groups should be involved in delivery of JAR action plan	01 Sep 2009	31 Mar 2010		<b>Feb 2010 - On track</b>	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	
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		<b>Feb 2010 - Achieved.</b> Consultation ended. Final version of strategy completed.	Jan Doust	Early Intervention
		Partner contribution incorporated, from NHS feedback, into the draft strategy	01 Oct 2009	31 Jan 2010		<b>Jan 2010 - Achieved.</b>	Jan Doust	
		Strategy approved by Children's Trust	01 Feb 2010	31 Mar 2010		<b>Feb 2010 - On track.</b> On agenda for March Children's Trust Executive Performance Management Group, for sign off.	Jan Doust	



Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.05 All Haringey 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	Rachel Oakley	Roll-out across all schools and settings	01 Feb 2009	31 Jul 2010		<b>Feb 2010 - On track.</b> IW training sessions continue and trainers for more intensive sessions now identified for training in April, with Assessors sessions beginning in April.	Alison Botham	Early Intervention



Action	Action Lead	Milestones	Planned 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 Project plan implemented Non child protection parts of the system reviewed in conjunction with other Local Authorities	01 Jul 2009 01 Oct 2009 01 Jan 2010	31 Oct 2009 30 Apr 2010 31 Jul 2010	  	<b>Oct 2009 -Achieved</b> <b>Feb 2010 - On track.</b> See below. <b>Feb 2010 - On track.</b> Current 'as is' position has been mapped. Consultation on 'to be' has been undertaken and ready to start building this on FWi. New forms will be circulated for consultation. There will be a 2 week delay because of a FWI upgrade which will leave us without an instance for a week or so and due to additional data cleanings need for CiN census. Personal Education Plan (PEP) for children in care has gone live and CAF will go live on 28th March.	Rachel Oakley Rachel Oakley Rachel Oakley	Good Practice

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.07 Establish ICS / FWi support teams to stabilise current system use	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		<b>Jan 2010 - Achieved.</b>	Rachel Oakley	Good Practice



Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
and support implementation of future configuration.		Data quality improvements for Child Protection on Framework-I system (e.g. data cleansing) implemented	01 Aug 2009	31 Dec 2009		<b>Dec 2009 - Achieved.</b>	Rachel Oakley	
		Practical initiatives held with social workers to build their confidence in using FW-I	01 Sep 2009	30 Apr 2010		<b>Dec 2009 - Achieved.</b>	Rachel Oakley	
		Use of FW-I extended to Children in Care Health Team	01 Oct 2009	30 Apr 2010		<b>Feb 2010 - On track.</b>	Rachel Oakley	

Action	Action Lead	Milestones	Planned 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		<b>Nov 2009 - Achieved.</b>	Rachel Oakley	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		<b>Feb 2010 - On track.</b> Project plan in place - pilot phase completed with positive outcomes - decision to purchase Net books to roll out across social workers in Children & Families, Project monitored through fortnightly meetings and Children & Families IT Board.	Rachel Oakley	
		Plan agreed for implementation	01 Mar 2010	31 Mar 2010			Rachel Oakley	






Action	Action Lead	Milestones	Planned 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		<b>Sep 2009 - Achieved</b>	Jin Lim	Good Practice
		Integrated working and commissioning approach (with adult services and partners) developed	01 Oct 2009	28 Feb 2010		<b>Dec 2009 - On track.</b>	Ian Bailey	
		Commissioning approach agreed	01 Mar 2010	31 Mar 2010			Ian Bailey	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		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	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
2.10 Work with schools and settings, through the LSCB 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.	Mark Gurrey	Standards developed and agreed	01 Feb 2009	30 Sep 2009		<b>Oct 2009 - Achieved</b>	Mark Gurrey	Good Practice
		Standards launched	01 Sep 2009	30 Sep 2009		<b>Dec 2009 - Achieved.</b>	Mark Gurrey	
		Agreement signed off with each Headteacher	01 Sep 2009	30 Apr 2010		<b>Feb 2010 - On track</b>	Mark Gurrey	

Action	Action Lead	Milestones	Planned 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 programme implemented	01 Oct 2009	31 Mar 2010		<b>Feb 2010 - On track.</b> Discussions (Organisation Development & Domestic Violence Local Safeguarding Children's Board sub committee) taking place with Barnardos re implementation of Multi-agency Risk Assessment Tool. Decisions on contextualising it for Haringey and the most effective way to deliver underway.	Rachel Oakley	Capacity and Staffing
		Risk assessment programme implemented	01 Oct 2009	31 Mar 2010		<b>Feb 2010 - On track.</b> See above.	Rachel Oakley	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme

Action	Action Lead	Milestones	Planned 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 competence programme developed including a specific programme for social care managers	01 Jan 2010	31 Mar 2010		<b>Feb 2010 - Achieved.</b> Competencies have been agreed for Team Managers and a programme of coaching and support has been set up - see below. This has been well received by the managers themselves and is progressing as planned.	Stuart Young	Capacity and Staffing
		Support and mentoring scheme introduced for children and families team managers	01 Jan 2010	31 Mar 2010		<b>Feb 2010 - Achieved.</b> New Heads of Service are enrolled in the CWDC Peer Support Programme - which is aimed at sharing best practice and building confidence in leading and managing change. Team Managers and Deputy Heads of Service have all been provided with coaches who are working with them and their immediate managers to identify their learning and support needs and establish a Personal Development Plan. This programme is now linked to the CWDC Support to Front line and Team Managers programme.	Stuart Young	
		Review additional training needs in the safeguarding across the partnership	01 Feb 2010	30 Apr 2010		<b>Feb 2010 - On track.</b> The LSCB Annual Review of compliance with Section 11 duties will be conducted at the end of the year 2009/10. Questionnaires (design completed and to be signed off by LSCB) to be distributed and returned during April 10 and evaluated to identify gaps and development opportunities in single and multi-agency training.	Stuart Young	
		Develop cross-partnership training plan	01 Apr 2010	30 Jun 2010			Stuart Young	
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		<b>Jan 2010 - Achieved.</b>	Jan Doust	Performance Management
		Mechanism established to enable information sharing	01 Jan 2010	30 Apr 2010		<b>Feb 2010 - On track.</b> Children's Trust protocol shared with Children's Centres. Development programme in place.	Jan Doust	

Action	Action Lead	Milestones	Planned 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		<b>Jan 2010 - Achieved.</b>	Eleanor Brazil	Performance Management
		Appropriate targets established for each indicator	01 Jan 2010	31 Mar 2010		<b>Jan 2010 - Achieved.</b>	Eleanor Brazil	
		Performance improvement plan developed in conjunction with managers	01 Jan 2010	31 Mar 2010		<b>Jan 2010 - Achieved.</b>	Eleanor Brazil	

Action	Action Lead	Milestones	Planned 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		<b>Nov 2009 - Achieved.</b>	Eleanor Brazil	Performance Management
		Network of performance managers established	01 Sep 2009	30 Nov 2009		<b>Nov 2009 - Achieved.</b>	Eleanor Brazil	
		Opportunities to work together identified and work programme developed	01 Sep 2009	30 Nov 2009		<b>Dec 2009 - Achieved.</b>	Eleanor Brazil	
		Work programme to support performance managers in joint working implemented	01 Nov 2009	30 Jun 2010		<b>Feb 2010 - On track</b>	Mark Gurrey	






Action	Action Lead	Milestones	Planned 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	Planned 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		<b>Nov 2009 - Achieved</b>	Peter Lewis	Leadership and Governance
		Review of compliance undertaken	01 Feb 2009	28 Feb 2010		<b>Dec 2009 - Achieved.</b>	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	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.03 Implementing "best practice"	DD C&F	Best practice in procedures identified	01 Sep 2009	30 Jun 2011		<b>Feb 2010 - On track</b>	Mark Gurrey	Good Practice
		Learning built into review of existing procedures	01 Sep 2009	30 Jun 2011		<b>Feb 2010 - On track</b>	Mark Gurrey	
		New procedures approved and implemented	01 Sep 2009	30 Jun 2011		<b>Feb 2010 - On track</b>	Mark Gurrey	
		Change programme developed to support implementation	01 Sep 2009	30 Jun 2011		<b>Feb 2010 - On track</b>	Mark Gurrey	

Action	Action Lead	Milestones	Planned 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	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
3.05 Multi-disciplinary team introduced and working effectively	Dave Grant	Agreement to create multi-disciplinary team of council referral & assessment, health and MPS CAIT	01 Sep 2009	31 Dec 2009		<b>Nov 2009 - Achieved.</b>	Dave Grant	Good Practice
		Processes and procedures integrated	01 Sep 2009	31 Dec 2010		<b>Jan 2010 - On track.</b>	Dave Grant	

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		Accommodation arranged and staff co-located	01 Sep 2009	31 Dec 2010		<b>Jan 2010 - On track.</b>	Dave Grant	
		Staff trained in new integrated procedures and multi-disciplinary team operational	01 Dec 2010	31 Mar 2011			Dave Grant	
3.06 Review Third Sector involvement to increase capacity across statutory agencies	DD C&F	Investigate potential for Third Sector support for Child Protection Processes Implement proposals for involvement	01 Jul 2010 01 Apr 2011	31 Dec 2010 31 Mar 2012			Mark Gurrey Mark Gurrey	Capacity and Staffing
3.07 Work with London Deanery and the Royal College of GPs to make linkages to safeguarding	Julie Quinn	Safeguarding requirements built into GPs Continual Professional Development Safeguarding requirements built into appraisal, new licensing and revalidation of GPs Feasibility study into incorporating safeguarding good practice into GP contracts completed	01 Jan 2010 01 Jan 2010 01 Jan 2010	31 Jul 2010 31 Jul 2010 31 Jul 2010	  	<b>Feb 2010 - On track.</b> This is being explored within the national context. <b>Feb 2010 - On track.</b> This is being explored within the national context. <b>Feb 2010 - On track.</b> This is being explored within the national context.	Julie Quinn Julie Quinn Julie Quinn	Capacity and Staffing
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		<b>Feb 2010 - On track.</b> The analysis prepared in November 2009 of the key factors identified from over 40 unannounced inspection of other LA has been used to inform practice. The dataset is being further analysed with findings from unannounced inspections since November.	Janette Karklins	Performance Management

Action	Action Lead	Milestones	Planned Start Date	Due Date	Status	Progress Note	Milestone Lead	Theme
		Key performance indicators for improvement identified with profiled targets and delivery plans	01 Jan 2010	31 Mar 2011		<b>Feb 2010 - On track.</b> The Safeguarding Action Plan will be refreshed following the Ofsted Review of progress reported in February 2010.	Janette Karklins	
		Robust performance management arrangements implemented across the partnership	01 Jan 2010	30 Apr 2011		<b>Feb 2010 - On track.</b> Performance measures are in place across the partnership and the CYPP will start the first monitoring period in March 2010.	Janette Karklins	

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# Appendix 2. Safeguarding Plan Performance Indicators Report

Generated on: 17.02.10











**Haringey Council**

1. Referral & Assessment									
NI code	NI description	2008/09	Dec 2009	Jan 2010	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		34.9%	41.4%	↑	26.1%		53%	<p><b>Explanation of Current Performance – NI 59</b> 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.</p>
NI 60	Percentage of core assessments for children's social care that were carried out within 35 working days of their commencement		45.4%	43.7%	↓	42.5%		63%	<p><b>Explanation of Current Performance – NI 60</b> 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.</p> <p><b>Current Activities</b> 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.</p>

NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10			Commentary
						Value	Status	Target	
NI 68	Percentage of referrals to children's social care going on to initial assessment		63.3%	75.3%		52.9%		58%	<p>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.</p> <p><b>Best Practice</b> 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 have created a dedicated Screening Team to ensure a consistency of response and currently the Team Manager and Senior Practitioner are in place..</p> <p>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.</p> <p>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.</p>

## 2. Adoption and Children in Care







The majority of the following indicators relate to small numbers of cases and are therefore easily impacted by a single issue (e.g. one case going over timescale)

NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10		Commentary	
						Value	Status		Target
NI 62	Stability of placements of looked after children: number of moves	14.69%	12.25%	13.98%		13.98%		11%	The year to date position is based on the 12 months to the end of January 2010. Sixty two children have had 3 or more placements since April 09 (11.11%). <b>National guidance considers performance below 16% to be good. Red will only be triggered if performance goes above 16%.</b>
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%		75%	<b>Explanation of Current Performance</b> The numbers for this indicator are extremely low, and percentages should be interpreted with care. 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. No children were adopted in January. The target for this indicator is 75%. <b>Current Activities</b> 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 Placement Orders at a faster rate than before. But there also seem to be more legal complexities in many 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%	92.6%		92.6%		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%	69.7%	69.6%		69.6%		70%	Performance has improved steadily in the right direction and we are now at 69.6%. If it's rounded up we would have met

NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10			Commentary
						Value	Status	Target	
	placement								our target of 70%"


### 3. Child Protection

*The majority of the following indicators relate to small numbers of cases and are therefore easily impacted by a single issue (e.g. one case going over timescale)*

NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10			Commentary
						Value	Status	Target	
NI 67	Percentage of child protection cases which were reviewed within required timescales	100%	94.3%	94.8%		94.8%		100%	<p><b>Explanation of Current Performance</b> 9 CP reviews have been late in the year to date. All reviews have subsequently been held. No reviews were late in January.</p> <p><b>Current Activities</b> 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.</p>
NI 65	Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time	5.6%	25%	15.4%		13.4%		10%	<p>As the numbers for this indicator are quite low, percentages will vary considerably on a monthly basis. In the year to date, 246 children have been made subject to a plan, and 33 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%.</p>
NI 64	Child Protection Plans lasting 2 years or more	4.7%	19%	0%		15.2%		5%	<p><b>Explanation of Current Performance</b> 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.</p> <p><b>Current Activities</b> 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</p>

NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10			Commentary
						Value	Status	Target	
									<p>no drift in casework.</p> <p>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 policy is to retain them in the child protection system until a care order is made.</p> <p>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.</p> <p><b>Best Practice</b> 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%.</p>

#### 4. CAMHS

NI code	NI description	2008/09	Dec 2009	Jan 2010	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	No data for this range	15		15	

**5. Staffing vacancies**

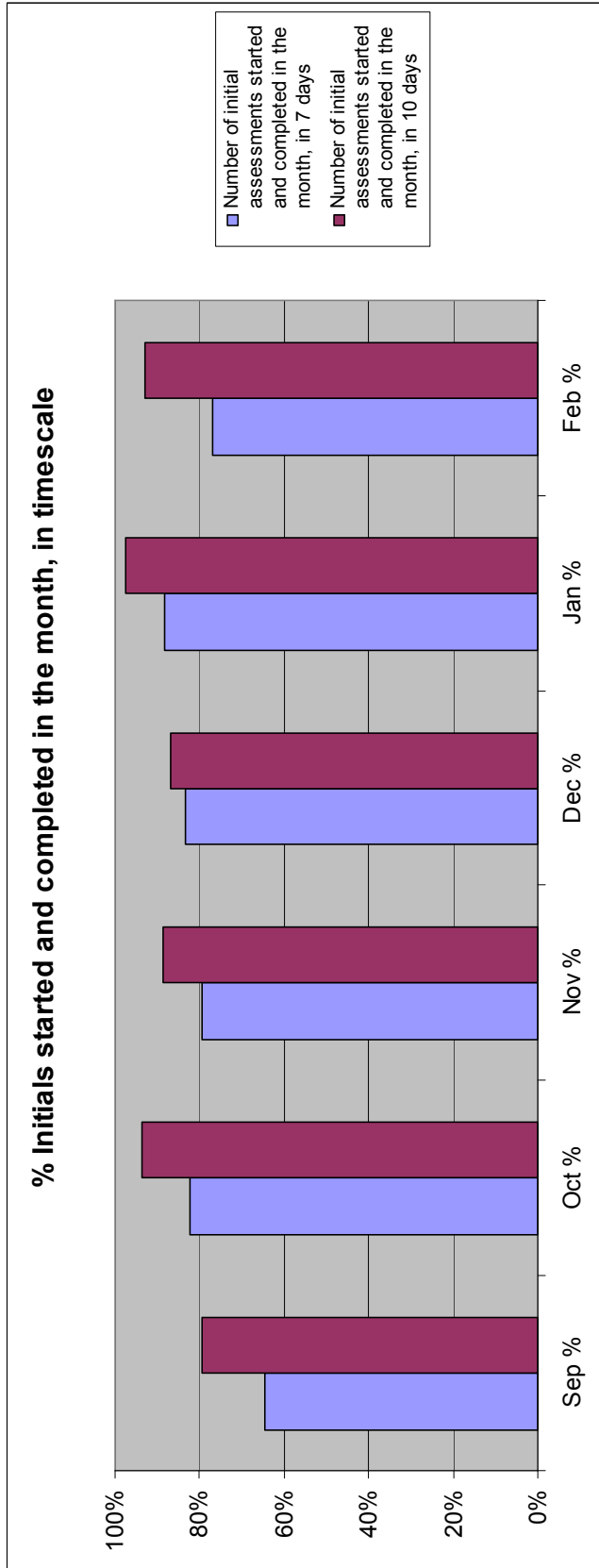
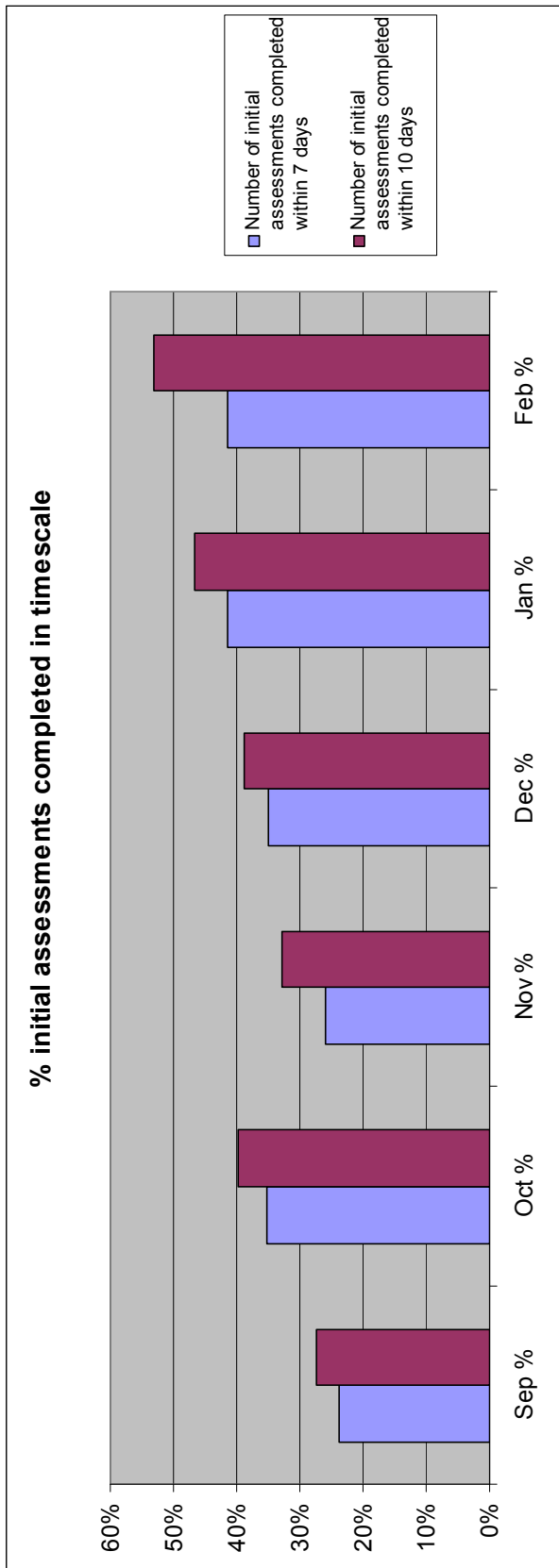
NI code	NI description	2008/09	Dec 2009	Jan 2010	Trend	2009/10			Commentary
						Value	Status	Target	
L0508	The number of First Response and Safeguarding and Support Services posts vacant at the end of the month.		0	0		0			HR and Finance met recently, as a result of this the number of funded posts in First Response has reduced. In First Response 25 of the 26.5 posts are filled by agency staff. In Safeguarding & Support 15 of the 20.6 posts are filled by agency staff.
L0509	The number of team manager and senior team manager posts vacant in First Response and Safeguarding and Support at the end of the month.		1	0		0			HR and Finance met recently, as a result of this the number of funded posts in First Response has reduced. In First Response there are 7.7 manager posts, 1 filled by a permanent member of staff and 8 filled by agency staff. In Safeguarding & Support there are 5.6 manager posts, 5 filled by permanent staff and 2 agency staff.

PI Status	
	Alert
	Warning
	OK
	Unknown
	Data Only

Short Term Trends	
	Improving
	No Change
	Getting Worse

	Sep-09		Oct-09		Nov-09		Dec-09		Jan-10		Feb-10	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>NI59 - Initial Assessments Completed in Timescale</b>												
Number of initial assessments completed in the month	131		219		177		152		174		130	
Number of initial assessments completed within 7 days	31	23.7%	77	35.2%	46	26.0%	53	34.9%	72	41.4%	54	41.5%
Number of initial assessments completed within 10 days	36	27.5%	87	39.7%	58	32.8%	59	38.8%	81	46.6%	69	53.1%
Number of initial assessments completed in the month which had been started in the month	34		79		44		54		76		56	
Number of initial assessments started and completed in the month, in 7 days	22	64.7%	65	82.3%	35	79.5%	45	83.3%	67	88.2%	43	76.8%
Number of initial assessments started and completed in the month, in 10 days	27	79.4%	74	93.7%	39	88.6%	47	87.0%	74	97.4%	52	92.9%
<b>NI60 - Core Assessments Completed in Timescale</b>												
Number of core assessments completed in the month	57		80		72		108		142		145	
Number of core assessments completed within 35 days	34	59.6%	43	53.8%	31	43.1%	49	45.4%	62	43.7%	84	45.0%

This performance is shown in the graphs on the following page.







## **Inspection of progress made in the provision of safeguarding services in the London Borough of Haringey**

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Care Quality Commission  
HM Inspectorate of Constabulary  
Ofsted

**Age group:** All

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**Published:** 23 February 2010

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## About the inspection

1. This second inspection of progress made in the provision of safeguarding services was carried out by Ofsted, the Care Quality Commission (CQC) and Her Majesty's Inspectorate of Constabulary at the request of the Secretary of State for Children, Schools and Families. The Secretary of State asked the inspectorates to provide a judgement on the progress made in relation to specific areas of weakness and priorities for further improvement identified in the special joint area review of safeguarding carried out in November 2008 and the June 2009 inspection of progress. These two inspections judged safeguarding services to be inadequate and making limited progress respectively. The inspection team used a three point scale (limited, satisfactory and good) to evaluate the evidence and judge progress made in the following areas:

- The effectiveness of arrangements for the referral, assessment, protection and planning for children in need.
- The development of preventative strategies.
- Support, supervision and performance management of social workers and other front line personnel.
- The effectiveness of partnership working and the capacity of the partnership for further improvement.

2. The inspection also took account of actions planned and taken by the council and its partners in response to the joint area review action plan submitted to Ofsted and the Department for Children, Schools and Families in March 2009. In addition, inspectors evaluated and judged progress against the relevant sections of the children and young people's plan, the safeguarding plan, the findings of serious case reviews and the improvement plan produced by health bodies in May 2009 in response to the review of involvement and action taken by health in relation to the case of Baby Peter.

## Evidence

3. Prior to the commencement of fieldwork, inspectors took into account findings from the most recent and relevant inspection reports published by Ofsted and its partner inspectorates and commissions. Inspectors also considered evidence provided by the local authority and its partners which included the police and each of the four NHS Trusts: the Haringey Teaching Primary Care Trust (known as NHS Haringey), Great Ormond Street Hospital for Children NHS Trust, the North Middlesex University Hospital NHS Trust and the Whittington Hospital NHS Trust.

4. During fieldwork, inspectors scrutinised a sample of 10 randomly selected case files relating to children and young people receiving safeguarding or child

protection services. The evidence from 'whistle blowing' referrals to Ofsted about services in Haringey was also evaluated. The council's screening, referral and assessment teams, known as First Response, were visited where a further selection of cases were selected at random, scrutinised and, where necessary, discussed with key social work staff and managers. Inspectors also gathered evidence from children and young people, parents and carers, elected members, senior officers, service managers and other key staff, front line social workers, healthcare professionals from the four NHS Trusts that were central to the May 2009 CQC report, educational professionals, the police and representatives from the community and voluntary sector.

### **Context**

5. The report of the June 2009 inspection of progress made in the provision of safeguarding services in Haringey reported upon the significant changes that had occurred within the senior management and in the political leadership of the council since the November 2008 joint area review. It also highlighted the considerable and complex challenges facing the council and its partners before they could begin to provide assurance that the children service's strategic and operational management and front line staff had sufficient capacity to consistently deliver services to the required standards.

6. Although some progress was evident in some important areas, complex and critical challenges remained in addressing serious capacity issues, the quality of front line social work practice and decision making and to improve the robustness of quality assurance processes. Professional relationships across the partnership were building, but evidence of mistrust and an absence of shared understanding were apparent. It was on these fundamental issues that the priorities for further improvement were focused. This report specifically sets out the inspection team's findings and judgements about the extent of the progress made in relation to each of them.

### **Overall judgement on progress since the inspections of November 2008 and June 2009**

7. This inspection has found extensive and consistent evidence of good progress overall and good capacity for further improvement. There was also evidence that the leadership and management of services are sufficiently robust to deliver the necessary improvements that still have to be made. There have been significant improvements in the quality of practice and management, partnership working, capacity (which includes volume and capability of the workforce), quality assurance and performance management processes. The council and its partners have achieved much since the special Joint Area Review of November 2008. A new Leader and Cabinet Member for Children and Young People were appointed and many of the current management team took up post early in 2009. They began to identify, tackle and make an impact on the significant problems that existed. There has been a marked acceleration of progress to build upon the foundations which had been laid at the time of the

June 2009 inspection. There is an increased level of confidence and morale in the area that is enabling managers and staff to look forward with greater enthusiasm and commitment.

8. There is clear evidence that the partnership is very aware of the areas for improvement that still have to be addressed within individual services and corporately across the partnership. There is evidence that these are being planned for in appropriately measured ways in the knowledge that a significant amount of time has passed since the death of Baby Peter in August 2007. Members, managers and staff are realistic that their perceptions of good progress do not equate simplistically to the achievement of good standards of management and practice. However, there was consistent evidence of largely satisfactory standards being achieved throughout much of the service. There is both recognition and acceptance that much remains to be done to achieve better outcomes for children and the high standards of service that the partnership has set for itself. The developing culture of continuous improvement is being used to challenge achievement across the partnership and to stimulate and shape the next phase of the progress plan and to guard against complacency. Performance management, close supervision and evaluation of service impact are explicitly required by partners' plans and there is evidence to confirm that this rigorous approach is becoming increasingly established across the partnership.

### **Summary of key findings**

9. The council and its partners have made good progress in improving the effectiveness of arrangements for the referral, assessment, protection and planning for children in need. Effective screening has resulted in better managed and reduced caseloads. Improved assessments, case recording and more effective child protection planning, including better multi-agency working, are improving the capacity of the council to safeguard and protect children. The introduction of the police's child risk assessment matrix has improved information sharing across agencies and the recording, management oversight and review of individual cases. However, medical practitioners are under-represented at child protection conferences. Improved management arrangements across the partnership are identifying shortfalls in practice and there is good understanding of what needs to be done to improve.

10. The council and its partners have made good progress in developing a range of preventative services underpinned by a comprehensive strategy. The Children's Trust area partnerships and local children's networks provide planning and delivery mechanisms to ensure that the needs of vulnerable children are identified and met. Work is underway to strengthen the engagement of the voluntary sector in this process. However, recent Ofsted inspections have found safeguarding knowledge and practice in a number of early years and childcare providers to be weak. The recent formalisation of thresholds for access to social care services and the revision and implementation of the common assessment framework are providing further

support to those providing early intervention and preventative services. However, partners recognise that the revised framework is at an early stage of implementation and more work is required to ensure that it becomes consistently used in accordance with the policy.

11. The council has made satisfactory progress in strengthening the support, supervision and performance management arrangements in front line social care services. Individual supervision sessions between managers and practitioners are established and have been further strengthened by the requirements of the recently implemented supervision policy, although annual performance appraisal arrangements are yet to be implemented consistently across the service. Management development, the replacement of weaker managers and accessibility of line and senior managers have increased social workers', managers' and councillors' confidence in the service. Case decisions are now recorded on children's files although the quality of the entries is not consistent and too often lacks clarity in describing the action that is required. Similar progress has been seen in health trusts where there are clear policies in place for supervision of health visitors and school nurses. Performance management is now increasingly well established across the partnership. Council members are actively engaged in performance management and have also been closely involved in supporting service improvements across the partnership. Improvements have been made to *Frameworki*, the computer based recording and information system, which are significantly improving the efficiency and effectiveness of key elements of child protection practice.

12. Progress in developing effective partnership working and the capacity of the partnership for further improvement is good. Improved workforce planning coupled with a much greater confidence across the partnership has reduced turnover and increased the rate of recruitment of competent staff in social care and health and there have been further increases in police front line and support service staffing. There is greater stability within management grades and there are good development opportunities. Multi-disciplinary working, including that of the increasingly effective Haringey Safeguarding Children Board and the Children's Trust, is firmly established on the basis of increasingly mutual trust and shared objectives and plans. There is clear evidence of problems being tackled to good effect across the partnership. Better analysis of need and increased ability to plan services to meet priorities and improved services and outcomes for children are demonstrating the emergence of good capacity for further improvement. The disaffection among staff evident at the time of the June 2009 inspection has largely dissipated. It has been replaced by a workforce that is looking forward with confidence and a clearer sense of professional accountability. There is recognition across the partnership that much remains to be done, for example the continued roll out of learning from the serious case reviews, the involvement of children and young people in the Haringey Safeguarding Children Board and the further development of commissioning arrangements.

## **Priorities for further improvement**

### 13. Priorities for further improvement:

- Secure further and consistent improvements in the timeliness of initial and core assessments.
- Ensure children and young people's case records contain chronologies and details of analysis of need.
- Ensure that all initial child protection conferences are held within 15 working days.
- Improve the involvement of children and young people in both initial and review child protection conferences.
- Improve medical attendance at case conferences.
- Ensure that the inadequacies identified by Ofsted inspections of childminders and childcare provision are addressed.
- Develop performance measures to evaluate the effectiveness of the common assessment framework.
- Ensure the implementation of annual performance appraisal arrangements for all social work staff.
- Ensure management decisions on case files are documented to enable the impact of the resulting action to be measured.
- Disseminate the learning from serious case reviews to childminders and all childcare providers.

## **Key findings**

### **The effectiveness of arrangements for the referral, assessment, protection and planning for children in need**

14. The council and its partners have made good progress in improving the effectiveness of arrangements for the referral, assessment, protection and planning for children in need. Following the inspection in June 2009, the council and its partners have taken robust and well targeted action to tackle shortfalls in practice. Many children and families are now beginning to receive a more timely and competent service, although it is recognised that further work is needed to make this consistent.

15. An effective initial screening system for referrals to the children's social care service, together with the introduction of threshold criteria in October 2009, are starting to have a positive impact on the management of the high volume of cases handled by front line duty teams. Screening is well managed



and referrals are prioritised in a timely way. Referrals which do not reach the social care service threshold for initial assessment are redirected to other services or towards the common assessment framework process so that the child's needs can be identified. Where application of the threshold criteria is unclear or challenged a senior manager can be accessed to clarify and resolve issues. Consequently, the volume of referrals which require a social work intervention has been appropriately reduced.

16. The introduction of clear thresholds has been well received by key agencies, including the voluntary and community sector. Referral processes have been improving steadily in the last six months. Greater consistency is still required in feeding back to referrers the details of actions taken or proposed. However health visitors, North Middlesex University Hospital NHS Trust and some schools and education managers have good tracking systems in place. Effective action has also been taken by health and children's social care services to improve the quality of health referrals and a standard referral form, accessible electronically but initially faxed to the first response team, has been introduced. With one exception, the health trusts follow up referrals with a telephone call. Liaison between the police and children's social care services at the point of referral is also more structured and systematic. A single, comprehensive assessment process for all referrals to police child abuse investigation teams, called the child risk assessment matrix, has been introduced throughout the Metropolitan Police Service. Although recently implemented in Haringey, benefits in terms of improved recording, information sharing, oversight and review are already evident. Plans are well advanced to create a multi-agency team from April 2010 to build upon the progress that has been made to manage and prioritise more effectively the very large numbers of referrals of domestic abuse. This will be co-located with the First Response Team within children's social care and will involve staff from the education welfare service, the borough police public protection service, and health.

17. The timeliness of initial assessments and core assessments is improving steadily and is the subject of rigorous oversight. This remains an area for development requiring concerted management action despite a significant reduction in the number of cases that are currently awaiting an initial assessment. There are now only 14 of these. The causes of delays are well understood and close management scrutiny of each individual case is identifying any increase in the level of risk that requires immediate action. Recent referrals examined by inspectors show good improvement in timely and appropriate responses to child protection concerns. Daytime services are supported by an effective out-of-hours team. Continuity of case plans is assured by good practice in exchanging information, effective collaboration with partner agencies, ready access to social work managers and, where necessary, to the council's solicitors for consultation and guidance, and links to the *Framework* electronic record system.

18. Significant improvement has been achieved in the quality of assessments. This area of practice has been specifically targeted by managers and more

recent cases demonstrate good involvement of the child or young person and other agencies leading to consistent identification of risk factors. However, some case records still lack documented case chronologies and details of analysis. Three of the ten files selected at random in advance of the inspection raised concerns about the quality of practice, but neither these, nor any of the cases subsequently examined during this inspection, including the whistle blowing cases, raised critical safeguarding concerns and no children were judged to be at immediate risk of significant harm. The introduction of the safeguarding panel to oversee complex cases and to ensure that case plans are supported is valued by staff and provides an additional quality check on casework.

19. More than 94% of child protection review conferences are undertaken within statutory timescales, although the timeliness of initial child protection conferences is more variable and currently stands at 43%, a figure significantly lower than that found in comparator councils. Too few medical consultants and general practitioners (GPs) attend case conferences, although there is a policy that written submissions must be made where attendance is not possible. All 282 child protection cases are allocated to qualified and experienced social workers and the quality of child protection plans is being closely monitored by senior managers. Recent plans demonstrate a sharper focus on identifying risk. Separate *Frameworki* report formats for core assessments, section 47 investigations and the initial child protection conference have been combined, a progressive step that has been very well received by practitioners and managers. The bringing together of these documents has resulted in significant improvements to timeliness, report quality and case management of these critical stages in the child protection process.

20. Participation of key agencies in reviews, assessments and child protection planning is increasing, and notification arrangements for meetings have become more systematic and timely. The introduction of the child risk assessment matrix has been well received and is resulting in identifiable early improvements to the timeliness and quality of police information to child protection conferences and core groups meetings. Police are present at all initial child protection conferences although attendance at reviews is determined on a case by case assessment of need. This improvement follows an increase in staffing levels and improved planning and preparation. Care planning is improving across health partners following a recent review and proposals for a common information technology system across providers are being considered. Robust action has been taken in the council's legal services team to implement the learning from serious case reviews and this has improved the quality of service. The attendance of the council's solicitors at child protection conferences coupled with improved legal planning meetings is impacting well upon decision making in complex cases and on the quality of council applications to the court. However, children and young people rarely attend child protection conferences and the council recognises this is an area for improvement.

21. Progress on improving case recording in children's social care services is satisfactory. Most case records are up to date and relevant. Management of cases is improving and management decisions are now systematically recorded on files. There has been a concerted effort by the police to move from paper to electronic records. Police record-keeping is more robust following the implementation of the child risk assessment matrix and the rationalisation of recording through the crime recording information system. Great Ormond Street Hospital in Haringey has made good progress in ensuring improved case recording by health visitors and school nurses. The council and NHS London are undertaking a project to improve access by health partners (including GPs) to information on children with a child protection plan. There are four different electronic case recording systems in place in GP practices in Haringey. However, the use of different systems causes significant difficulty in a minority of practices where patient records cannot be transferred electronically if the transfer necessitates communicating with a different system. This means that some confidential information still has to be transferred in paper form. NHS Haringey is involved in a national pilot designed to allow practices to transfer patient notes electronically which, if successful, would be implemented nationally from the end of 2010. School-based records are recognised as being too inconsistent and action is planned to introduce a consistent process supported by a standard recording format for child protection conferences and reviews.

22. Auditing arrangements introduced in 2009 are comprehensive and thorough at single-agency and multi-agency levels, including Haringey Safeguarding Children Board. Audits are well targeted and a consistent framework is in use across health and social care which is enabling evaluations of practice improvement. Independent audits from an external consultant have been commissioned by a members' panel since shortly after the death of Baby Peter to provide an additional check on the integrity of data that councillors receive from all sources. Early findings from internal and external audits confirm a steady trend of improvement in health and social care where practice has previously been judged to be inadequate. However there are still areas for improvement, for example in health where 23% of health visitor and school nurse records were found by an internal audit to be below standard. The Metropolitan Police Service has supplemented its performance management arrangements with the introduction of a rolling programme of inspection and review health checks for all of the Metropolitan Police Service child abuse investigation teams. However, the Haringey child abuse investigation team has been the subject of management scrutiny over the last year and for this reason, together with the timing of this inspection of progress, it has not yet been inspected under the new programme.

23. Information systems for managers are much improved. Managers in social care receive weekly detailed management information to enable effective case tracking. Many children under three years of age with child protection plans have a named senior manager as a 'safeguarding champion'. There is an ambition to extend this initiative to all children with a child protection plan in

this age range. This has resulted in social workers feeling well supported in complex cases and has also served to increase confidence in senior managers who are seen to be taking direct and supportive interest in complex cases. Tracking of cases in the police child abuse investigation team has also improved through the use of one electronic access point for all referrals and the use of the crime recording information system as a single point of reference for collated information and up-to-date chronologies. NHS Haringey has introduced a scorecard for hospital trusts in Haringey and GPs. These are being developed to ensure that quality data are captured. The data inform the Health Leadership Safeguarding Children Steering Group in developing good practice.

24. Progress in reducing caseloads in the children's social care service is good. Some social workers' caseloads have reduced by up to 50% as a result of concerted and well focused managerial action and increased administrative support. Individual social worker caseloads of between 14 and 17 children and young people within the children's social care service First Response Teams are now at acceptable and nationally comparable levels. This is enabling social workers and managers to focus more effectively on the timeliness and quality of assessments. There are still some delays in transferring cases from First Response to longer term teams, but these are much reduced and are kept under close scrutiny. The quality of information recorded on the files being transferred has improved steadily.

25. Good progress has been made across the partnership in improving the knowledge of safeguarding and child protection procedures. The recently published *Haringey Safeguarding Children Board Handbook for Child Protection* has been well received. Ten thousand copies have been disseminated to staff across agencies reinforcing the message that safeguarding is everyone's responsibility. However, the high demand for the handbook, which is currently being reprinted, means that some groups of staff have not yet received their own copies although it is accessible on line. The groups still requiring copies include: front line staff in the youth service, some areas of early years provision, for example childminders and private, voluntary and independent childcare providers, and voluntary and community organisations. Pan-London child protection procedures and local guidance are also available on line, regularly updated and well accessed by staff. Practice standards are on display in children's social care offices and all relevant police personnel have immediate access to child protection procedures.

26. Robust procedures are in place to monitor compliance with safeguarding requirements in schools and Ofsted inspectors consistently report safeguarding to be a strength. However, seven of the 25 inspections of childminders and childcare provision in the last six months have identified inadequacies in safeguarding. Partners recognise that a cultural change is needed amongst some early years and childcare providers so that they fulfil their responsibilities for keeping children safe and contribute appropriately to the preventative agenda by being sufficiently confident and knowledgeable of procedures to refer safeguarding concerns appropriately. While robust actions are being taken

to bring about improvements, for example, the accreditation scheme for childcare providers and targeting childminders for the 'Making a Difference' training course, it is too early to see their impact.

### **Development of preventative strategies**

27. Progress in the development of local preventative strategies, in the use of the common assessment framework and in the effectiveness of policies relating to the eligibility for access to services is good. Partners have made good progress since the Joint Area Review in 2008 and the subsequent inspection of progress. Both inspections identified the range of family support and preventative services that were in place or developing, but also found that the services lacked a coherent strategy to target and co-ordinate them effectively.

28. Haringey Children's Trust has now developed a comprehensive preventative strategy which is in the final stage of extensive consultation before formal implementation on 1 April 2010. The children and young people's plan sets out the priorities for delivering the strategy which is based on the needs analysis undertaken for the plan and a range of other data, including local information from each of the three geographical networks in Haringey. It has also taken account of the learning from serious case reviews. An 'annual vulnerable children's conversation' is being re-introduced although few have taken place so far. There is some scepticism about their purpose and value, based upon previous experience of a similar initiative some time ago. However in the conversations which have taken place recently, multi-agency teams have visited and held discussions with staff in children's centres, schools and other settings to share information and good practice. Importantly, they have also sought to identify the most vulnerable children to inform local service planning and prioritisation. The preventative strategy is well linked to other more specific plans and strategies, for example those focusing upon family support, homelessness, disabled children, early years, mental health, substance misuse, and the health of children.

29. Children's Trust area partnerships have been recently established in each of the three geographical areas in the borough to provide strategic leadership to deliver the children and young people's plan and to agree local priorities. Each area has identified its own additional priority based on local need. The north network is focusing on a community with high levels of deprivation, the west on domestic abuse and the south on transition points for children. The learning from these will inform future planning.

30. Local children's networks, each led by a co-ordinator, have been created in each of the three areas to develop and deliver multi-agency services. Three co-located teams, currently largely based on educational support services, are being developed and will be extended over time to encompass a wide range of partners. For example, health visitors have been assigned to each network although they are not yet co-located with network teams. The teams are receiving common training to strengthen practice and learning and they are

being supported to plan and co-ordinate activities to meet the identified range of children's needs more effectively.

31. Managers and staff across the partnership speak about the significant improvements in the quality of multi-agency relationships. Trust has been established to a significant extent which, in turn, has stimulated improvements in collaborative working demonstrated by improved attendance and planning at different forums and by examples of effective child-centred joint working. For example, agencies working with homelessness and domestic violence link with the education welfare service to ensure that disruptions to children's education are minimised when families are relocated. Similarly, the police work effectively with integrated youth services to successfully deflect young people from gang-related activity.

32. Haringey introduced the common assessment framework very quickly in January 2007. However, it was inappropriately seen as a referral process by the limited number of agencies, in particular the schools, which were involved at that stage. Partners have subsequently made significant and appropriate revisions to the process and the guidance, most importantly in emphasising the framework's primary purpose as an ongoing assessment tool to be used by staff and agencies in delivering support to children and families. However, partners recognise that the revised version is at an early stage of implementation and more work is required to ensure that it becomes consistently used in accordance with the policy.

33. Knowledge of the common assessment framework is being reinforced through extensive multi-agency training programmes, including training for the trainers, which are running on different dates through to August 2010. This ensures that learning is being disseminated more effectively across staff groups and agencies. For example, three special educational needs co-ordinators, one from each network area are members of the common assessment framework central panel, and are able to learn more about the process and disseminate this learning in their schools.

34. The link between the early intervention framework and making appropriate referrals to social care has strengthened. Common assessment framework staff are now co-located with the First Response Team and this has improved understanding about thresholds. There is evidence of cases being appropriately moved between social workers and staff involved in delivering preventative and early intervention services to children. While parents are now contributing more consistently to their assessments, children are not participating to the same extent. Performance measures to monitor the effectiveness of the process are not yet in place. Partners also recognise the need to engage the voluntary sector in the common assessment framework more and are working collaboratively with the local voluntary sector umbrella organisation to achieve this. Common assessment framework co-ordinators are also visiting individual organisations.

35. The implementation of the thresholds policy and guidance has already started to help agencies to understand their own responsibilities better, to have a more consistent understanding of the role of the common assessment framework, and to know when to make referrals to social care, all of which have strengthened arrangements to safeguard children.

### **Support, supervision and performance management of social workers and other frontline personnel**

36. The council has made satisfactory progress in strengthening the support, supervision and performance management arrangements in front line social care services. Comprehensive supervision training for team managers has been well received and is impacting on practice, although not consistently. All managers have been assessed for their ability to conduct supervision and the developmental needs that were identified have been, or are currently being, addressed. Management capacity has been enhanced by the introduction of the practice manager role. Practice managers who have been drawn from the ranks of senior practitioners, have also had training in supervision.

37. Social worker supervision files provide very recent evidence that the new supervision policy is being implemented. However, aspects of the new policy, such as individual supervision sessions, are more long standing and established. Front line staff have good access to managers outside of planned formal meetings. Confidence in management decisions has improved as weaker managers have been replaced, often as a result of more rigorous supervision aligned to better performance management, and current managers have become more confident in their roles. The frequency of supervision is being audited by senior managers. In December 2009, a good proportion (80%) of social workers received formal supervision, and managers are monitoring the reasons for supervision not taking place. Social workers are clear that the quality of supervision is also improving although the rate of improvement is not uniform. The revised supervision policy requires an annual appraisal of staff, but this provision has yet to be implemented formally. Amongst health partners, there is good progress in providing appropriate safeguarding training to staff across the commissioner and provider trusts. Supervision arrangements have improved across the health community and are satisfactory for school nurses and health visitors. The profile of safeguarding in the supervision and appraisal of GPs has been raised along with awareness of the subject. Plans are in place locally to include the role of the GP in safeguarding and child protection as a formal and integral part of their contracts.

38. Good progress has been made on recording decisions on case files and supervision files. The majority of case files have evidence of management decisions, although there is variability in quality of recording with actions to be taken and anticipated outcomes not always clear. Supervision files also contain records of management decision-making. Evidence of management decisions on case files is subject to regular audit.

39. Good progress has been made in improving the *Frameworki* electronic case recording system. Social workers report notable improvements to the quality of child protection documents which are both shorter and less repetitive. They are in a format which enables them to be easier to use in work with service users. Financial request forms, which are also located in the same computer based system, have been upgraded and are more focused, easier to use and assess. These steps are improving efficiency and have created capacity by reducing the excessive and often unproductive time previously spent on servicing case records. Support provided by information technology (IT) consultants is welcomed by social work staff and is also contributing to effective use of the computer based systems.

40. Performance management is robust with the partnership focusing upon ensuring that risk is identified and managed in a timely way in all cases. There is demonstrable evidence of the impact of performance management upon the quality of outcomes for children and young people and, notably, in identifying weakness in practitioners and front line managers. For example, Great Ormond Street Hospital in Haringey carried out an audit of quality of practice on 30 health visitors and school nurses assessment files in October 2009 and again in January 2010. The results of the first audit were shared with staff and demonstrable improvements to the key elements of safeguarding practice were seen by the time of the second audit.

41. Performance management reporting lines within council services are established. These include the regular and programmed management audit of cases, the council leader and lead member commissioned monthly audit of the quality of initial and core assessments and the longitudinal study of the quality which is undertaken by the member led safeguarding policy and practice panel. The Health Leadership Safeguarding Children Steering Group performance manages the joint health action plan which incorporates all of the actions arising from the Joint Area Review, serious case reviews and the CQC investigation report (published in May 2009). The Health Leadership Safeguarding Children Steering Group also has a function concerning the resolution of performance management problems outlined in its terms of reference. Health partners meet on a regular basis and safeguarding is a standing item on their agenda. Any serious safeguarding incident is reviewed by the NHS Haringey lead for children and safeguarding and significant learning from the episode is identified so that practice across health trusts can be improved. NHS Haringey has recently introduced a scorecard for hospital trusts in Haringey and GPs, which is reviewed by the Health Leadership Safeguarding Children Steering Group. Whilst this is an innovative development, the collection and analysis of performance data from all four trusts has not been wholly implemented.



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**The effectiveness of partnership working, and the capacity of the partnership for further improvement.**

42. Good progress has been made in securing much strengthened partnership arrangements and building capacity for further improvement.

43. Recruitment processes remain sound, but improvements have been made to strengthen them further. Improved workforce planning coupled with systematic support and management arrangements have resulted in a decline in the turnover of social workers from 13.9% to 10.1% in the year to December 2009 against a social worker establishment of 202 posts. This performance reflects good progress in a year when the children's social care service has shed a significant number of poorly performing staff. Recruitment of qualified staff from other local authorities and the USA, successfully encouraging competent and motivated agency staff to become Haringey post holders, and the qualification of a number of Haringey social work trainees have increased the permanent social work complement by 21. This figure will be swelled further by an additional 14 social workers who have been appointed, but have not yet taken up post. This has enabled the borough to reduce its reliance on agency staff, although those who have successfully satisfied the requirements of a competency based assessment process will be retained as supernumerary social workers and managers. This will ensure that the momentum in building the capacity of the workforce is maintained.

44. There has also been a net increase in the number of health visitors in post following successful recruitment campaigns at a time of a national shortage of trained staff. The number of health visitors in post rose to 25.6 whole time equivalents by December 2009 with four more posts offered to candidates yet to take up post. There has also been an increase in the establishment to 34 health visitor posts and there are currently 8.4 full time equivalent vacancies. A review of the work of health visitors to increase their capacity has resulted in a more innovative approach, with some functions being transferred to general practitioners, health visitor assistants and administrators. Great Ormond Street Hospital in Haringey has developed further posts to augment health visitor numbers including sponsorship arrangements. These steps have demonstrably assisted the service in maintaining key elements of the universal offer at a time of constrained staff resources. There are still pressures on the service, although caseloads have been reduced to levels of comparator trusts. Monitoring of health visitor vacancies is carried out on a fortnightly basis by senior managers and through the health action plan.

45. Benchmarking exercises of community paediatrics, health visiting, school nurses and speech and language therapy were completed in June 2009. As a consequence, a further £1.4 million of funding has been provided for the recruitment of an additional consultant paediatrician, the costs of increasing health visitor salaries together with additional funding for new posts. Training of staff across health partners is much improved, with roll out to GPs in hand and

monitoring systems in place. School nurses and health visitors have access to a range of training courses ranging from small groups to large conferences.

46. There have been further increases to the establishment of the Haringey police child abuse investigation team with an additional Detective Sergeant's post and Police Conference Liaison Officer's post, the creation of the post of Researcher, and further administrative support. The impact of these posts is particularly apparent in the police conference liaison process, with greatly improved planning, preparation and supervision. A small number of temporary vacancies are being actively managed, although the current temporary absence of one Detective Sergeant during the development of the First Response Multi-Agency Team, will require ongoing monitoring. This will ensure that a judgement is made about the viability of releasing an officer from the child abuse investigation team, following its full implementation in April 2010.

47. The increased confidence being displayed across the partnership is supporting managers in adopting a more systematic and professional approach to recruitment whereby vacancies are being covered by competent agency staff rather than compromise recruitment standards. Social worker vacancy levels are at, or approaching, zero and exceed the performance of comparator authorities. The net reduction in health visitor and school nurse vacancy and turnover rates means the performance of Great Ormond Street Hospital in Haringey is approaching that of its comparators.

48. There has been significant progress in achieving stability at all tiers of management within social care and health. Senior management in social care services has remained constant since the June 2009 inspection and middle management has been consolidated with interim staff being successfully confirmed in posts and new managers being recruited. It is from this stability that confidence has grown and capacity has been built, with clear evidence of progress in achieving professional relationships which actively safeguard children. For example, there is good partnership working between health and education to identify a significant number of children attending GP surgeries and hospital accident and emergency departments who fail to provide information about their school or education. This example and other similar examples are allowing services to identify and where necessary to provide help more effectively to children and young people in vulnerable situations who may require safeguarding. There is also confidence that any future resignations of managers will no longer be experienced as a threat to the progress of the service as sufficient corporate strength has been built to enable continuity.

49. Those new to management are developed and supervised closely and there is clear evidence that weakness and developmental need are identified and responded to. Formal leadership training and opportunities for advanced study to masters' degree level are established developmental opportunities. Trust at all levels has increased and has become an integral element of management development. The four NHS Trust chief executives are each occupying substantive posts and the named and designated nurse and doctor

posts have been filled in each trust throughout 2009. NHS Haringey has also created and appointed to two new senior posts: a lead GP for safeguarding and a named nurse for primary care. The number of established health visitors and community paediatricians has increased and currently no vacancies exist in the team leader posts in the health visiting team.

50. While it is acknowledged across the partnership that some disaffected staff remain in post, the majority of staff can describe and provide evidence of the benefit of effective and visible management at all tiers of the organisations. Managers are continuing to demonstrate leadership and rigour in their approach. Problems are identified and prioritised for action and the significant progress on the action plans that has been made by the council and its partners is demonstrable evidence of capacity for improvement. Longer serving members of staff assert that the bullying culture, which they described previously, has been eradicated. They attribute this to the accessibility of managers through a combination of formal supervision and 'on the floor' presence which has created a positive sense of direction accompanied by a culture of greater openness with a clearer sense of professional accountability.

51. Good progress has been made in ensuring that plans made in response to the 2008 Joint Area Review, the 2009 inspection of progress and the CQC investigation report have been implemented. Appropriate modifications have been made to timescales in the plans (for example to the development and implementation of the preventative strategy) and these have been agreed following professional discussions arising from systematic scoping of the issues. The four NHS Trusts which commission and provide services in Haringey have made good progress and all actions in the health action plan are either on target or achieved.

52. Police activity is being progressed and delivered on a force-wide basis under a specific Modernisation Project. This has incorporated all police actions from the two Haringey inspections, as well as those from Lord Laming's report on *The Protection of Children in England*. Thirty areas for improvement, together with dedicated lead responsibility for each, have been identified, and governance and oversight are provided through a project board, chaired by the Detective Superintendent from the relevant Serious Crime Directorate. The Haringey Borough Detective Inspector with responsibility for safeguarding, who reports directly to the Borough Commander, is a member of the project board. In addition, the Detective Chief Inspector with responsibility for the Haringey child abuse investigation team attends the Haringey Safeguarding Children Board's meetings, as well as the Borough Commander. This structure ensures effective monitoring of progress and that borough police activity, where appropriate, and activity under the modernisation project, is co-ordinated.

53. Partner agencies are integral to the planning and commissioning of services, processes which have been recently strengthened by key appointments. Improved systems for sharing information and data support these processes. There is an increasing body of evidence demonstrating the

impact of commissioning (including re-commissioning) and decommissioning of services in increasing the value for money and effectiveness of services. Work is underway to roll out these practices to improve service provision and value for money in residential care and independent fostering. The partnership recognises fully that despite some significant improvement more remains to be done.

54. The Haringey Safeguarding Children Board has made good progress in establishing its professional role. It has grown in confidence and has benefited from the higher levels of attendance and an accompanying growth in professional trust which is openly acknowledged as having been built over the last year, with an acceleration of progress over the last six months. The Board's plan is soundly based on a clear assessment of what needs to be done to ensure that its professional and community leadership roles are discharged to maximum effect. Its membership continues to be appropriate and is well led by an experienced chair. There is an acknowledgement that its next stage of development should ensure the involvement of children and young people. The Board is perceived by those working in the field and by local members to be a critical friend that is becoming increasingly effective in holding the partnership and its politicians to account for its actions and quality of practice through its audit processes.

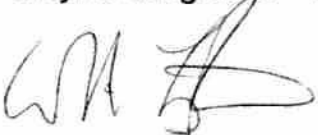
55. The learning from the four serious case reviews conducted by Haringey has been disseminated effectively across police, health, all children's social care services and schools, but not as yet to childminders and private, voluntary and independent childcare providers. Those who have benefited from the training are knowledgeable about the detail of the lessons learned and are largely able to identify what they need to change in their own areas of work.

56. The Children's Trust has continued to progress satisfactorily after a later start than many other local areas. It is increasingly central to the effective commissioning and implementation of the children and young people's plan and like the Haringey Safeguarding Children Board, its capacity and impact have increased as trusting relationships have been built across a wide and relevant membership. The voluntary and third sectors are now integrally involved and work is underway to increase their capacities.



Haringey Council

Agenda item:

Audit Committee		25 March 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 020 8489 2508		
Wards(s) affected: All	Report for: Information	
<p><b>1. Purpose of the report</b></p> <p>1.1. To provide an update on work being done to improve data quality across the council in particular in the Children's and Benefits and Local Taxation service.</p>		
<p><b>2. State links with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>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 <i>Driving Change Improving Quality</i>.</p>		
<p><b>3. Recommendations</b></p> <p>3.1. To note the report, findings in relation to recent audits and the progress being made in respect of data quality.</p>		

#### **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:

##### **Children and Families service**

- Auditing of referrals, initial and core assessment indicators with a sample 300 cases reviewed. This audit identified improvement in the quality of recording and completion of assessment records over time.
- Off-line social work audits found improvements in the quality of assessments with appropriate outcomes.

##### **Benefits and Local Taxation**

Series of actions taken to improve accuracy and data quality including:

- New quality and performance software implemented – ensures that identified errors are feedback and corrected
- Compliance team established to carry out data quality checks of assessments
- Workshops held with staff and team leaders to understand accuracy issues and identify solutions
- Ongoing testing of identified risk areas i.e. new claim start dates, single persons discount and earned income calculations
- Focused ongoing training and development activity for benefits staff

4.3. Work continues in other areas across the council to ensure data is robust with an ongoing programme of audits (Appendix 2)

#### **5. Chief Financial Officer Comments**

5.1. The Chief Financial Officer notes the positive improvements that have been made to the data quality particularly in the two key areas of Children's and Benefits and Local Taxation service.

5.2. Accurate and reliable data is crucial to support a real understanding of how the business operates and what is driving costs; this in turn will enable informed decisions on where to focus and direct resources to ensure the best outcomes for clients.

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

**6. Head of Legal Services Comments**

6.1 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. Improvements in data quality will assist in protecting the Council from adverse criticism and from possible legal challenges.

**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. Data quality is everyone's responsibility but specific roles and responsibilities have been set out and communicated to staff in our Data Quality Strategy and Performance Management Framework. Staff and Team Leader workshops have been held in the Benefits service to engage staff and address data quality issues and improvements in Children's services have been supported by a programme of training and development both on the IT system but also social work practice based training.

**9. Use of appendices /Tables and photographs**

- 9.1. **Appendix 1:** Summary findings from the 300 case sample audited in Children's Services
- 9.2. **Appendix 2:** Performance Information Audit Schedule for 2010/11
- 9.3. The Data Quality Strategy and related papers are published on Harinet and can be accessed at:

[http://www.haringey.gov.uk/data\\_quality](http://www.haringey.gov.uk/data_quality)

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

- 10.1. Inspection of progress made in the provision of safeguarding services in Haringey- Ofsted report January 2010
- 10.2. Grant Thornton Use of Resources Report 2009
- 10.3. 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 work in respect of data quality in the Children and Families and the Benefit and Local Taxation Services and highlights findings from recent audits undertaken.
- 13.4 The Council’s Policy and Performance team routinely carry out performance information audits. The programme and schedule for 2010/11 can be found on the Data Quality page on Harinet along with the Data Quality Strategy, Action Plan and other related papers.

### 14. Audit update in Children’s Service

- 14.1 In October to December '09 the corporate performance team undertook an audit of 3 children’s social care indicators covering data for the period April 2009 to September/October 2009:
  - NI 68 Percentage of referrals to children’s social care going on to initial assessment. – measured as number of initial assessments as a percentage of number of referrals.
  - NI 59 Percentage of initial assessments for children’s social care carried out within 7 working days of referral.
  - NI 60 Percentage of core assessments for children’s social care carried out within 35 working days
- 14.2 The audit focussed on compliance with the indicator definitions and the records available to support the figures reported for the given months.
- 14.3 300 cases were sampled over the period and detailed findings have been fed back to the service. The scale of the errors found was not material and therefore the numbers reported for the indicators were found to be substantially accurate. Appendix 1 summarises the findings and highlights some areas of concern along with the service response.
- 14.4 Although the audit found some discrepancies and raised some areas of concern, notable improvements were evidenced in the quality of the recording and completion of the assessment records as the audit progressed to later months. For example in the period April to July, there were backlogs and



emphasis was clearly on improving the quality. The timeliness of assessments and performance on these indicators is now improving.

14.5 In addition to the corporate data quality audits of the indicators, the service commissioned some off line management audits to assess the quality of practice. Of the 165 audits undertaken since November '09 and conducted by senior managers, there has been an improvement in the quality of assessments with appropriate outcomes and recommendations.

14.6 The service have a performance management strategy which sets out the contribution of practice standards; team performance plans; team evidence files; case file audits; the Members Safeguarding Panel; and the work of the Local Safeguarding Children's Board Quality Assurance Sub-group to improve performance management. There is a refreshed and re-focused monthly performance management group bringing together Heads of Service and their deputies, all Child Protection advisors, the performance team and other key players with weekly performance information presented to the Chief Executive and used by operational managers in the service.

14.7 The recent inspection of progress made in the provision of safeguarding services confirmed the good progress in improving the effectiveness of arrangements for referral, assessment, protection and planning for children in need. It stated that the council has made satisfactory progress in strengthening the support, supervision and performance management arrangements in front line social care services.

14.8 The report also found that performance management is now increasingly well established across the Partnership and that good progress has been made on recording decisions on case files and supervision files. It found that although the majority of case files have evidence of management decisions, there is variability in quality of recording and actions taken and anticipated outcomes are not always clear. This is consistent with the findings of the corporate performance information audit.

## 15. Data quality work undertaken in Benefits and Local Taxation Service.

15.1 There has been much focused work around improving data quality in the BLT service over the last few months. Some of the tasks undertaken include:

- **Implemented new Quality and Performance monitoring software** – Since June 2009 the service have been using a software tool that records and monitors work processes that have been completed. The system records cases where quality checks have been undertaken and provides the feedback loop to ensure that identified errors are fed back and corrected by officers.
- **A Compliance Team established** of four experienced assessment officers to carry out data quality checks of assessments. They are checking 4% of all assessments made each month, in line with best practice; and reviewing assessments on a risk based approach carried out last year for the three main errors types; new claim start dates, single person discounts and earned income calculations.

- **Staff workshops** held with benefits staff to focus on data quality discussions of issues and suggested solutions. The workshops were well attended and were well received by staff. Service managers are reviewing the suggestions and will feed back to staff about their implementation.
- **Team Leader workshops** held to discuss the error rate, and agree how best to improve it. The team leaders highlighted what they see as the three key areas for improvement (performance monitoring, managing capability, and being a point of reference for staff). A follow-up workshop will identify specific actions to address these issues. Changes have also been made to Team Leader in-trays removing 90% of the work that was previously routed that way. This will enable them to focus and deal exclusively on managing their staff both in terms of quality and productivity.
- **Testing on key risk areas** has recently been introduced and the service is now targeting training to address quality issues. One of the big areas highlighted in the 2008/09 audit was around Housing Benefit start dates. A recent start date test exercise proved highly effective and enabled the service to identify poor performers as well as recognise staff that had high degrees of accuracy. From May '09 to date there were 107 start dates errors identified in the quality assurance samples but following testing and training the number of errors has reduced dramatically from a monthly average of 11.5 start date errors to 3.
- **Data Quality Champions** have been identified as those scoring high in the start date test and these have been appointed to give guidance to colleagues and sign off the work of poor performers.
- **Training and Development** has been enhanced across the board with the following now in place:
  - New starters revised training strategy with extended 6 week training period for new staff (previously 3 weeks)
  - New training needs strategy with needs assessment underway to deliver on-going training on evidence based need rather than officer self assessment.
  - A new Recruitment strategy to ensure that the service have the right people with the right skills in the right jobs. The service is introducing testing in numeracy and literacy as part of the initial recruitment process for all new starters.
  - Quick guide laminated desk aids given to staff in key areas of assessment and hyperlinks to Benefits policy and procedures have been added to the new IWorld software application (V6) which can assist staff when assessing claims.
  - Regular feedback and updates on data quality once a month from the Head of Service and feedback from the Team Leaders to the Training

Team recording how many work items have been checked, the most frequent type of errors and which staff have the most errors.

- **Data Quality Board** has been established as the team to oversee the implementation of the improvement plan. Led by Head of BLT the team includes members of the BLT performance team, the Head of Policy and Performance and two members of the Service Improvement Team.

## 16. Other Developments on Data Quality

16.1 Work continues in other areas across the council to ensure that data is robust and fit for purpose with many services implementing quality assurance frameworks.

16.2 The corporate performance team has agreed a new schedule of performance information audits for 2010/11. This is a risk based programme and will include re-auditing areas of high risk to ensure progress is being made with any recommendations being implemented. Appendix 2 details the programme of audits for 2010/11.

16.3 The team have recently finished sample checking records for three worklessness indicators that are included in our Local Area Agreement and have a substantial financial reward grant attached to them.

16.4 The corporate team are also working with Internal audit to facilitate an assessment of the adequacy and effectiveness of the system of internal controls on the National performance indicators. These audits assess the financial and non-financial risks and in addition provide assurance that these controls will assist in the effective achievement of the Council's objectives.

16.5 Internal audit have recently completed three audits on National Indicators;

- NI 117 Young people not in education, employment or training and
- NI 140 Effective Treatment for Drug Users
- NI 131 Delayed Transfers of Care

16.6 These are cross-cutting indicators where the council is not the lead agency or the body who return the figures but they can help in providing assurance that our organisation is working with reliable data and working with partners to ensure the quality of partnership data.

16.7 Finally changes have been made on Framework I to make it simpler to use and address the key concerns of primary system users in a structured and programmed manner. There has been an extensive programme of improvements which has included the re-engineering of the finance module and simplifying the finance workflow for social workers; changes to the recording of child protection assessments as well as changes to how legal documents are recorded and saved making sure they are easier to locate.

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## Summary of Performance Information Audit Findings December 2009 Appendix 1

The Corporate performance team undertook an audit of 3 children's social care indicators covering data for the period April 2009 to September/October 2009:

- NI 68 Percentage of referrals to children's social care going on to initial assessment. – measured as number of initial assessments as a percentage of number of referrals.
- NI 59 Percentage of initial assessments for children's social care carried out within 7 working days of referral.
- NI 60 Percentage of core assessments for children's social care carried out within 35 working days

The audit focussed on compliance with the indicator definitions and the records available to support the figures reported for the given months.

Around 300 cases were sampled over the period and detailed findings have been fed back to the service- Mark Gurrey and Christine Jorge for clarification and agreement. Once clarification is received, this report will be finalised and circulated as agreed. The key findings will be presented to the finance and performance meeting on Monday 21<sup>st</sup> December.

The scale of the errors found was not material and therefore the numbers reported for the indicators were found to be substantially accurate.

There were a number of cases with errors on each of the indicators tested. The main concerns were around:

- Cases without sufficient recorded evidence to support their inclusion in the indicator calculation e.g. initial assessments appearing as an episode in Framework I but not existing as a record and counted in the indicator.
- The process and consistency with which some cases are excluded from the calculations e.g. abandoned, opened in error or counted as assessment with no further action
- Some issues around Corelogic reports and manual processing including using wrong trigger dates and the count of days in which Core Assessments are completed. Framework I reporting was an issue raised in the last audit as part of the 08/09 Use of Resources Assessment. *In the year to date there are 9 cases where a core assessment was completed in between 35 and 42 days and were counted in time.*
- Some inconsistencies with dates/ chronology and records on the system either incomplete or not following the standard workflow sequence.
- Cases where no apparent record of transferring case files to another local authority.

This audit was carried out as part of the programme of performance information audits set out in the council's data quality strategy. It will be repeated in the next cycle to ensure continued progress is made.

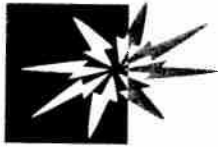
The service responded to this audit. Their responses are in the comment boxes on this page – they further commented that 'fundamentally, any concerns about data quality are either explainable in terms of reporting difficulties with FWi or as a

consequence of reasonable differences in judgement exercised by different managers'.



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Haringey Council

Agenda item:

**[No.]****Audit Committee****On 25<sup>th</sup> March 2010**

Report Title: Grant Thornton – Review of partnership working in Haringey

Report of: Assistant Chief Executive, Policy, Performance and Communications

Signed :

Contact Officer : Wayne Longshaw, 020 8489 2683

Wards(s) affected: **All**

Report for: **Non-Key decision**

**1. Purpose of the report**

1.1. To present the findings of a review of partnership working undertaken by Grant Thornton.

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

2.1. The report directly links to the Sustainable Community Strategy as the overarching strategy for the Haringey Strategic Partnership. The recommendations in the report will help to strengthen partnership working and thus delivery of priority outcomes and the Local Area Agreement.

**3. Recommendations**

3.1. That the audit committee note the report and the twelve management actions contained in the action plan.

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

4.1. Grant Thornton undertook an audit of partnership working and has identified areas that will help strengthen partnership working. These are summarised in the action plan at the back of the report.

## 5. Summary

5.1. Grant Thornton have undertaken an audit which looked at the relationship between the Council, the PCT and other local strategic partners and focused specifically on the quality of partnership working and shared governance arrangements. The audit was carried out between November 2009 and February 2010.

5.2. The audit included a detailed focus, known as a “tracer”, on a specific area. The aim being to establish whether partnership working practice in this area reflects wider arrangements and best practice across the Local Strategic Partnership (LSP).

5.3. The review will provide supporting evidence for the 2009/10 Comprehensive Area Assessment process, including the Use of Resources (UoR) for both the Council and the PCT. The review report is attached as an appendix.

## 6 Background

6.1 The Audit of partnership working was undertaken in response to a national study and toolkit for local strategic partnerships (LSPs) recently published by the Audit Commission, Working Better Together. The study concluded that most LSPs are evolving and maturing, but that there is a wide variation in the quality of partnerships, and their ability to deliver intended outcomes. The review makes use of the methodology set out in this study.

6.2 In undertaking this audit, Grant Thornton is seeking to achieve the following:

- to assess whether partners are working together effectively to maximise value from combined resources;
- to stimulate improvements to partnership working practice within client organisations; and
- to provide supporting evidence for the 2009/10 Comprehensive Area Assessment process, including UoR conclusion.

6.3 Effective partnership working is a theme throughout the new CAA framework, and as such the review will provide supporting evidence for the 2009/10 CAA process, including the UoR for both the Council and the PCT.

## 7 Council response

7.1 The council and partners had undertaken its own review of the HSP working arrangements and has co-ordinated its approach with Grant Thornton. Many of the recommendations in the action plan area already being taken forward. The council and partners will work towards completing the actions through 2010/11.

**8. Chief Financial Officer Comments**

8.1 The review was jointly funded and is contained within the 2009/10 audit plans of the Council and the local Primary Care Trust, Haringey NHS.

**9. Head of Legal Services Comments**

9.1 There are no specific legal implications in the report.

**10. Use of appendices /Tables and photographs**

Grant Thornton Partnership Working in Haringey.

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## Partnership working in Haringey

16 March 2010

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# 1 Executive Summary

## 1.1 Context

As part of the 2009/10 audit plans for Haringey Council ('the Council') and Haringey Teaching Primary Care Trust ('the tPCT') we agreed to undertake a review of Partnership working to inform our Use of Resources assessment.

Our approach was to build on our understanding from the 2008/09 Comprehensive Area Assessment (CAA) and Use of Resources (UoR) processes by reviewing relevant documents and interviewing key members of the Haringey Strategic Partnership (HSP) and the chairs of each theme board. We also sent a survey out to 90 HSP and theme board members, receiving responses from 34 people. We considered this to be a statistically relevant response rate. Finally, we attended an HSP Board meeting as observers. Please see Appendix B for more details on our methodology.

Whilst undertaking our review we learnt that the Leader of the Council had commissioned a similar piece of work from the Interim Deputy Chief Executive. We refer to this as the 'Performance Management Group (PMG) review' within this report. As soon as we became aware of the PMG review we utilised the findings to steer the direction of our work. The focus became for us to provide additional challenge to the HSP and to focus on the function of the theme boards and the utilisation of the Joint Strategic Needs Assessment (JSNA) by the HSP.

## 1.2 Key messages

- Setting "red flag" issues to one side, CAA identifies positive outcomes delivered in partnership. There are good examples of working together to solve problems, mostly where a problem is "bigger" than single organisations (swine flu, teen pregnancy, sexually transmitted diseases for example). The challenge, therefore, is around finessing structures, addressing known weaknesses and developing a bolder shared vision.
- The partnership is resilient; it has coped with significant external stress and scrutiny, changes to personnel and challenging discussions. This has been achieved through a combination of generally effective structures and good interpersonal relationships. The adversity faced in the past 18 months has led to renewed focus regarding partnership working and this was reflected on positively in the recent joint inspectorates' report on safeguarding.
- However, performance management systems have risked becoming stymied, as there has been little differential in the reports received by the theme boards and the board / PMG. There has been a sense of disconnect between HSP leadership and local / front-line service delivery. Joint resource management is rudimentary in terms of tangible outcomes outside the Area Based Grant (ABG) / Performance Reward Grant (PRG) debate, and the scope for achieving significant efficiencies through collaboration between HSP partners is only now starting to be explored seriously. This is vital as it is one of the pivotal ways of addressing the stresses of the 2011/12 and beyond funding reduction. The Partnership is self-aware in this respect and recognises the need to shift up a gear. Partners are setting a clear agenda for development and improvement.

- The theme boards are operating at differing levels of maturity and effectiveness, with performance against LAA targets varying widely across the boards. The latest data available shows that overall across the LAA targets 24.3% are rated as 'red', with the Enterprise Board for example having 57% rated as 'red' and data awaited for all its other targets (see section 2.5.7 below). This performance should, however, be set in the context of an 18 month recession. In addition, in our view the number of members on the theme boards is too high in some cases. Further monitoring and review of the theme boards is needed as part of the continuing PMG review.
- The JNSA has to date had inconsistent impact across the partnership. Partners are aware of it, but have not all been able to make effective use of it, particularly at the Better Places and Integrated Housing theme boards. There is scope for Phase 2 to more directly influence and inform all the theme boards' work, and for it to continue to feed into specific commissioning activity.

### 1.3 High-priority actions

Please see Appendix A for our Action Plan with management responses to the action points below:

- The HSP Board needs to be free to focus on strategic issues. The theme boards should be managing the more operational matters, for example, recycling targets.
- The HSP is data-rich, and there are specific examples of information being shared effectively, but the volume and distribution of data makes it difficult to access efficiently. Interviewees have spoken of needing a "helicopter view", which the PMG has recognised.
- It is agreed that the proposed secretariat to address this issue needs to be more outward-looking, helping to ensure that the ABG continues to be invested wisely.
- The PMG's proposal to form an HSP Business Group should be implemented. This group should be tasked with monitoring financial information and influencing mainstream resource allocation across the partnership. The starting point for steering is knowledge about the resources available. That said, any resource mapping undertaken must be proportional and cost-effective
- Senior managers' events across the partnership should be maintained as they provide the opportunity to build a culture of partnership working below the PMG level.
- The Council currently demonstrates community leadership in line with it being democratically accountable. The impression given by some is that more leadership is needed from non-Council other partners, as all need to be 'Leaders of place.' The HSP should continue to work to ensure balanced input from all parties. For example, the police have recently started to work with the Council to better ensure that CCTV provides value for money. Activity data is available but historically this has not been analysed to link with outcomes. We understand that five or six outcomes are being agreed so that data can be coded accordingly.
- There is scope for phase 2 of the JSNA to better inform the work of all the theme boards. The biggest three theme boards (Wellbeing, Children's Trust and Safer Communities) have utilised phase 1 effectively, along with their own strategic needs assessments. The Enterprise board utilises its own recession dashboard. However the JSNA could more effectively feed into the work of the Better Places and Integrated Housing boards. Overall responsibility should be agreed for the effective dissemination of the JSNA data to all the theme boards.



- The recent PMG review did not look at the theme boards in detail. Their link to the newly proposed Executive Board will need to be considered. The PMG has recognised that once in place the Executive Board may wish to carry out a piece of work reviewing the structure of the theme boards and whether they are appropriate to the needs of Haringey. We would agree this review needs to be completed, with an emphasis on both LAA targets and other demonstrable outcomes being achieved by each board.
- In our view chairs of theme boards should not also chair any of the board's sub-groups, as this could represent a conflict and result in a lack of appropriate scrutiny of chairs' performance.
- The development of a commissioning framework was agreed and adopted in April 2009 and the practical application has been tested by the Compact toolkit. This will continue to help align Voluntary & Community Services (VCS) activity to commissioning opportunities. However, the Haringey Association of Community and Voluntary Organisations (HAVCO) perceives that the interests of third sector representatives are best reflected around health and wellbeing, but that there is room for improvement in the other theme areas.
- Six individuals from the Community Link Forum (CLF) are voted to represent the CLF on the HSP Board. We would recommend that the HSP build 'community empowerment' into the HCLF project to ensure that the community representatives receive the capacity building support that some of them require. Also, the fact that individuals are voted for rather than organisations means that some major VCS delivery partners could not be actively involved. There is a perception from some quarters that CLF attendees are not able to fully represent the relevant delivery agencies. Where the board perceives there is a deficit of expertise, we would recommend that it consider using the allowed option to co-opt members who are not elected through the CLF. In addition, the CLF is perhaps being under-utilised. For example, the tPCT would find it useful to utilise the CLF more to make contact with excluded groups.
- It is recognised that engagement from the private sector needs to improve, and that perhaps looking outside the borough is an option. The issue is partly due to a lack of large private sector employers in area, although there is some involvement from Shopping City in Wood Green. Engagement is being sought through other media e.g. business breakfasts. Networks with smaller businesses are needed too.

#### **1.4 Use of this report**

This report has been prepared for the Council and the tPCT, and should not be relied upon by any third parties.

#### **1.5 Acknowledgements**

We would like to thank the HSP Performance Management Group, the theme board chairs, the Council's Interim Deputy Chief Executive, the Council's Assistant Chief Executive, Policy, Performance & Communications, the PCT's Associate Director of Communications, Stakeholder and Engagement and the other Council and tPCT officers who contributed to this report.

**Grant Thornton UK LLP**  
16 March 2010

## 2 The Haringey Strategic Partnership

### 2.1 National context

In April 2009 The Audit Commission issued its report 'Working Better Together? Managing local strategic partnerships' (LSPs). In summary, this report stated that:

- LSPs must bring a complex network of local agencies together to achieve common goals
- LSPs work through leadership, culture, and relationship management
- Standards and systems must support LSPs' layered roles
- CAA will assess whether local public bodies and their partnerships are contributing to outcomes

The report concludes that most LSPs are evolving and maturing, but that there is a wide variation in the quality of partnerships, and their ability to deliver intended outcomes. In some cases local and national partners still need to recognise the key dynamics that support partnership working. Too few LSPs take an area-wide approach to performance and resource management. Some LSPs have well developed performance arrangements, but less developed resource management.

Most LSPs have progress to make on their improvement journey if they are to deliver sustainable community strategy and Local Area Agreement (LAA) outcomes. LSPs that have good, shared systems for performance management (with performance reporting, resource allocation, and risk management) will find it easier to show that they are on track to achieve agreed outcomes than those that do not.

We have based the methodology of our review on the Audit Commission's report and resultant self-assessment questions for improving partnership working.

### 2.2 Context for the area

'Haringey is a densely populated borough in north London with a population of over 225,000 people. It is also one of the most diverse with a significant proportion of people from ethnic minority backgrounds and over 160 different languages are spoken in the borough.

Haringey is the eighteenth most deprived borough in the country; although it is also has areas of greater affluence making Haringey one of the most unequal boroughs in terms of wealth. Crime levels are reducing but remain high. There is also a high level of people moving in and out of the borough and shortages in affordable housing. There are large numbers of people living in temporary accommodation and a lower than average number of owner occupiers. Unemployment is high in Haringey and average wages are lower than elsewhere in London, but above those nationally. There is also a higher than average number of people with no qualifications. There are large differences in the health of people between the west and east of the borough. There are high levels of alcohol misuse, teenage pregnancy and infant mortality. Life expectancy is improving and is on track to meet the 2010 target but is still below the national average.'

(Haringey CAA, December 2009)

### **2.3 External assessment of the area**

The 2008/09 Comprehensive Area Assessment gave Haringey a red flag for Safeguarding Children, indicating significant concerns and that action is needed in this area. Having said that, the CAA was positive with regards partnership working in general across the borough.

The CAA reported progress against the HSP's agreed priorities as follows:

#### **People at the Heart of Change**

- Local partners work well to help build a community where local people get on well together
- Local partners are making Haringey cleaner and greener
- Local partners have a lot more to do to make sure there is enough housing for local people

#### **An environmentally sustainable future**

- Local partners are making good progress in meeting current environmental needs without damaging the ability of future generations to meet theirs
- Local partners are raising awareness and involvement of local people in these issues
- Some good progress is being made in limiting the impact of public services on the environment
- Recycling is being improved with 25 per cent of household waste recycled and composted but the target of 28 per cent was not met

#### **Economic vitality and prosperity is shared by all**

- Regeneration schemes are being targeted to reduce the gap between the east and the west of the borough
- Local partners understand their challenges in relation to worklessness and are working to tackle these
- Local partners are working well to support young people who are out of work and to increase their levels of skills
- Local partners are working to tackle poverty in Haringey and have agreed a plan to do this

#### **Safer for all**

- The safeguarding of children is a key risk for local partners and has been red flagged
- The fostering agency and private fostering arrangements are good, but looked after children continue to experience too many changes of placement
- An independent inspection of adult social care services in January 2009 found that the safeguarding of vulnerable adults was adequate
- Overall crime in Haringey is reducing. However local people are still concerned about the levels of crime

#### **Healthier people with a better quality of life**

- Local partners are making some progress in improving the health of local people. However there are still some key challenges
- Local partners are working with local people to help them manage their own health
- More needs to be done to improve the health of children. Local partners have a good understanding of the challenges and are taking action to address these
- The number of teenage pregnancies remains a key concern. Local partners are prioritising this issue and taking action to address it
- Local partners put extra money into sexual health services last year and met its target for local people aged 15 – 24 accepting a test/screen for Chlamydia

- Significant challenges remain in reducing alcohol harm. Local partners have a good understanding of these challenges and have agreed an action plan

#### **People and customer focused**

- Local partners have made some progress in meeting their aim for local people to have high quality, customer focused services
- Greater opportunities are being provided for local people to get involved in decision making
- Local partners are working well with voluntary and community organisations overall

### **2.4 Structure of the partnership**

The HSP Board represents the strategic layer of the partnership structure. There are 35 representatives on the HSP Board from organisations across the borough. The HSP Board is chaired effectively by the Leader of the Council.

Below the HSP Board at an executive level there is a Performance Management Group (PMG) consisting of 8 members from the Council, tPCT, Fire, Police, College of North East London (CONEL), Job Centre and Haringey Association of Community and Voluntary Organisations (HAVCO). As the PMG evolves into an Executive, it is being considered that the current chair be rotated in order that the Leader of the Council can contribute fully rather than managing both meetings.

Below the PMG at an operational level there are six Theme Boards, responsible for service management and delivery.

At the January 2010 HSP Board the PMG presented some of its findings from the recent PMG away day. Changes to the structure of the partnership were proposed as follows:

#### **Standing Conference**

It was proposed that this should become the new format for HSP meetings. In addition to the existing core membership the Area Assembly Chairs would become members of the HSP and other 'topic specific' participants would be invited to attend where appropriate.

#### **Executive Board**

It was proposed that this should replace the existing PMG and would have increased delegated authority to drive delivery and to shape, prioritise and direct resources.

In addition to formal meetings the Executive Board's Work Programme would include problem solving sessions and 'time out' to explore/commission new pieces of work and ideas.

The PMG has agreed that the existing membership should be extended once the Executive Board is formed by inviting a representative from the private sector to sit on the Board. It was agreed that London First should be approached with a view to identifying a suitable candidate for this position.

The theme boards have not yet been reviewed by the PMG and their link to the Executive Board will need to be considered. The PMG has recognised that once in place the Executive Board may wish to carry out a piece of work reviewing the structure of the theme boards and whether they were appropriate to the needs of Haringey.

### **HSP Business Group**

The PMG has also discussed the need for a Partnership Business Manager to manage governance issues and Chair a new HSP Business Group that would support the Executive. This proposal has not yet been taken to the HSP Board. However, the HSP Board accepted proposals for the PMG to submit a further report to the HSP in March setting out finalised proposals, which come into effect as of April 2010. It is expected that the HSP Business Group idea will be included at this time.

The Business Group would consist of the Lead Officers from each of the theme boards and would develop new practice and policy on behalf of the Executive Board. It would also be responsible for taking an overview of the resources available across the Partnership, which will be essential in the current economic climate.

## **2.5 Story of the theme boards**

There are six theme boards under the HSP, each being responsible for its corresponding LAA targets. These boards have been in place since 2002 / 2003 and are all at different stages of development.

Each theme board has a nominated scrutiny lead at member level, with activity aligned to theme boards. In 2009/10 specific scrutiny reviews are being undertaken in each of the theme board areas with the exception of the Integrated Housing Board, which already has a report going direct to the Overview & Scrutiny Committee (OSC). Examples include 'What can be done to improve the support given to carers?' (Wellbeing) and 'What actions are being taken / considered to encourage sustainable travel and to reduce traffic congestion?' (Better Places).

Each theme board has CLF representatives. This mechanism is beneficial to HSP partners as well as the VCS as it provides consistency and accountability across the Boards and ensures community engagement.

### **2.5.1 Enterprise**

The Enterprise Board is Chaired by the Chief Executive of the Council, with the Vice Chair being the Cabinet Member for Environment & Conservation. It has approximately 18 members from across the Council, the tPCT, CONEL, HAVCO, the LSC, Jobcentre Plus, Business Link, the North London Chamber of Commerce, economic development bodies and local VCS groups amongst others.

The atmosphere of meetings is perceived to be very professional. It is generally agreed that getting private sector involvement on the Board is problematic, partly due to there being few large local employers who would have a vested interest. The HSP has started holding Business Breakfasts in order to better gather the views of the private sector. It has been suggested that forums could be formed that would better interact with the local business community to identify milestones for business development and enterprise. There is also scope for having the meeting Chaired by a different partner, moving the Council from its current 'driving' role to that of an enabler. There is an opportunity here for improved involvement and engagement of local businesses, both small and large within and outside of the borough.

There is good engagement from community representatives who are active and ask questions. The community representatives on the Enterprise Board have also led presentations at the meetings and played an active role in the finalisation of the Enterprise Prospectus, the Board's commissioning document. At the end of each session there is half an hour to discuss a particular topic so that the Board is not just papers led. This allows everybody to contribute.

### **2.5.2 Wellbeing**

The Wellbeing Board is Chaired by the Chair of the tPCT, with the Vice Chair being the Cabinet Member for Adult Social Care and Wellbeing. There is an agreed approach that these two roles are rotated on an annual basis (i.e. next year the Chair will be the Cabinet Member). It has approximately 23 members from across the Council, the tPCT, local NHS Trusts, the Mental Health Trust, local VCS groups, CONEL, Middlesex University, HAVCO and the Probation service amongst others. The Wellbeing Board receives the second highest level of ABG (approximately £5m).

Our perception is that the Board has become more effective but is still evolving. It is quite mature as it heavily involves health and social care who historically have always worked together. The current chair had been the Vice Chair for many years then put himself forward as the chair as he had concerns over how the Board was progressing. The atmosphere of meetings is now felt to be positive and discussions relevant.

The rotating chair agreement shows a level of maturity. However, we have also been told that the chair can rotate quite regularly throughout the year (due to unavailability) which does not help progress / the exercise of control. Some feedback received implies the agendas have been too heavy and that there is too much information to disseminate, although the atmosphere does remain good. The current chair is keen to introduce exception reporting to avoid receiving too much data. An impression has been given that the Community Link Forum (CLF) representatives can be dominated over by the bigger agencies and are therefore prevented from making as much of an impression as they could.

There are protocols in place for data sharing with regards adults and more recently children. Partners recognise that health is a shared responsibility. There is good engagement with the Voluntary and Community Sector (VCS) and successful, open commissioning. 63 wellbeing projects have been commissioned with VCS organisations. This is approximately a quarter of the theme board's commissioning. The theme board had significant input into the Sustainable Community Strategy (SCS) and as a result this includes significant health targets.

The issue of taking responsibility for costs between the Council and the tPCT does not appear to be a problem in Haringey. In addition to the Wellbeing board there is a quarterly meeting between the Leader and top team members from Children & Young People's Services (CYPS), Adult Social Services (ASS) and the tPCT, and the Leader meets with the tPCT chair on a monthly basis.

Last year there were good results around older people and delayed discharges as a result of close partnership working.

### **2.5.3 Safer Communities**

The Safer Communities Executive Board (SCEB) is chaired by the Cabinet Member for Safer Communities and Enforcement, with the Vice Chair being the police Chief Superintendent. In the past this board was chaired by the Council's Chief Executive as she had experience of this from elsewhere. There is an intention for the chair to rotate to being the Chief Superintendent in the coming year, depending on events after the local elections in May. It has approximately 19 members from across the Council, Homes for Haringey, the tPCT, the Fire Service, the Mental Health Trust, the Probation service and local community groups amongst others.



The SCEB has evolved from the Crime and Disorder Reduction Partnership (CDRP). Since then the police, probation, fire and voluntary sector have all come to the table to avoid duplication of work and to add value to the board. Our perception is that the SCEB is strong and that the police presence contributes towards this. There is real commitment and passion from the chair. However, the perception is that meetings can tend to be too long and there is sometimes a parochial bias. It is felt that the pace of meetings needs to be faster, as members are committed and tend to have already read the papers. They therefore want to use the meeting to move the discussion forward.

Attendance is good, with agencies encouraged to send a mandated substitute when a member cannot attend. Representatives from Health are becoming more involved, and have made a positive contribution to the anti-social behaviour sub-group. The chair tries to get each partner to contribute to agendas, and there is a different topic on the agenda at each meeting. There are local area meetings which feed into zonal groups which feed into the SCEB. The chair and the police superintendent are both very keen to avoid duplication, and for example are looking at the 'Diamond district theory' which places focus on issues in particular local areas. To increase the effectiveness of this and all theme boards it is suggested that theme board chairs should not also chair any of the sub-groups as this could represent a conflict.

There is an information sharing protocol in place - this was achieved before other boards and the Council as a whole. This is particularly useful for the police and the Council working together. The Head of Community Safety commissioned somebody to come and look at how the board functions which we are told led to limited recommendations that are being implemented. There are examples of joint commissioning by the SCEB and it is our understanding that the SCEB is good at actively commissioning what it feels is needed, rather than just seeing what programmes are already being offered by the VCS for example.

#### **2.5.4 Children's Trust**

The Children's Trust is chaired by the Deputy Leader and Cabinet Member for Children and Young People, with the Vice Chair being the police Chief Superintendent. It is the biggest theme board with approximately 29 members across the Council, the tPCT, local NHS Trusts, Great Ormond Street hospital, local schools, the local Safeguarding Children Board, the Mental Health Trust, the Probation service, HAVCO and local community groups amongst others. The Children's Trust receives the highest level of ABG funding (approximately £11m).

The Children's Trust was established in March 2009, as the new Cabinet Member wanted a fresh approach after Baby Peter, and DCSF guidance recommended an expanded board, for example including a local GP with responsibility for child safety. The evolving board is mature and established as it is a statutory function. Due to the context of the past 18 months, the Trust has had to face major challenges. Our impression is that it has met the challenges robustly, and that there is improving dialogue between partners. The atmosphere of meetings is understood to be improving, although there may be room for further progress as some described the mood of meetings as 'defensive'.

It is unusual for a police representative to hold the Vice Chair position, but our understanding is that this has worked well for Haringey. The more linear style can be appropriate and effective for safeguarding issues.

The chair recognises the increased need for partnership working. In the past she feels that members hadn't felt very involved, and that the approach was too top down with no feedback being given to members when they raised an issue. Attendance was not good in the past. This was the rationale behind forming the Trust as members would have more buy-in. There is now diverse voluntary sector representation and the impression given is that the Trust is more effective than its previous incarnation. The Chair also invited an opposition councillor to join the Trust. This is the only theme board where this is the case.

The board is still evolving, with its own executive performance group, JAR action plan being implemented and a specific safeguarding working group. The performance management group meets between Trust meetings and filters the reports / creates exception reports to go to the Trust meeting. In past below the board there was a plethora of meetings happening with no coherent reporting mechanism. There are now three area partnerships in line with the Children's networks. These are very focussed on delivery and the priorities within each area. The chair of each of these area partnerships sits on the main Trust board and reports upwards. There are some other borough wide forums, including one for workforce development which encourages people to view themselves as working for the children of Haringey, regardless of who their employer is.

The Trust reviewed itself after 6 months to measure whether people are finding it effective. It has started holding the meetings at different locations, for example at a children's centre or at the sixth form college. A protocol for data sharing has recently been adopted. The chair identified that joint commissioning is the under-developed area in the Trust.

### **2.5.5 Better places**

The Better Places Board is chaired by the Cabinet Member for Environment & Conservation, with the Vice Chair being from the Community Local Forum. It is the smallest theme board with approximately 15 members across the Council, the tPCT, the Lee Valley Regional Authority, London Remade, the Environment Agency, the Fire Service, Transport for London, HAVCO and local community groups amongst others.

The current chair has been in post for 3-4 years. Attendance is ad hoc, with statutory bodies having a relatively poor attendance record in comparison to the local community groups. The perceived weakness of this board is that some bodies do not send representatives with any mandate to make decisions or contribute. The chair tries to keep meetings informal to encourage everybody to participate. He feels that attendance is improving, with more involvement now from local faith groups for example. He also feels that the atmosphere is improving and that members do not come along with separate agendas anymore. However, there are still problems with engagement and getting partners to realise they are all jointly responsible for meeting the LAA targets.

The impression given is that this board is not as mature as others. Haringey feels it is needed but the governance in this area is not so strong, and its general direction is perceived to be a bit "woolly". Having said that, it has a clear action plan in place to meet its LAA targets. The chair ensures that a traffic light system is applied, and only 'red' targets are discussed. Because it is focussed on long term targets it feels quite established. The chair meets with the officer team at the Council prior to meetings to filter the information presented, enabling the agenda to remain topical and interesting. The chair wants the board to become less Council-led. He would like to see the NHS / colleges / faith groups 'owning' individual LAA targets and for them to tell the Council how they should be working to meet them.



The board has devised a Commissioning prospectus initiative. The CLF helped to promote the 'greenest borough' funding programme, requesting project ideas from the VCS to help the Board meet its objectives. Bodies are encouraged to come up with an initiative that tackles one of the National Indicators. The board has to date provided £120k to support four bids. In order to be successful the bids needed to show how they were sustainable i.e. how they will continue once the first year's funding ceases. Partners lead this process, especially the CLF bodies who vet the bids they receive and then monitor progress. The chair has secured the same level of funding for the initiative for the coming year.

### **2.5.6 Integrated housing**

The Integrated Housing Board (IHB) is chaired by the Cabinet Member for Housing Services, with the Vice Chair being from a Housing Association. It has approximately 17 members across the Council, Homes for Haringey, Housing Associations, the tPCT, HAVCO and local community groups amongst others.

The current chair has been in place for 19 months. It is our impression that this board is at an earlier stage of development, and that partners are still "working through the relationship". There is a good general understanding that housing is crucial for all areas of concern - health, economic wellbeing, homelessness etc. The board is getting better but there has been a cultural issue because the Council has historically been the housing provider. The homelessness strategy has been effective and has helped encourage partners to work together. The chair does feel that attendees co-operate well.

Agendas are manageable because the remit of this board is quite specific. The performance data provided for the board's LAA targets used to be poor, but now the IHB targets are reported separately allowing for much better monitoring (the chair instigated this change).

The chair believes that the arrival of a new Assistant Director of Housing at the Council has been a great benefit, and that prior to that the board was ineffective. He expressed disappointment at the commitment of external partners, in particular the Housing Associations (HAs). Attendance of the three HAs on the board is erratic, and when members cannot attend they do not generally send a replacement. The chair has also seen no evidence that the three HAs feed back to the other 57 HAs in the borough. It is our impression that the chair could consider exerting his influence over members to encourage them to attend, as this would increase engagement.

There are some interesting topics coming up that the chair hopes will better engage members - NFI work in housing which has been going on for past 6 months; Homes for Haringey have completed a door knocking exercise and will be presenting on the outcomes of this; all HfH staff were recently brought together for the first time at a conference held at Alexandra Palace to motivate them. The Chair plans to invite all 60 HAs to these upcoming meetings in an attempt to improve engagement. They will be able to participate even if they can't vote.

### **2.5.7 Performance of the theme boards against their LAA targets**

There are a total of 77 targets to be considered: 35 'designated' improvement targets encompassing Haringey's key priority areas for 2008/09 - 2010/11; 10 mandatory education attainment targets; 29 local indicators for areas where local priorities were not reflected among the 198 national indicator options, including 16 stretch targets; and 5 safeguarding indicators which were added in the refresh from April 2009 (these are therefore not included in the analysis below).

The relative performance of each theme board is shown below, as per the latest data available to us. For designated and stretch targets this data is from the performance update to November 2009 presented to the HSP Board on 21st January 2010. For other targets it is from the LAA outturn report for 2008/09.

**Table 1 - Performance by number**

Theme Board	Number of targets	Red	Amber	Green	Data awaited
Enterprise	7	4	0	0	3
Wellbeing	14	1	2	8	3
Safer Communities	10	2	1	4	3
Children's Trust	26	9	3	10	4
Better Places	7	1	0	2	4
Integrated Housing	6	0	1	1	4
PMG	4	1	0	0	3
<b>Total</b>	<b>74</b>	<b>18</b>	<b>7</b>	<b>25</b>	<b>24</b>

**Table 2 - Performance by %**

Theme Board	Total	Red %	Amber %	Green %	Data awaited %
Enterprise	100.0%	57.1%	0.0%	0.0%	42.9%
Wellbeing	100.0%	7.1%	14.3%	57.1%	21.4%
Safer Communities	100.0%	20.0%	10.0%	40.0%	30.0%
Children's Trust	100.0%	34.6%	11.5%	38.5%	15.4%
Better Places	100.0%	14.3%	0.0%	28.6%	57.1%
Integrated Housing	100.0%	0.0%	16.7%	16.7%	66.7%
PMG	100.0%	25.0%	0.0%	0.0%	75.0%
<b>Total</b>	<b>100.0%</b>	<b>24.3%</b>	<b>9.5%</b>	<b>33.8%</b>	<b>32.4%</b>

The tables above shows that according to the data available, the theme boards' effectiveness in achieving their targets can be ranked as follows. This is based on the % of targets rated as either green or amber.

1. Wellbeing
2. Safer Communities
3. Children's Trust
4. Integrated Housing
5. Better Places
6. PMG
7. Enterprise

### **2.6 Joint Strategic Needs Assessment (JSNA)**

The JSNA was completed ahead of schedule in Autumn 2008. It has been used as part of the partnership's overall strategic assessment which informs priority setting and commissioning. In particular it had a significant impact on the tPCT's strategic plan, and it contributed directly to development of the 10 priority outcomes for the tPCT. It has also fed into world class commissioning activity. The JSNA naturally fed into the work of the Wellbeing theme board.

The JSNA, alongside other needs assessments, underpins the Children's Strategic Plan launched in September 2009. The chair of the Children's Trust informed us that the Plan used the same data set as the JSNA. Then the Children's Trust broke the data down into the three children's areas of the borough so that it could be discussed at the first area meetings. This led to a more local needs assessment in order to identify where best to locate projects and therefore how best to use limited resources.

The SCEB received a JSNA presentation. This raised the awareness of the board regarding the Health Inequalities agenda and crime patterns. The chair of the SCEB informed us that it had led to useful discussions around the drivers of crime.

The JSNA Phase 2 is nearly complete and this year's needs assessments have influenced strategic direction and developments. For example:

- The mental health needs assessment was presented to the Well Being Partnership Board and will influence the development of NHS Haringey's polysystems;
- The sexual health needs assessment will enable a review and update of the sexual health strategy;
- NHS Haringey's Neighbourhood Development Plans facilitated the development of the Locality Commissioning plans; and
- The Safer Communities Strategic Audit was presented to the Safer Communities Executive Board

The JSNA is also being reviewed within the LSP strategic commissioning framework. Needs assessment is the first part of the commissioning cycle, and so the JSNA is being considered alongside other subject-specific needs assessments, feeding into the development of commissioning intentions for each thematic board. Commissioners sit on both the JSNA steering group and the HSP commissioning group which will aid dissemination of the JSNA data.

Our impression is that the JSNA has been influential at the HSP level, but not always further down at the theme board level. We are unaware of it having any impact within the Enterprise, Integrated Housing or Better Places theme boards, but there should be scope for it to do so. For example, green spaces and parks have an impact on obesity, and housing has an impact on mental health. The next stages of the JSNA will be crucial i.e. the four key themes of mental health, sexual health, vulnerable children & young people, and population change and growth and its impact on services should feed into all the theme boards' work more directly.

### 3 The LSP's Long-Term Goals

'Effective collaboration requires common goals, agreement on how to achieve them, and shared information about success and failure. It is usually voluntary and takes time to mature. Successful longer-term partnerships have used an overarching vision (now expressed as the SCS) to underpin partners' commitment to joint working that delivers benefits to local people and leads to action.

A strong evidence base should support the links between the SCS and the LAA. Over two-thirds (70 per cent) of the LAA targets agreed in 2008 were consistent with local SCS priorities. The remaining 30 per cent were evidence of the tensions between locally and nationally driven priorities.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

#### **3.1 How well does the sustainable community strategy (SCS) reflect LSP members' ambition and priorities? How well is the long-term SCS embodied in the shorter-term local area agreement (LAA)?**

The prioritisation process has been rigorous, based on a good understanding of local need (per the CAA). Our survey results show general agreement that priorities reflect an even balance of the interests of all participants in the HSP.

The main benefit to participation in the HSP (excepting corporate social responsibility) for the fire service, the police, Job Centre Plus etc. is the opportunity to contribute to the tackling of the root causes of bigger issues. For example: the fire service contributed to the alcohol harm reduction strategy, and have worked with the Youth Offending Team; the police have been engaged in actions to address mental health problems.

The SCS and LAA are effectively aligned. Clear links have been developed between LAA local and national indicators, and SCS priorities. The LAA is an effective expression of the SCS.

#### **3.2 How well do partners share performance and other information to enable the LSP to track need and progress across all SCS priorities?**

The area is data-rich, and there are specific examples of information being shared effectively, but the volume and distribution of data makes it difficult to access efficiently. Interviewees have spoken of needing a "helicopter view".

The focus on delivery of outcomes may have become stifled by the performance management process. The value of exception reporting is diminished by the volume of accompanying information. The ability to deliver is affected by the maturity of the corresponding theme board.

Historically the same reports have appeared at theme boards and at PMG / HSP level with little added value or additional debate. The PMG support the concept of a secretariat to address this, increasing the focus of performance reporting and shared information. This would be consistent with the majority of LSPs and would be funded from the ABG.

## 4 Leading the LSP and Creating a Culture of Working Together

'Local authority chief executives play a crucial role in the strategic and executive levels of management and governance. They must develop partnership culture and negotiate commitment from others.'

LSPs cannot make an impact across their objectives without partners' senior level commitment to joint decision-making and action.

Another potential balancing mechanism is in the choice of members and chairs of executive and theme groups. Councils in some LSPs share leadership by appointing cabinet members to theme groups, but not necessarily to chair them.

An important message to local stakeholders is that LSPs are democratically accountable to local people through councillors' roles.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### **4.1 How well are elected members engaged at board and theme group levels?**

Partners tell a story of improving engagement with elected members. The HSP and PMG are chaired by the Leader, Councillor Kober.

All theme groups are either chaired or vice chaired by Councillors. There is a general recognition that this makes a positive contribution to proceedings, but chairmanship skills have proved to be variable. Further details of this are included in section 2.5 Story of the Theme Boards above.

There is potential for separation of duties to be enhanced. If an elected member chairs a theme board, he or she should not also chair any sub-groups, as this represents a conflict. It is unlikely that he or she will effectively challenge their own performance as chair of the theme board or vice versa. It should be clear that members are accountable for the performance of the theme boards on which they sit.

Survey results show narrow agreement that members play a positive role within HSP structure.

### **4.2 How well do elected members on overview and scrutiny challenge your LSP and partners' performance?**

The chair of the OSC is an observer of the HSP. The OSC has regular discussions around outcomes that are either at risk or where there is good practice and there are lessons to be learned. Examples include actions to reduce teenage pregnancy.



Each theme board has a nominated scrutiny lead at member level, with activity aligned to theme boards. In 2009/10 specific scrutiny reviews are being undertaken in each of the theme board areas with the exception of the Integrated Housing Board, which already has a report going direct to the OSC. Examples include 'What can be done to improve the support given to carers?' (Wellbeing) and 'What actions are being taken / considered to encourage sustainable travel and to reduce traffic congestion?' (Better Places).

Overview and scrutiny of LSPs can demonstrate accountability and improve performance. The Audit Commission 'Working better together?' report includes a guide called 'Messages for councils' overview and scrutiny functions', which has examples of best practice and questions to improve the role of overview and scrutiny in LSPs. We would recommend the nominated scrutiny leads explore these questions, if they have not done so already.

#### **4.3 How well do chief executives and other senior managers work together to achieve the LSP's vision?**

The PMG is the main forum for collaboration. It is characterised as collegiate, occasionally "robust", but constructive. The partnership is resilient in that it has coped with changes in key personnel, and has had difficult discussions (e.g. allocation of ABG) without disagreements preventing progress. The survey results show strong agreement that strategic leadership is effective.

The capacity of the PMG is restricted by the volume of paperwork, but a clear approach to addressing this is in place.

Below the PMG there is an opportunity for more networking of senior managers and a need for departmental silos to be broken down and collaboration encouraged at all levels of the partnership organisations. Senior managers' events are the opportunity to nurture these contacts with the objective of building a culture of partnership working.

#### **4.4 How well does your LSP board provide strategic leadership? How well does the board work to develop effective joint working and trust at all levels between LSP partners?**

Feedback suggests that there is limited strategic leadership from the HSP board. It is seen more as a "rubber-stamp", being the main opportunity for partners to meet and share information to inform future partnership activity and priorities and to test out ideas.

The PMG represents the main decision-making body, providing effective leadership. The PMG acts as an Executive Board with the power to make strategic decisions. The recent PMG away-day highlighted the need to develop this role.

As with the PMG, there is a "collegiate" atmosphere at the HSP Board, with all partners being given the opportunity to speak. At the meeting we witnessed a healthy number of questions raised or comments made by a wide variety of attendees from different sectors.

## **4.5 How well does the LSP core team support LAA delivery?**

There are clear arrangements in place for monitoring performance against LAA targets, involving a quarterly performance review, a six-monthly review of the wider action plan and annual evaluation of the strategy. The HSP core team is currently an administrative function, however plans are in place to develop a more flexible secretariat approach.

There is a recognition that the proposed secretariat needs to be more outward-looking, as this will ensure that the ABG is invested wisely.

## 5 Meetings and Messages

'LSPs should consider the right meeting style for each forum or board. Strategic forums nationally commonly have between 30 and 100 members. This makes them too large for detailed executive decision-making but not for developing the strategic vision, encouraging joint working, and reviewing progress.

LSPs should consider the following:

- private and voluntary sector organisations proposing vice chairs, to avoid the dominance of local authority and health representatives;
- agendas that ensure balance between different strategic activities;
- forum meetings being organised as consultative conferences; and
- a strategic board that can link the inclusive community forum and the performance-focused executive.

LSPs need to avoid performance reports appropriate for the executive layer crowding-out wider discussion.

LSPs should review the extent to which the style of meetings and other arrangements support or hinder joint working. They should also be clear about the extent to which money spent on partnership branding and websites adds value.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### 5.1 How well do your LSP meetings reflect a culture of partnership and mutual respect?

The atmosphere at meetings is generally characterised as positive and collaborative. The HSP is perceived to be less council-centric than other LSPs, and there is a willingness to devolve key positions and accountabilities to other partners e.g. Paul Head (CONEL) is currently vice-chair and the rotation of the chair of the PMG is under consideration. The Borough Commander of the fire service chaired the group responsible for developing the HSP's CAA submission. These are characteristic of a balanced, flexible, collegiate partnership.

The Council currently demonstrates community leadership in line with it being democratically accountable. The impression given by some is that more leadership is needed from other partners, as all need to be 'Leaders of place' without the Council dominating. The HSP should continue to work to ensure balanced input from all parties. For example, the police have recently started to work with the Council to better ensure that CCTV provides value for money. Activity data is available but historically this has not been analysed to link with outcomes. We understand that five or six outcomes are being agreed so that data can be coded accordingly.

The HSP code of corporate governance underlines the need for HSP leadership to set the tone by creating a "climate of openness, support and respect". The HSP Terms of Reference set out clear expectations of participants.

Our survey results show clear agreement that a culture of partnership and respect is in place.

## **5.2 How was the chair of your LSP chosen?**

The chair (the Leader of the Council) was chosen by mutual consent, and there is agreement that this role is undertaken effectively. The chair is considered to be 'a partner of equals'. The Leader has also chaired the PMG. The PMG are currently considering the rotation of the chair, demonstrating balance and objectivity within the partnership. There is a consensus within the PMG that they should hold themselves to account to the HSP Board.

## **5.3 How well does strategic/board membership reflect local diversity? How well does the strategic board agenda reflect the different interests of public sector, private sector and third sector representatives?**

The ethnic/gender mix across the HSP is perceived to be broadly representative of the wider workforce and community. The gender mix at a senior level is good, but at this level there is less ethnic diversity. However, it is not clear that this presents significant issues in the context of a good understanding of / responsiveness to local needs & demographics.

Dialogue with the VCS is improving supported by the compact and third sector mapping exercise. The development of a commissioning framework was agreed and adopted in April 2009 and the practical application has been tested by the Compact toolkit. This will continue to help align VCS activity to commissioning opportunities. However, HAVCO perceives that the interests of third sector representatives are best reflected around health and wellbeing, but that there is room for improvement in the other theme areas.

There is now a delivery plan in place to monitor the principles of the Community Engagement Framework. There is a desire for partners to pool their engagement processes, as realistically partners are all asking the same questions of community representatives. This is at an embryonic stage but the end aim does have value.

It is recognised that private sector engagement needs to be encouraged, and that perhaps looking outside the borough is an option. The issue is partly due to a lack of large private sector employers in area, although there is some involvement from Shopping City in Wood Green, and it is understood that networks with smaller businesses are also important. Engagement is being sought through other media e.g. business breakfasts.

## **5.4 How well is LSP activity and LAA performance communicated to partners and to the wider community?**

There is a recognised need to improve links between the HSP leadership and area assemblies, and develop connections with front-line service delivery.

The CLF is maintained by HAVCO. It includes 250 bodies, with six individuals being voted to represent the CLF on the HSP Board. The fact that individuals are voted for rather than organisations means that some major delivery partners could not be actively involved. There is a perception from some quarters that this is tokenistic and that CLF attendees are not able to fully represent the relevant delivery agencies. The CLF is perhaps being under-utilised. For example, the tPCT would find it useful to utilise the CLF to make contact with excluded groups.

Some LSPs have developed a distinct brand, or identity, to reinforce and make a public statement about local joint working. The Audit Commission found that although some of the LSPs they looked at had websites, none of them (by December 2008) had evaluated whether the resources spent on communications and branding supported a sense of place or created further confusion about local public services.

There have been some attempts by the HSP to communicate with the public (e.g. LAA leaflet), but overall communication with the public / public awareness of the HSP and partnership successes is not strong. This may be compounded by a lack of branding, although the HSP has a clear rationale for this and the lack of a separate website for example is a conscious decision.

## 6 The Benefits of Collaboration

'Partnerships create synergies: the LSP's contribution to local outcomes should be greater than members' separate activity. Many synergies are soft because they rely on the intangible elements of partnership working. They develop from the trust that comes from commitment to common goals and mutual respect..

LSPs can:

- act as the catalyst to encourage partners to co-locate frontline and back office activities;
- encourage partners to develop information systems to support decision-making across a service network; and
- help partners manage resources to secure performance improvement.

The opportunity for joint commissioning is one of the synergies that should arise from local joint working. Statutory partners involved in established theme groups (children and young people, community safety, health, supporting people), are likely to have experience of two-way or three-way joint commissioning arrangements.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### **6.1 How does your LSP board ensure that the contributions of different partners build towards the agreed common goals in the SCS and the LAA?**

The HSP board has done this through developing a governance & performance management infrastructure, ensuring appropriate level of representation at meetings.

Strategic planning within individual member organisations does take place in the context of SCS/LAA targets, although there is no single mechanism for imprinting this on organisational plans. There is evidence that this happens for the Council Plan and business planning process, and the NHS Haringey Strategic Plan makes reference to the SCS/LAA targets. Similarly the police are focused on delivering LAA outcomes.

Our survey shows general agreement that the right people attend meetings, although there are some concerns around accountability at different levels.

### **6.2 How well does your LSP facilitate networking between partners?**

We are not aware of any specific networking activity outside the HSP structure. Our survey does not show agreement that this happens.

Relationships between partners currently develop organically through participation in the PMG/HSP board/theme boards.

There is potential for a partnership development programme, in particular focussing on the middle-tier who it is crucial to reach.

### **6.3 How well do partners work together to exploit the potential efficiency gains from joint working?**

There is a sense that the scope for efficiency is limited or would have low value in some areas due to sector specialism of, for example, HR / Payroll systems and needs. In this context not all members are 'partners of equals'. In reality, the feeling is that it would make more practical sense for the Council to look at efficiency gains from working with other London Boroughs, for example Enfield or Camden.

The most significant opportunities are around asset management / co-location but current examples of co-location, whilst improving outcomes, do not always appear to be saving any money. In practice terms it has, however, worked well for Jobcentre Plus as there is less stigma attached to going into a children's centre than a Jobcentre, whilst also providing much needed desk space to a core service. Another positive example is the criminal justice function within Shopping City. Significant savings could be possible if the tPCT is able to utilise some of the Council's buildings, as for example this would lead to energy costs being reduced.

Strategic commissioning between the Council, the Barnet, Enfield & Haringey Mental Health Trust and the tPCT is a potential burgeoning area. Discussions have already been held regarding joint commissioning with the VCS for mental health services. The development of a commissioning framework was agreed and adopted in April 2009 and the practical application has been tested by the Compact toolkit. This will continue to help align VCS activity to commissioning opportunities.

The Council has been in discussions with the tPCT regarding potential shared services. The recent PWC work on support services at the Council has provided a useful quantum for this. For example, at the tPCT the HR function has followed the provider arm, but there may be scope for the Council providing payroll services.

## 7 Getting Things Done

'Steering mechanisms influence partners' allocation of resources for achieving objectives. These mechanisms have developed unevenly across LSPs. The LAA focus on performance has encouraged executive-level performance sub-groups to coordinate partners' activity. Finance sub-groups, to monitor financial information and influence resource allocation, however, are less common.

LSPs without performance or finance sub-groups should review whether they have effective arrangements to steer performance and allocate resources across the partnership. Finance groups can develop rules to cover the use of area based grant (ABG) and performance reward grant (PRG). But this is a small part (commonly less than 2 per cent) of mainstream public service revenue spending.

One of the biggest challenges for LSPs is how they influence and steer the use of partners' mainstream resources. The starting point for steering is knowledge about the resources available. Only 14 per cent of the single-tier and county LSPs have mapped resources in their areas. But resource mapping must be proportional and cost-effective. One case study LSP abandoned its first mapping exercise, as it was too ambitious: another decided not to repeat the exercise.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### **7.1 How well is performance management steered by your LSP?**

Performance management processes are clear, but there are questions around current effectiveness and a lack of accountability. There are clear plans to address this, through the establishment of a secretariat and differentiation of internal performance reports to meet needs of different groups / increase the capacity for strategic management within the PMG.

Historically there has been limited tailoring of performance reporting, with the same reports circulated to the board, executive and operational levels. There is a recognised need to introduce more focus at different levels. This will be a role of the new secretariat.

There is an apparent lack of accountability of thematic boards to the PMG / HSP and there is scope for the HSP to further challenge the performance of the theme boards and to hold them more to account.

### **7.2 How well is financial management steered by your LSP? How well does the LSP board and its executive groups influence mainstream resources to achieve local outcomes?**

There is a clear and effective process for allocation of ABG to theme boards which was first adopted for 2008/09. The debate around allocation of resource has matured and developed through this process. There is a clear overview of PRG achievement.



There is a good understanding between the Council and the tPCT of total budgets and areas of discretionary spend. There is a pragmatic, if rudimentary understanding of wider availability of resources across the partnership, for example to the fire service, Job Centre Plus and the police force.

Partners contribute according to their means.

Our survey results show overall disagreement that joint resource management is effective.

The PMG has discussed plans to set up an HSP Business Group. This would consist of the Lead Officers from each of the Theme Boards and would develop new practice and policy on behalf of the Executive Board. It would also be responsible for taking an overview of the resources available across the Partnership, which will be essential in the current economic climate.

### **7.3 Are partners aligning their internal planning, monitoring and evaluation processes to focus on LAA and SCS priorities?**

The CAA found good alignment between the LAA and SCS. Alignment is also implicit in that (a) shared prioritisation is effective and (b) strategic planning by member organisations takes place with regard to the SCS.

Strategy guidance agreed by the PMG will help partners ensure that their plans are aligned with the SCS and LAA. However, there is no overarching framework for systematic organisational planning. This is partly because, for example, fire and police planning frameworks are mandated by pan-London bodies.

Internal planning and monitoring arrangements are very focused on LAA targets within the Council and tPCT, with the tPCT updating its strategic plan with this in mind. This is less direct for other partners but reference is still made. The Council has an overview of the tPCT's planning in general and the two bodies try to align their target setting so that there is consistency, for example through the LAA refresh and by the Council having input to the NHS strategic planning process. There is sharing of outcomes data as part of the NHS Strategic Plan and scorecards that have been developed jointly, for example on infant mortality.

All partners have a very clear view of the resources they are responsible for within the LAA framework e.g. ABG and PRG.

## 8 Common Frameworks

'The layered approach to partnership governance and management recognises that partners have their own governance arrangements and stakeholders. The original LSP guidance was clear that partners remain accountable to their own stakeholders.

Performance information frameworks provide a focus for standardisation across LSP partners. Shared data and common approaches to performance help to join-up theme group activity.

LSPs that know their support costs can make informed decisions about value for money. They are also in a stronger position to agree about different partners' contributions, in cash or kind, to the LSP support team's work.

Pooled budgets allow partners to bring funds together to achieve economies of scale (particularly administration costs) from resources that would be too small to make a difference by themselves. The pooled budget manager can use the combined resources to commission services or goods. But pooled fund arrangements are subject to constraints reflecting different government department's rules.

LSPs will have a mixture of pooling and aligning. Whether partners choose pooling or aligning, they should be clear about the standards that govern resource and performance matters, and should be clear why they have chosen a particular financial arrangement.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### **8.1 Does your LSP have an agreed performance management framework that recognises and builds on the strategic, executive and operational roles?**

Both the Council and HSP performance reports monitor performance against the Council and Sustainable Community Strategy priorities. Performance is also monitored against agreed targets which for the Council are reviewed and set at year end as part of the business planning process.

The Council and HSP reports focus on outcomes at risk, i.e. of not being achieved. The reports set out action taken to address underperformance.

At the HSP there are focussed discussions around outcomes that are either at risk or where there is good practice and there are lessons to be learned. Examples include actions to reduce teenage pregnancy (this was also discussed at Overview & Scrutiny), action taken to deal with Chlamydia, improving recycling and the Drug & Alcohol strategy.

### **8.2 Is there an agreed data quality policy and action plan with clear ownership?**

The Council has agreed a data quality policy, which refers to risks associated with using and sharing data within partnerships, and sets out a range of mitigating actions. There are also protocols in place to address data sharing for specific areas e.g. crime, health and adults but not yet children's services.

The Council's data quality strategy and policy apply to the partnership data. However, interview and survey responses suggest that the strategy is not well known or understood across the partnership, and there are residual concerns in some areas around, for example, the data protection act and arrangements for sharing personal data between organisations.

### **8.3 How well does your LSP work to keep its evidence base up-to-date?**

There is effective consultation to understand local need. This is feeding into the refresh of CAA.

Partners are aware of the existence of, for example, the JSNA, but have not all been able to make effective use of it. This is possibly a symptom of the weight of the information currently provided to partners, something the PMG is making steps to change. Having said that, the development of the JSNA is now successfully feeding into specific joint commissioning activity, and the PMG have approved the purchase of a shared data platform currently being procured for implementation in the Spring of 2010. This will allow the development of an electronic data observatory for the HSP.

See also section 9.2 below regarding shared performance systems.

### **8.4 How well do your LSP partners understand the costs of maintaining the LSP? How well have LSP partners made decisions about aligning or pooling of budgets?**

The level of understanding of costs of participation varies across the partnership. For the most part, costs of participation are absorbed within salary budgets.

There are limited examples of pooled budgets in place. One example is that CONEL has pooled resources with the Council on the Haringey Plan to tackle redundancy. There is a strategic willingness to explore this, but there is also an awareness that 'tribalism' at an operational level could be a barrier.

## 9 Shared Systems

'Overview and scrutiny enables councils to hold LSPs to account for local action and local public spending. The LGPIH Act 2007 and the Police and Justice Act 2006 give councils power to scrutinise the activities of LAA named partners.

Overview and scrutiny of an LSP can:

- focus on one-off activities or events;
- review systems and risks;
- assess performance in different themes; and
- review performance data from LSPs and partners.

LSPs provide an opportunity for statutory partners to benchmark their performance against one another. Some LSPs use performance information from other areas to help them interpret local performance.'

'Working together? Managing local strategic partnerships' - The Audit Commission, April 2009

### **9.1 How does the LSP ensure there is accountability, through its member organisations, for its actions?**

The HSP Terms of Reference set out arrangements for accountability, but there are some reservations around effectiveness within the current performance management arrangements.

It is generally felt that people who attend meetings have a mandate within their respective organisations. The duty of partners to co-operate is included within their roles and responsibilities, and HSP board meetings generate action points that partners are held to account over.

However, survey results only show narrow agreement that accountability is clear.

### **9.2 How far do the LSP and its partners have a shared performance system that extends across the partnership layers?**

Covalent is the Council's performance management system and the mechanism for collecting and reporting performance data on a timely basis. The tPCT has direct access to input and update the performance data for which it is the lead. Staff at the tPCT can also update action plans as required, and they have viewing access to a number of indicators where they have an interest in performance although permissions are limited in terms of them amending data or changing targets. Health staff have been trained and can also update risks which they own, for example some related to the Joint Area Review action plan.

Other partners do not enter data directly on Covalent but performance leads from the Council's Community Safety team receive weekly scorecards and update the figures on Covalent each month. This enables the corporate team to report on performance across the Council's priorities and to present up to date and relevant performance information including indicators on which other partners lead. The same applies for Homes for Haringey whereby the client team update Covalent monthly and scorecards reflect the status (red, amber or green) of performance against target. The system is also used to report comparative performance by including benchmarking data in performance reports.

The PMG receives quarterly updates on performance and progress against objectives and targets under the SCS and LAA. Progress is regularly reviewed and shared through a number of well-established mechanisms. For example there is a performance manager's forum which meets bi-monthly with both Council and health partners attending. Through these meetings it is possible to address specific performance issues and upgrades / developments with Covalent as well as data quality.

As part of the Council's approach to data quality it carries out audits of the national indicators including some cross-cutting indicators where the Council is not the lead.

### **9.3 How developed is joint commissioning in the LSP?**

There is scope for increasing joint commissioning and procurement, with the joint commissioning framework being piloted within the enterprise board. Some joint commissioning is occurring in health and social care. However, our survey shows strong disagreement that in general this takes place effectively.

In the first year of the LAA there was no strategic joint commissioning framework in place. It was in place by the second year but the majority of spend was already committed. For 2009/10 again many plans and budgets had already been agreed therefore there has been limited scope to apply the framework, unless spending has been de-commissioned or new grants have become available. However, some examples have been noted within the SCEB.

### **9.4 Have the LSP and its partners used benchmarking to assess the effectiveness of the LSP?**

The HSP benchmarked itself against eight other LSPs in September 2009. The benchmarking looked at structures and performance management arrangements, going into detail around how often the top and delivery boards meet, and what they consider. It also looked at the number of theme boards and how often they report upwards.

Prior to undertaking the benchmarking best practice guidance was reviewed, including 'Working better together?' and the Improvement and Development Agency website. The approach was then to review available online documentation, performance reports and Audit Commission case studies.

The main findings of the review were that the frequency of HSP Board, PMG and theme board meetings (currently quarterly) may need to increase to enable more rigorous performance challenge, but also to ensure that performance management does not 'crowd' out the agenda.

## 10 Looking Forward

### 10.1 What are the priorities for improvement following the review?

The PMG has established a clear set of "next steps":

- Haringey - the people, the place, the partnership
- Integration with zonal working - developing a closer connection to communities and front-line services
- Partnership practice and achievement to be showcased around the borough
- Performance management framework to be clarified and simplified - to include development of a secretariat
- PMG to develop role as an executive body

Our survey yielded various responses to the question 'How would you improve the effectiveness of the LSP?' These are listed below for the consideration of the PMG:

- More joint commissioning
- Reducing duplication in the sub groups
- Becoming more strategic at meetings of the Board
- More outward facing
- Setting fewer targets and ensuring delivery of those set
- More joined up working and ownership
- Look at the 'golden thread' issues and revise the SCS with this in mind
- Involve partners in more decisions
- The approach to effectiveness has been one of continuous improvement. As we gel together as partners the better our performance becomes
- There needs to be much more communication between the LSP and staff who are working in front line services
- Its current framework is effective as duly elected VCS reps on the LSP are continuing to inform and enable VCS voice at LSP level
- Would have forums that strongly reflect the key strategic priorities that in my case interact with the business community and identify milestones for business development and enterprise
- Ensure it was not just a sign-off board but involved the community better in the decision making
- Quarterly email newsletter, which any Haringey organisation or resident can sign up to receive - open information as a start!
- Possibly an annual open SCP event, showcasing progress, inviting input of ideas, suggestions - and chance for council and other statutory and voluntary/community sector elected reps to be questioned
- Introduce strategic commissioning across the whole LSP. It is currently being piloted
- We could do with a more targetted use of the ABG to fewer priorities, currently spread too thin on too many initiatives

- The LSP should strengthen its partnership with the local voluntary and community sector as is the case with national organisations with more resources to deliver on the LAA outcomes
- Not sure how many actual decisions it makes - guess it sets strategic direction, though
- To create a platform where all partners are equal
- To ensure that LSP resources are given to partners that contribute to LAAs
- All members should take an interest in other members activities

## A Action Plan

No.	Ref.	Recommendation	Management response	Implementation details
1.	3.2	The HSP Board needs to be free to focus on strategic issues. The theme boards should be managing the more operational matters, for example, recycling targets.	Agreed The HSP has a new focus to be implemented from April 2010. HSP Board to become a 'Standing Leadership Conference' focusing on strategic issues. PMG will become an 'Executive Board' supported by a new 'Business Group'.	April 2010 Assistant Chief Executive
2.	3.2	The HSP is data-rich, and there are specific examples of information being shared effectively, but the volume and distribution of data makes it difficult to access efficiently. Interviewees have spoken of needing a "helicopter view", which the PMG has recognised.	The HSP Performance Management Group has agreed a revised performance management framework which will streamline data provided to each partnership group.  A new data platform has been agreed, which will bring all the information together in one 'hub'.	April 2010  October 2010 Assistant Chief Executive
3.	4.5	The PMG has proposed the formation of a secretariat to improve the effectiveness of the HSP. This secretariat needs to be more outward-looking, helping to ensure that the ABG continues to be invested wisely.	The servicing of the HSP and its component parts will be tailored to meet the proposed format of the Standing Leadership Conference and the Executive Board including the introduction of the Business Group, see item 4.	August 2010 Assistant Chief Executive



No.	Ref.	Recommendation	Management response	Implementation details
4.	7.2	The PMG's proposal to form an HSP Business Group should be implemented. This group should be tasked with monitoring financial information and influencing mainstream resource allocation across the partnership. The starting point for steering is knowledge about the resources available. That said, any resource mapping undertaken must be proportional and cost-effective	Agreed	April 2010. Assistant Chief Executive.
5.	4.3	Senior managers' events across the partnership should be maintained as they provide the opportunity to build a culture of partnership working below the PMG level.	Agreed	Ongoing Head of OD&L
6.	5.1	The Council currently demonstrates community leadership in line with it being democratically accountable. The impression given by some is that more leadership is needed from other partners, as all need to be 'Leaders of place' without the Council dominating. The HSP should continue to work to ensure balanced input from all parties. For example, the police have recently started to work with the Council to better ensure that CCTV provides value for money. Activity data is available but historically this has not been analysed to link with outcomes. We understand that five or six outcomes are being agreed so that data can be coded accordingly.	Agreed.	Ongoing All HSP partners
7.	2.6	There is scope for phase 2 of the JSNA to better inform the work of all the theme boards. The biggest three theme boards (Wellbeing, Children's Trust and Safer Communities) have utilised phase 1 effectively, along with their own strategic needs assessments. The Enterprise board utilises its own recession dashboard. However the JSNA could more effectively feed into the work of the Better Places and Integrated Housing boards. Overall responsibility should be agreed for the effective dissemination of the JSNA data to all the theme boards.	The expansion of the JSNA steering group to become a 'Healthier Communities Group' will address this recommendation.	July 2010 JSNA steering group

No.	Ref.	Recommendation	Management response	Implementation details
8.	2.5	<p>The recent PMG review did not look at the theme boards in detail. Their link to the newly proposed Executive Board will need to be considered. The PMG has recognised that once in place the Executive Board may wish to carry out a piece of work reviewing the structure of the theme boards and whether they are appropriate to the needs of Haringey. We would agree this review needs to be completed, with an emphasis on both LAA targets and other demonstrable outcomes being achieved by each board.</p>	Agreed	April – May 2010 Interim Deputy Chief Executive
9.	4.1	<p>In our view chairs of theme boards should not also chair any of the board's sub-groups, as this could represent a conflict and result in a lack of appropriate scrutiny of chairs' performance.</p>	To be considered as part of the review of theme boards.	April – May 2010 Interim Deputy Chief Executive
10	5.3	<p>The development of a commissioning framework was agreed and adopted in April 2009 and the practical application has been tested by the Compact toolkit. This will continue to help align Voluntary &amp; Community Services (VCS) activity to commissioning opportunities. However, the Haringey Association of Community and Voluntary Organisations (HAVCO) perceives that the interests of third sector representatives are best reflected around health and wellbeing, but that there is room for improvement in the other theme areas.</p>	HAVCO has agreed to support third sector organisations to better equip them to participate in commissioning.	Ongoing Chief Executive HAVCO

No.	Ref.	Recommendation	Management response	Implementation details
11	5.4	<p>Six individuals from the Community Link Forum (CLF) are voted to represent the CLF on the HSP Board. We would recommend that the HSP build 'community empowerment' into the HCLF project to ensure that the community representatives receive the capacity building support that some of them require. Also, the fact that individuals are voted for rather than organisations means that some major VCS delivery partners could not be actively involved. There is a perception from some quarters that CLF attendees are not able to fully represent the relevant delivery agencies. Where the board perceives there is a deficit of expertise, we would recommend that it consider using the allowed option to co-opt members who are not elected through the CLF. In addition, the CLF is perhaps being under-utilised. For example, the tPCT would find it useful to utilise the CLF more to make contact with excluded groups.</p>	<p>The HSP supports HAVCO to provide the necessary support.</p>	<p>Ongoing Chief Executive HAVCO</p>
12	5.3	<p>It is recognised that engagement from the private sector needs to improve, and that perhaps looking outside the borough is an option. The issue is partly due to a lack of large private sector employers in area, although there is some involvement from Shopping City in Wood Green. Engagement is being sought through other media e.g. business breakfasts. Networks with smaller businesses are needed too.</p>	<p>London First is currently being approached to advise on best way to engage with private sector. Representative from London First to attend Executive Board from July</p>	<p>From July Assistant Chief Executive</p>

## B Methodology

Our approach as outlined in our October 2009 specification was as follows:

- Consolidate learning from year one of the CAA and UoR processes, as well as our review of arrangements for tackling health inequalities;
- Distribute an anonymous electronic questionnaire to named members of all HSP groups and sub-groups. This was sent out to 90 members and we received responses from 34 people.
- Undertake reviews of key documents. This process began with publicly available documents and those already held as a result of our work in other areas. Where necessary we issued partners with further requests for information;
- Undertake interviews with key personnel, initially with members of the Haringey Strategic Partnership's Performance Management Group (PMG). We undertook further interviews as necessary and by agreement, ultimately speaking to the following people:

### Performance Management Group

Organisation	PMG member
LBH	Dr Ita O'Donovan, Chief Executive
LBH	Cllr. Claire Kober, Leader of the Council
PCT	Tracey Baldwin, Chief Executive
Fire	John Brown, Borough Commander Haringey
Police	Dave Grant, Chief Superintendent
College of NE London	Paul Head, Principal of CONEL (Vice-Chair)
Job Centre	Rose Diamond
HAVCO	Naeem Sheikh

### Theme Board Chairs

Name	Theme Board
Dr Ita O'Donovan, LBH CE	Enterprise
Cllr Canver, Cabinet Member for Safer Communities and Enforcement	Safer Communities Executive
Cllr Reith, Deputy Leader and Cabinet Member for Children and Young People	Children's Trust
Cllr Haley, Cabinet Member for Environment & Conservation	Better Places
Cllr Bevan, Cabinet Member for Housing Services	Integrated Housing
Richard Sumray, PCT Chair	Wellbeing

**Other**

<b>Name</b>	<b>Role</b>
Adrienne Roberts, LBH	Interim Deputy CE
Wayne Longshaw, LBH	Assistant CE, Policy, Performance & Communications
Duncan Stroud, PCT	Associate Director of Communications, Stakeholder and Engagement

- By agreement with partners, we will attend HSP meetings in the capacity of observers. We attended the HSP Board meeting on 21st January 2010.



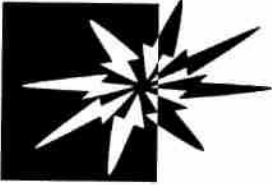
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**Haringey** Council

Agenda Item

## Audit Committee

On 25 March 2010

Report title: **Review of Leasehold Service Charges**

Report of: **Chief Financial Officer**

Ward(s) affected: All

Report for: Non-Decision

### 1. Purpose

1.1 To inform the committee of the outcomes of a Grant Thornton review of leasehold service charges.

### 2. Recommendation

2.1 That the Committee considers the report on leasehold service charges from Grant Thornton and notes that the Council's response in the form of an agreed action plan will be brought to the next Audit Committee.

Report authorised by: **Gerald Almeroth – Chief Financial Officer**

Contact officer: **Graham Oliver – Head of Finance – Accounting, Control & Income**  
Telephone 020 8489 3725

### 3. Executive Summary

3.1 The attached report from Grant Thornton sets out their findings following a review of leasehold service charges within Haringey. A number of recommendations are made and are contained within section 5 of the auditors report.

3.2 A full management response and action plan to these recommendations will be brought to the next meeting of the Audit Committee.

**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:**

None

**6. Background**

6.1 A review has been carried out by Grant Thornton into the leasehold service charges made on Right to Buy properties and a final report from the auditors is attached.

**7. Findings**

7.1 Section 4 of the report sets out the findings of the auditors following their review and conclusions and recommendations are contained within section 5.

7.2 In compiling the final report Grant Thornton have discussed their findings with the Director of Urban Environment and Homes for Haringey and taken on board comments made. The Council accepts the report and is in the process of pulling together an action plan to address the recommendations highlighted. This action plan will be brought to the next meeting of this Committee for final approval and subsequent monitoring of implementation.

7.3 Members are asked to consider the findings of the report and make comments before the compilation of the improvement action plan.

**8. Recommendation**

8.1 That the Committee considers the report on leasehold service charges from Grant Thornton and notes that the Council's response in the form of an agreed action plan will be brought to the next Audit Committee.





## London Borough of Haringey

Review of Leasehold Service Charges

16 March 2010

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## **Appendices**

- A Staff Interviewed**
- B Documents Reviewed**
- C Estimated and Actual Service Charge Breakdown**

# 1 Executive Summary

## 1.1 Introduction

Homes for Haringey, an Arms Length Management Organisation established in 2006 manages homes on behalf of the London Borough of Haringey ("the Council"). Leaseholders of these properties pay annual service charges for the management and maintenance of their property.

This report provides an overview and assessment of the Council's arrangements for levying service charges for day-to-day management and maintenance services on housing within its stock which has been bought under Right to Buy. It does not include service charges for major works.

It is not designed as in-depth study but instead as a high-level diagnostic which indicates which areas may require further and more detailed examination.

## 1.2 Our approach

The service charge system should meet the following requirements:

- the Council and Homes for Haringey should have systems in place to calculate and collect the service charge due to it;
- the service charge should be "fair and reasonable" and reflect the actual cost of services; and
- the Council should act as the leaseholder's agent in ensuring the quality and "value for money" of the services.

In our review we have used a diagnostic check list, set out in detail in section 4, which focuses on the following key areas of enquiry:

- core business systems and data quality;
- procurement, cost and quality of services;
- cost allocation; and
- leaseholder information.

## 1.3 Key findings

The leaseholder service charge system is managed by the Home Ownership Team (HOT) within Homes for Haringey (HfH). We have set out our detailed conclusions and recommendations in Section 5 but would highlight the following areas.

A key principle that we have applied is that service charges should be calculated on the costs of services to the relevant estate or block. There is no concept of pooling costs or of one estate/block subsidising another. Therefore financial systems and contract specifications should be aligned to reporting costs as far as possible at an estate or block level.

However for local authority landlords this is often not the case as the authority manages its housing stock with a view to balancing the Housing Revenue Account (HRA) at a council-wide level and has no statutory requirement to account for costs at anything other than a HRA level. This means that cost information is often held at a council-wide or area level (in cases where a contract covers a specific geographic area) rather than being reported at an estate or block level.

This is the case at HfH and therefore the HOT has had to put its own systems in place to sort cost data. Whilst this is not unique to HfH it does raise some risks with regard to the accuracy of individual service charges. These include:

- The HOT has to manually sort data (e.g. repairs) to identify individual block and estate costs. This is a time intensive process and inevitably prone to subjectivity and error.
- In some cases (e.g. block cleaning) area costs are pro-rated to individual units. There is a risk of challenge to these charges on the basis of fairness.

Therefore we have recommended that these processes are reviewed to improve ways of reporting. In addition, across all service areas we would recommend that HfH considers the scope for the reporting and analysis of costs at estate and block level and the separate job coding of chargeable/non-chargeable work within the functionality of its SAP system.

There is also a need to reconcile service charge totals to control totals within the Housing Revenue Account (HRA). This would provide an independent check that all chargeable income is being claimed as well as a check against error and fraud. At the current time there is no formal process for reporting this, although the HOT Manager does undertake various checks and reconciliations. We have therefore recommended that a formal process is established whereby the Chief Financial Officer is able to review and sign off annual service charges based on a high level assessment of chargeable and non-chargeable expenditure.

Notwithstanding these issues, the HOT is able to collate cost data from a number of sources including SAP, the repairs database (TASK) and reports from service managers, and uses databases and spreadsheets to calculate unit charges which act as an audit trail for individual charging decisions.

Whilst we have not carried out any sample testing the HOT systems do appear to operate effectively and efficiently in the following ways:

- the HOT carries out an annual check and reconciliation with SAP and property databases;
- the approach used for apportioning costs from an estate/block level to individual units is reasonable;
- estimated and actual bills are issued on time;
- there is an audit trail of decisions whether to charge or not; and
- statutory requirements for consulting leaseholders on Long Term Agreement have been followed.

Generally the level of information provided to leaseholders appears to be good - the service charge account statement provides a clear statement of account with relevant breakdowns and explanatory notes.

In addition HfH are launching a new initiative - the "Key Leaseholder Scheme" - which will enable leaseholder representatives to review the records of communal repairs undertaken to their block on a quarterly basis and raise any issues of quality of repairs or accuracy of the record. This should offer an opportunity to address concerns on the accuracy of repairs records on a concurrent basis and thereby reduce disputes when bills are presented at year -end.

We have also identified some areas of risk which would benefit from further review. These are:

- HfH can justify that it has sought to obtain "Value for Money" for leaseholders through the competitive tender of services or through benchmarking reviews for retained in-house services. However a more detailed review of the outcomes for in-house services would assess whether efficiencies have realised costs savings to leaseholders and/or quality improvements in service delivery;
- HfH has a number of systems in place for checking on the quality of service delivery, including good practice such as the "Key Leaseholder Scheme" highlighted above. A more detailed review of the mechanisms that underpin these systems would help to ensure that quality thresholds can be agreed and enforced e.g. this would cover:
  - the Schedule of Rates and pre- and post-inspection regimes;
  - how effectively performance is addressed in contracts and Service Level Agreements, including in payment mechanisms, and how any savings are passed on to leaseholders;

- we have not tested the internal consistency of the HOT systems by checking a sample of service charge accounts and database entries. This would confirm that the existing system operates in an internally consistent and robust manner; and
- we have not had the opportunity to talk to leaseholder representatives; this would help to identify key service issues from a customer's viewpoint.

The Council and HfH are preparing an action plan for implementation of our recommendations, which will be presented to a future meeting of the Audit Committee.

Finally we would like to thank officers in the Council and HfH for their time and assistance during this review.

## 2 Introduction and Context

### 2.1 Introduction

This report provides an overview and assessment of the London Borough of Haringey's ("the Council's") arrangements for levying service charges for day-to-day management and maintenance services on housing within its stock which has been bought under Right to Buy.

### 2.2 Context

Most of the homes for which the Council is responsible are houses and medium rise flats located in the east of the borough. The majority were built after 1945. Homes for Haringey (HfH) manages 16,347 tenanted homes on behalf of the Council including 1,479 used for supported housing. HfH also manages 4,455 council homes which were bought by tenants under Right to Buy under a 125 year lease.

As with other residential leases, the leaseholder is responsible for the interior of the flat and HfH on behalf of the Council landlord, is responsible for managing and maintaining the exterior of the building and surrounding estate and, in some cases, supplying services such as central heating. The Council charges the leaseholder for the cost of these services through their annual service charge. The following service charges were levied by HfH in 2008/09:

Service area	Charge (£)
Cleaning	1,160,504
Lifts	23,600
Communal lighting	140,008
Grounds	294,218
Concierge	235,656
Heating - fuel	5,982
Heating - maintenance	0
Insurance	764,468
TV aerials	11,052
Controlled entry system	88,459
Pest control	11,117
Management charge	1,012,105
Ground rent	44,518
Repairs	494,128
Major works below £250	24,956
<b>TOTAL</b>	<b>4,310,771</b>

The mean average charge per leaseholder was £968, although within that average the charge varies between £136 for those properties liable only for responsive repairs, insurance, ground rent and a management fee, to almost £3,000 for those receiving a full range of services including a concierge system.

## 3 Approach

### 3.1 Scope of work

This review is designed to give an overview of the Council's arrangements for levying leasehold service charges. It addresses the following requirements:

- the Council should have systems in place to calculate and collect the service charge due to it;
- the service charge should be "fair and reasonable" and reflect the actual cost of services; and
- the Council should act as the leaseholder's agent in ensuring the quality and "value for money" of the services.

It is not designed as in-depth study but instead as a high-level diagnostic which indicates which areas may require further and more detailed examination.

The review focuses on service charge systems for day-to-day management and maintenance. It does not include service charges for major works.

### 3.2 Our Approach

In order to gain a high level overview of existing systems in these areas we have:

- undertaken interviews with key personnel - interviewees are listed in Appendix A; and
- undertaken a review of key documents and databases used for calculating the annual service charge - these are listed in Appendix B.

Using this information we have:

- undertaken an assessment using a diagnostic check-list focussing on the following key areas:
  - core business systems and data quality;
  - procurement, cost and quality of services;
  - cost allocation; and
  - leaseholder information
- identified examples of good practice by HfH; and
- identified areas of risk where HfH may not fully meet the objectives set out our diagnostic check-list.



## 4 Findings

### 4.1 Introduction

We have set out our findings under each item from the diagnostic check-list. As we have not undertaken detailed sample checking our findings are necessarily "high-level". However we have identified where it would be of benefit to test compliance with system requirements through sample checking.

Within this review we have examined the following service areas:

- Responsive repairs;
- Lift maintenance and repairs;
- Controlled entryphones maintenance and repairs;
- Cleaning of internal communal areas of residential blocks ("block cleaning")
- Cleaning of external areas of residential estate ("estate cleaning"); and
- Grounds maintenance.

These service heads account for £2,085,855 in service charges for 2008/09 which is 48% of the total charge of £4,310,771.

We have not reviewed the management charge in detail which accounts for a further £1,012,105 of the total charge.

In each sub-section we have set out the rationale for our review and the "ideal" case against which we have tested the current systems.

### 4.2 Core Business Systems and Data Quality

#### 4.2.1 Estate and block costs

Service charges should be calculated on the costs of services to the relevant estate or block. There is no concept of pooling costs or of one estate/block subsidising another. Therefore costs should be reported wherever possible at an estate or block level. Ideally:

- the financial system will report costs at an estate and block level and differentiate between chargeable and non-chargeable costs<sup>1</sup> within its reporting structure; and

<sup>1</sup> In most cases chargeable work will be work undertaken in communal areas and non-chargeable work will be work undertaken in "non-communal" areas (i.e. inside individual properties). However as some non-communal works may be chargeable (e.g. repair work to windows, or repairs to a district heating system inside a flat) we have used the term "chargeable/non-chargeable" rather than "communal/non-communal". These terms will require careful definition and separate coding between communal/non-communal work in developing the specification for financial systems and contracts.

- the contract specification and invoicing structure will require contractors to invoice on an estate or block basis; and where relevant differentiate between chargeable and non-chargeable costs.

## Findings

### Repairs

The HfH Direct Labour Organisation (DLO) delivers the responsive repairs service based on a Schedule of Rates. Repairs are ordered through the TASK system. The Home Ownership Team (HOT) utilises reports from TASK to filter repair orders into communal (chargeable) and non-communal (non-chargeable) repairs and then allocate the cost of communal repairs to estates and blocks. The HOT Manager estimated that, from a total of 60,000 repairs, he filters out a list of 25,000 communal repairs using a word-search of repairs descriptions. These are then individually checked and sorted into costs for individual estates and blocks. In cases where there is ambiguity (e.g. as to the correct block address; or uncertainty as to whether the repair may be a duplicate order; or where the description is unclear) the HOT will refer back to the repairs team for further information.

Ultimately the HOT will have to make a judgement as to whether or not a communal repair is rechargeable. Whilst we have not carried out any sample checks there is a risk that as this is a manual system it is not only a time intensive process but also prone to subjectivity and human error.

### Lifts

Lift maintenance and repairs are carried out under a Measured Term Contract (MTC) with two external contractors split on a geographic basis (North/South of the borough). The contractor invoices monthly for maintenance costs which are defined per block under the contract and for responsive repairs which are priced under a Schedule of Rates (SoR).

### Controlled entryphones

Maintenance and repairs are carried out under a MTC by two external contractors split on a geographic basis (East/West of the borough). Annual maintenance costs are defined per block within the contract; any responsive repairs in excess of £300 in value are priced under a SoR. Monthly valuation reports are collated through OHMS (the client-side repairs system)

### Block cleaning

The cleaning of the internal communal areas of blocks is carried out by HfH's in-house Estate Services Team. Costs are split by geographic areas. Block costs are calculated through a pro-rata allocation of area costs based on unit numbers.

In general is a risk of challenge to charges which are pro-rated in this way and not based on defined block costs. A recent Leasehold Valuation Tribunal<sup>2</sup> found that "the apportionment of cleaning charges on a borough wide basis could result in unfairness to smaller blocks". Although LVT decisions do not set a precedent, similar conclusions have been reached in other LVTs and this remains a risk to future service charge recovery.

<sup>2</sup> LB of Haringey vs Ms Kaya LON/00AP/LSC/2009/0102

**Estate cleaning**

There is a Service Level Agreement (SLA) between HfH and the Waste Management Department of the Council for estate cleaning. The contract is delivered by an external contractor - Enterprise - which is contracted to the Waste Management Department. Costs are allocated to estates on a formula based on the square meterage of the estate served and the frequency of provision.

Whilst this provides a rationale for calculating costs incurred at an estate level, the data defining estate areas is in a formula hard-coded into an excel spreadsheet. We understand the source data is held separately within HOT files but we have not reviewed these files or reconciled the two data sets.

**Grounds maintenance**

Grounds maintenance is undertaken by the Parks Service DLO under an SLA with HfH. Costs are calculated per estate or block on the square meterage of grounds maintained and frequency of visits (e.g. grass-cutting). This data is entered in an Access Database. Costs for additional "ad hoc" requests (e.g. for new planting) will be based on a quotation which can be allocated by the HOT to estates through interrogating SAP.

**4.2.2 Repairs - warranties and insurance**

Leaseholders should not be charged for repairs which are covered by warranties, insurance, or which are directly rechargeable to individual tenants or leaseholders; therefore the repairs system should have the facility to flag where this applies to individual repairs so they do not form part of the chargeable total.

**Findings**

Repairs are ordered through a contractor call centre system (TASK) and logged on to HfH's client system (OHMS).

OHMS records decent homes work and will flag jobs covered by warranties from the decent homes programme. However individual operators can over-ride this and still order the job.

There is a risk that individual repairs covered by warranties will still be charged. Whilst the HOT are developing a centralised file of warranties to cross-check against repair orders this is a manual system which could be prone to error and omission.

Insurance claims were not seen as a material issue by the Repairs Manager as the repairs within the system would normally be below the threshold for policy excess and not claimable; higher value jobs which may generate a viable insurance claim would generally be tendered and so subject to review at this stage. However the HOT team do carry out a check of repairs against a report obtained from the Insurance Team to ensure repairs which are subject to an insurance claim are not charged. Again this is a manual system which may be prone to error and omission.

We have not been able to ascertain the approach to repairs which may be directly rechargeable to individual tenants or leaseholders although we would not expect this to be a material sum in terms of the overall service charge.

#### **4.2.3 Repairs - S20 threshold**

Under Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002) the landlord must follow a formal consultation procedure on any works for which any one or more leaseholders will pay a contribution of £250 or more. Therefore individual repairs in excess of this threshold should be subject to a separate consultation procedure. If not, the service charge will be limited to the S20 threshold and the Council/HfH will lose income. Therefore the repairs system should flag where repairs may exceed this threshold and retain an audit trail of the action taken.

#### **Findings**

The repairs system does not flag where repairs exceed the S20 threshold. When compiling the service charge, the HOT Manager checks all repairs orders against the S20 threshold. If any exceed this then the charge is limited to the maximum allowable without consultation (£250 per unit).

In 2008/09 21 repair orders were in this category, leading to estimated under-recovery of £15,000. In the context of 25,000 chargeable orders and a total recharge for repairs of c. £500,000 this is relatively low, but this should be kept under review.

#### **4.2.4 System controls (1)**

The leasehold charges system should operate in a controlled environment in which decisions (e.g. to charge or not to charge) are formally recorded and an audit trail established. This enables a check to be carried out that a consistent practice has been followed, and that an appropriate level of approval to decisions has been given.

#### **Findings**

We have reviewed the repairs database and the write-off process.

On the level of individual repair orders line-by-line checks of communal repairs are carried out by the HOT for duplication; repairs which, due to their unit cost, should have been subject to Section 20 consultation for major works; and that repairs are allocated to the correct block/estate addresses. The HOT team has access to the TASK system and can refer any queries back to the repairs team.

This will to some extent require subjective judgement in assessing whether the detail available on any particular repair is sufficient to accurately allocate a service charge.

Records of this process are kept within an Access database providing an audit trail of repairs which have or have not been charged.

Once charges are issued, the HOT Manager will only write-off charges in response to challenges on the recommendation of HfH's Legal Services or on advice from the service provider. A scheme of delegation is in place which requires the sign-off of the Chief Financial Officer for all write-offs below £5,000 and the Lead Member for write-offs over £5,000.

#### **4.2.5 Systems controls (2)**

At a high level the authority should be able to reconcile the total expenditure within the Housing Revenue Account (HRA) on management and maintenance with the total expenditure billed to leaseholder plus the expenditure deemed to be non-chargeable. This should include:

- identification and explanation of year on year changes in property numbers and charging profiles;
- identification of service areas/categories of expenditure and reasons for non-charging;
- reconciliation back to control totals within the authority's accounting system; and
- validation and formal signing off of the service charge accounts.

This allows senior management who are external to the operational management of the service charge system to monitor systems for fraud or error without dealing with or examining individual transactions. It also provides a check that all chargeable income is being claimed by reconciling charges back to total expenditure incurred and providing reasons for why categories of expenditure are not charged.

#### **Findings**

The HOT undertakes:

- an annual reconciliation of leasehold property records between OHMS, the leasehold database and records held by the Legal department;
- a reconciliation against SAP of total costs identified for individual service heads; and
- a comparison against the previous year's service charge level at a service area and overall level to identify trends and account for any unusual fluctuations.

However there is no reconciliation of these figures against control totals established within the HRA for overall costs incurred.

There is also no formalised process by which these findings are reported and signed off by senior officers outside of the HOT and the Council (landlord). There is a risk that HfH will not be able to demonstrate that the potential for fraud or error has been fully addressed and that the authority has maximised its service charge income.

### **4.3 Procurement, Cost and Quality of Services**

#### **4.3.1 Leaseholder consultation on Qualifying Long-Term Agreements**

The authority should meet the requirements to consult leaseholders on Qualifying Long Term Agreements as set out in the Commonhold and Leasehold Reform Act 2002 (CLRA 2002).

The CLRA 2002 requires landlords to consult leaseholders prior to letting "Qualifying Long Term Agreements".

It defines Qualifying Long Term Agreements (QLTAs) as those which are more than 12 months in duration and will result in a service charge of more than £100 per leaseholder per accounting period.

This threshold includes VAT and on-costs and applies where one flat exceeds the £100 threshold, although as the Council is zero-rated for VAT the threshold does not include VAT for the Council's purposes.

The Act deems the following to be LTAs rather than QLTAs and therefore not subject to the requirements of Section 20:

- contracts of employment
- contracts with Tenant Management Organisations (TMOs) and Arms Length Management Organisations (ALMOs)
- contracts with associated holding companies
- contracts of over five years where there were no leaseholders at the start of the contract
- contracts entered into before 31 October 2003.

### **Findings**

This has been applied in the following ways to the service heads which we have focussed on:

#### **Responsive repairs**

The HfH DLO was appointed in April 2008 following a competitive procurement through the OJEU procedure. HfH consulted with leaseholders using the S20 procedure.

#### **Lifts and controlled entryphones maintenance**

These contracts were competitively tendered in 2007 (lifts ) and 2006 (controlled entryphones). The contracts were originally for 2 years and have since been extended. Leaseholders were consulted through a S20 procedure for the controlled entryphones contract; the lifts contract was below the £100 per dwelling threshold and so no leaseholder consultation was required.

#### **Block cleaning and grounds maintenance**

Block cleaning is delivered by the HfH Estate Services Team and grounds maintenance by the Parks Service under an SLA. As in-house services which have not been subject to tender these do not fall under the definition of a QLTA.

#### **Estate cleaning**

The estate cleaning contract was originally let in 1997 and has been extended to April 2011, with costs subject to indexation and some service extensions. As a contract entered into before 1 October 2003 it is not defined as a QLTA. However this service is now subject to tender and a competitive procurement process is underway which will require the Council to consult in line with CLRA 2002 - HfH officers have noted that they are planning to implement this.

**General**

The HOT Manager has issued guidance to procurement officers through circular emails as well as undertaking training seminars with them.

**4.3.2 Value for Money**

The authority should be able to demonstrate that it has sought to obtain Value-for-Money (VfM) either through the competitive tendering of contracts or the benchmarking of services against comparable providers.

**Findings****Repairs, lift, controlled entryphone, estate cleaning**

The contracts for responsive repairs, lifts, controlled entryphones and estate cleaning have, or are being, competitively tendered.

**Block cleaning**

We understand that the retained in-house contract for block cleaning was subject to a VfM exercise about 5 years ago and more recently as part of a Housemark benchmarking club for estate services. It was found to be in the third quartile on costs but performed well on quality indicators. There is also proposed to be a VfM review of Estate Services in 2010.

**Grounds maintenance**

Grounds maintenance was subject to a VfM review 2 years ago which concluded that there was scope for savings; the Council has targeted 10% savings by April 2011.

Note that it is not within the scope of this audit to examine the outcome of these VfM reviews or assess actual costs of services in comparison to industry benchmarks.

**4.3.3 Service quality**

In acting as "the agent" of leaseholders for service delivery, HfH should have robust systems in place to monitor and manage the quality of services delivered e.g. to ensure the accurate specification and pricing of works, and quality checks through pre- and post-inspection. Contract adjustments (e.g. the imposition of penalties for poor performance) should be reflected in the final charge to leaseholders.

**Findings****Repairs**

10% of repair orders are pre-inspected, although HfH are looking to reduce this to 5%. Less than 10% are post-inspected, although HfH are looking to increase this to 10%. Order variances are limited to £150 and those over £150 require officer approval.

HfH are aiming to reduce the number of items in the Repairs Schedule of Rates to less than 250 items priced on the basis of an averaged cost over time. Whilst this will simplify the ordering process and potentially improve response times there is a potential conflict with leaseholder interests in that by averaging costs over time the costs (and consequent charges) for individual repairs may not reflect the actual work undertaken.

**Lifts**

100% of lift repairs are pre-inspected; and 10% post-inspected.

**Controlled entryphones**

10% of repairs are pre-inspected and 10% are post-inspected.

**Block and estate cleaning; grounds maintenance**

Monthly monitoring of each contract is undertaken by Estate Services Managers which are fed into performance reports which are submitted to a resident representatives group which includes leaseholders. Feedback questionnaires are sent to residents (around 40 are returned per month) and HfH propose to target satisfaction surveys on individual estates during 2010.

We would expect to see an output specification which defines cleaning standards. However we note from a recent LVT case<sup>3</sup> that the quality of cleaning output at least in that case was measured by the number of hours attendance by cleaners. If this is the commonly used measure then it has the risk of leading to subjective judgements of required cleaning standards and challenges from leaseholders.

**General**

We have not undertaken a review of contract terms to understand how under-performance is reflected in payment mechanisms, nor the frequency and scale of any errors found through pre- and post-inspection or repair orders.

Over and above contractors own checks, there is a relatively low level of pre- and post-inspections (10% in most cases) and in similar circumstances other authorities have undertaken additional sample checking by external surveyors. It is not clear that the current system will address the risk that jobs which have been incorrectly specified or priced are not identified and leaseholders are incorrectly charged.

HfH are introducing the "Key Leaseholder Scheme" whereby leaseholders can volunteer to review records of communal repairs for their block on a quarterly basis and raise any issues in terms of the record's accuracy or quality of repairs. This is designed to act as a more effective and concurrent check on repairs than the current practice of issuing a list of repairs undertaken in the preceding financial year on the request of leaseholders once they receive their actual bill in the following August.

**4.4 Cost Allocation****4.4.1 Unit costs**

The authority should use a consistent and reasonable basis on which to allocate costs from estate/block level to individual units (this is usually on a formula basis based on the unit size).

**Findings**

Cost allocation is undertaken by apportioning the cost of a repair using either the rateable value (for flats bought before 1 April 1990) or a bed-weighting system (for flats bought on or after 1 April 1990).

<sup>3</sup> LB of Haringey vs Ms Kaya LON/00AP/LSC/2009/0102



This is a reasonable basis for calculating charges although we have not undertaken checks to confirm that this is applied consistently across the leasehold stock.

#### 4.4.2 Indirect costs

The authority should have a consistent and reasonable basis for allocating indirect costs to leaseholders.

#### Findings

A management fee is calculated which covers the work of the HOT; housing management services; and support services. Costs are assessed on estimated time spent on leaseholder related services. This is levied as a flat fee (rather than as a percentage of the service charge due) for two separate groups of leaseholders: firstly those who only receive lighting and insurance services; and secondly, those who receive these and other services.

This appears to be a comprehensive summary of indirect costs. However we have not checked the detail of the calculation or that it is applied consistently across the leasehold stock.

### 4.5 Leaseholder Information

#### 4.5.1 Estimated and actual bills

The authority should deliver estimated and actual bills within required timescales. Estimated bills should be a reasonable reflection of the final actual bill.

#### Findings

Leaseholders should be issued with an estimated charge at the beginning of the financial year. This is adjusted when the actual charge is issued following the end of the financial year. In 2008/09 estimated charges were issued in February 2008 and actual charges in August 2009. It is anticipated by the HOT that actual charges for 2009/2010 will be issued in advance of August 2010.

The total estimated and actual service charges from 2006/07 to present are compared in the table below.

**Estimated and actual service charges 2006/07 to present**

	Estimated	Actual	Difference
2006/07	£3,343,048	£4,028,887	+21%
2007/08	£3,917,365	£4,083,616	+4%
2008/09	£4,848,907	£4,310,771	-11%
2009/10	£4,671,733	N/A	N/A

A full breakdown is given in Appendix C.

The over-estimation of bills in 2008/09 is equivalent to an average of £120 per leaseholder. The primary reason for this is an over-estimation of responsive repairs which has been adjusted downward for 2009/10. Where there is an over-estimate the leaseholder's account is credited with the relevant adjustment.

#### **4.5.2 Statement of Account**

Leaseholders should be provided with a clear statement of their service charges broken down by service head, with an itemised breakdown of individual service heads available on request.

#### **Findings**

We have reviewed one statement of actual service charge for 2008/09 which was presented by the HOT as the standard format for Service Charge statements.

Costs are broken down over service charge heads. The statement identifies the cost for the block and the charge for the property, along with the estimated charge per service head for comparison.

Notes accompany the statement which break down each service head is further sub-headings on a block and unit basis.

An itemisation of estate repairs is also available on request by the leaseholder.

Leaseholders are provided with an explanatory booklets with estimated and actual service charges.

#### **4.5.3 Account adjustments**

The reasons for credits (e.g. if an incorrect charge is refunded) and debits to the leasehold account should be clearly stated and explained to the leaseholder and applied where relevant to other properties.

#### **Findings**

We understand that the HOT write to leaseholders to inform them of the reasons for account adjustments, and these are recorded on the account, and where an adjustment is relevant to an entire block/estate it is applied to all relevant leaseholders.

We have not undertaken individual checks to verify this.

#### **4.5.4 Housing and Regeneration Act 2008**

The authority should be prepared for introduction of the Service Charge Statement of Account and Individual Leaseholder statements for each accounting period accompanied by an accountant's certificate (Housing and Regeneration Act 2008 - note the final format and approach for this is yet to be published).

#### **Findings**

The HOT currently produce individual statement of service charge accounts which are signed off by the Chief Financial Officer. Whilst the final requirements of the Act are yet to be defined the HfH statements of account appear to be aligned with the indicative structure so far published. The draft regulations are expected to be issued shortly and so this should be kept under review. The effective date for the changes are expected to be on or after 6 April 2010 and the first accounts under new provisions are likely to be for year ending 31 March 2012.

## 5 Conclusions and Recommendations

<b>Conclusions</b>	<b>Recommendations</b>
<p><b>5.1 Core Business Systems and Data Quality</b></p> <p><b>5.1.1 Estate and block costs</b></p> <p>In some areas core business systems are not aligned with the landlord leasehold management function. In the service areas we reviewed, the financial system (SAP) is not used to report costs at an estate or block level. Costs are disaggregated from area wide totals or, in the case of responsive repairs, manually compiled from the repairs database.</p> <p>There is a risk that as the system of allocating repair orders is a manual system, it is not only a time intensive process but also prone to subjectivity and human error.</p> <p>Where charges are pro-rated from the overall charge for an area, as in the case of block cleaning, there is a risk of challenge on the basis of fairness.</p>	<p>HfH should consider the scope for reporting and analysis of costs at estate and block level, and the separate job coding of chargeable/non-chargeable work within the functionality of its SAP system.</p> <p>In the short term HfH should consider how to improve repairs job descriptions within TASK to allow more robust identification of chargeable works.</p> <p>HfH should review the scope within its contract/SLA specification and invoicing requirements to define costs on a block or estate basis against an output specification.</p>
<p><b>5.1.2 Repairs - warranties and insurance</b></p> <p>There is a risk that repairs covered by warranties or subject to insurance claims will still be charged.</p>	<p>HfH should ensure that the repairs system will flag repairs in these instances and that the operator's response is logged to provide an audit trail.</p>
<p><b>5.1.3 Repairs - S20 threshold</b></p> <p>There are some instances where repairs exceed the S20 threshold and cannot be recharged.</p>	<p>This should be kept under review and where necessary training requirements identified for officers responsible for ordering repairs.</p>
<p><b>5.1.4 System controls (1)</b></p> <p>The HOT's Access database provides the basis on which to maintain an audit trail of decisions to charge.</p> <p>The HOT maintains a scheme of delegation for writing off charges.</p>	<p>HfH could consider sample checking to ascertain if this forms a robust audit trail.</p> <p>HfH could consider sample checking to check that the scheme of delegation is consistently followed.</p>

<p><b>Conclusions</b></p> <p><b>5.1.5 System controls (2)</b> The HOT undertakes an annual reconciliation of leasehold property records between OHMS, the leasehold database and records held by the Legal Department. It also reconciles costs with SAP at a service area level, and undertakes a comparison of previous years' service charges at a service charges at a service area and overall level to identify trends and account for any fluctuations.</p> <p>However there is no reconciliation of service charges totals to control totals established within the HRA for overall costs incurred. There is also no formalised process by which these findings are reported and signed off by officers outside of the HOT.</p>	<p><b>Recommendations</b></p> <p>HfH should establish a formal process for signing off annual service charge accounts by the Chief Financial Officer. This should include a reconciliation of charges against total costs incurred in the HRA for repairs and maintenance, identification of amounts not charged and the rationale for not charging.</p>
<p><b>5.2 Procurement, Costs and Quality of Services</b></p> <p><b>5.2.1 Leaseholder consultation on Qualifying Long-Term Agreements</b> HfH has carried out the required leaseholder consultation on the following QLTA's: responsive repairs, lifts, controlled entryphones.</p> <p>Block cleaning and grounds maintenance do not fall under the definition of QLTA's as they are retained in-house services.</p> <p>The HOT Manager issues an email reminder on QLTA procedures and carries out training sessions with procuring officers.</p>	<p>Whilst this approach has been effective, we would recommend that a written guide to leaseholder consultation procedures is made available as a reference guide to relevant officers.</p>
<p><b>5.2.2 Value for Money</b> All of the service areas under consideration had been subject to competitive tender or a benchmarking review. We have not in this review examined the outcome of these VfM reviews or assessed actual costs of services in comparison to industry benchmarks.</p>	<p>HfH should consider a more detailed review of the outcome of the VfM reviews for areas which have not been subject to competitive tender and how efficiencies have been translated into reduced costs or improved services for leaseholders.</p>
<p><b>5.2.3 Service Quality</b> The relatively low level of pre- and post-inspections (10% in most cases) entails a risk that jobs which have been incorrectly specified or priced are not identified and leaseholders are incorrectly charged.</p>	<p>The outcomes of the pre- and post-inspections checks should be reviewed to identify any common issues or trends. HfH should consider the use of independent surveyors to carry out sample checking of orders to check the nature and rate of errors.</p>

<b>Conclusions</b>	<b>Recommendations</b>
<p>The use of a Schedule of Rates contract for responsive repairs means that in some cases there may be a mis-match between the actual scale of the job undertaken and the charge incurred.</p> <p>HfH "Key Leaseholder Scheme" is a new initiative which has the potential to deliver a more effective and concurrent check on repairs.</p>	<p>Whilst there may be a benefit in improved response rates and scale of efficiencies through the use of a SoR contract for responsive repairs, prior to implementing a reduction in the number of job descriptions HfH should assess the impact on the accuracy of leaseholder charging.</p>
<p><b>5.3 Cost Allocation</b></p>	
<p><b>5.3.1 Unit costs</b></p> <p>The approach used by HfH for apportioning costs from an estate/block level to individual unit is reasonable.</p>	<p>HfH could consider sample checking to ensure this is applied consistently across the leasehold stock.</p>
<p><b>5.3.2 Indirect costs</b></p> <p>Indirect costs charges appear to be comprehensive.</p>	<p>HfH could consider sample checking to ensure the calculation is applied consistently across the leasehold stock.</p>
<p><b>5.4 Leaseholder information</b></p>	
<p><b>5.4.1 Estimated and actual bills</b></p> <p>Estimated and actual bills were delivered on time in 2008/09 and appear to be on schedule for 2009/10. The published estimates present a reasonable estimate of the actual bills and the HOT takes action in the following year to address inaccuracies where necessary.</p>	<p>N/A</p>
<p><b>4.4.2 Statement of Account</b></p> <p>The service charge account statement provides a clear statement of account with relevant breakdowns and explanatory notes.</p>	<p>N/A</p>
<p><b>5.4.3 Account adjustments</b></p> <p>We understand the HOT notifies leaseholders of the reason for account adjustments and where applicable applies them to all other relevant properties.</p>	<p>HfH could consider sample checking to ensure this approach is applied in practice.</p>
<p><b>5.4.4 Housing and Regeneration Act 2008</b></p> <p>HfH statements of account appear to be aligned with the indicative structure which is to be required under the Housing and Regeneration Act 2008.</p>	<p>This should be reviewed once the draft regulations are issued which is anticipated shortly.</p>

## A Staff Interviewed

<b>Name</b>	<b>Position</b>	<b>Organisation</b>
Nesan Thevanesan	Home Ownership Team Manager	Homes for Haringey
Peter Purdie	Head of Estate Services	Homes for Haringey
Les Armstrong	Head of Design and Engineering	Homes for Haringey
Martin Hoctor	Repairs Client Manager	Homes for Haringey
Phil Harris	Assistant Director, Strategic and Community Housing	Haringey Council
Doris Acquah	ALMO Client Manager	Haringey Council

## B Documents Reviewed

Service charge database and spreadsheets for 2008/09

Lifts contract - progress meeting minutes

Door Entryphones contract - progress meeting minutes

Estate Services

- contract progress meeting minutes
- partnership board minutes
- performance reports

Report on charges to leaseholders - Peter Robinson Housing Consultancy

Explanatory publications for leaseholders:

- Leaseholders' Charter
- A guide to buying your home
- Actual Service Charge 2008/09
- Your estimated service charge 2009/10
- Recovering service charges through legal action
- Paying for major works invoices
- Information pack for leaseholders
- Information pack for sub lessees
- Key leaseholder scheme
- Plain English guide to your lease

Sample service charge account and certificate

Sample lease

## C Estimated and Actual Service Charge Breakdown

Service area	06/07			07/08			08/09			09/10
	Est	Actual	% Diff	Est	Actual	% Diff	Est	Actual	% Diff	Est
Cleaning	£969,573	£1,101,347	14%	£1,072,168	£1,150,208	7%	£1,201,505	£1,160,504	-3%	£1,221,722
Lifts	£18,688	£20,448	9%	£21,136	£17,594	-17%	£21,121	£23,600	12%	£17,496
Communal Lighting	£126,975	£117,371	-8%	£108,776	£135,224	24%	£122,659	£140,008	14%	£188,890
Grounds	£185,299	£280,800	52%	£227,043	£276,767	22%	£258,365	£294,218	14%	£259,431
Concierge	£227,865	£223,801	-2%	£247,141	£221,613	-10%	£256,392	£235,656	-8%	£249,470
Heating - Fuel	£4,346	£4,857	12%	£5,082	£4,270	-16%	£6,952	£5,982	-14%	£5,151
Heating - Maintenance	£126	£0	-100%	£0	£0		£0	£0		£0
Insurance	£677,299	£705,125	4%	£717,269	£751,155	5%	£753,770	£764,468	1%	£811,115
TV Aerials	£11,571	£16,971	47%	£9,720	£14,864	53%	£18,874	£11,052	-41%	£13,694
Controlled Entry System	£70,684	£83,499	18%	£75,150	£88,638	18%	£84,779	£88,459	4%	£86,707
Pest Control	n/a	£5,715		n/a	£17,682		n/a	£11,117		n/a
Management Charge	£570,362	£1,007,585	77%	£948,560	£1,026,542	8%	£1,095,970	£1,012,105	-8%	£1,059,067
Ground Rent	£43,660	£43,752	0%	£44,120	£44,238	0%	£44,570	£44,518	0%	£44,840
Repairs	£436,600	£265,174	-39%	£441,200	£280,369	-36%	£668,550	£494,128	-26%	£400,850
Mws < £250		£152,442			£54,452		£310,400	£24,956		£313,300
<b>TOTAL</b>	<b>3,343,048</b>	<b>4,028,887</b>	<b>21%</b>	<b>3,917,365</b>	<b>4,083,616</b>	<b>4%</b>	<b>4,843,907</b>	<b>4,310,771</b>	<b>-11%</b>	<b>4,671,733</b>





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## LONDON BOROUGH OF HARINGEY

### AUDIT PROGRESS REPORT

MARCH 2010

Work	Progress
<b>Audit Plan 2009/10</b>	Our full audit plan and updated audit fee was agreed with management and presented to the February 2010 Audit Committee.
<b>2009/10 accounts audit</b>	<p>As part of our 2009/10 plan, we have begun work with the Council to help prepare for the 2009/10 accounts audit, including the Head of Corporate Finance attending a half day accounts workshop on 10 February at our offices.</p> <p>Interim - our interim audit work is underway and we will provide an update on key messages to the June 2010 Audit Committee.</p> <p>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).</p>
<b>International Financial Reporting Standards (IFRS)</b>	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 and have a meeting scheduled for 29 March to discuss progress.
<b>Use of resources and data quality 2010</b>	<p>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.</p> <p>We have had a number of planning discussions with management to help prepare for the 2010 assessment, including sharing of emerging good practice from the 2009 assessment. We have agreed key milestone dates and we will commence our work shortly.</p> <p>Our local UoR projects on leaseholder service charges and partnership working are now complete and we will present these reports to this Audit Committee. Our workforce management review is nearing completion and we will communicate our findings and conclusions to management this month.</p>

Work	Progress
<b>Use of resources and data quality 2010 (continued)</b>	<p>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 agreed the scope of this work with management.</p> <p>We will plan and perform any other local UoR work required to support our UoR conclusion between now and September 2010.</p>
<b>Grants 2008/09</b>	We presented our report of summary findings to the February 2010 Audit Committee.
<b>Indicative fees letter 2010/11</b>	We have agreed our indicative fee for 2010/11 with the Chief Financial Officer. This letter is prepared in advance of the audit year in order to provide the Audit Commission with details of indicative fees nationally. Our risk assessment and, if required, our audit fee will be updated and further detail provided in our full 2010/11 Audit Plan, which will be presented to the Audit Committee in early 2011. A copy of the letter is appended to this report for information.

Grant Thornton UK LLP

March 2010

Our Ref PD/PH/CG

Gerald Almeroth  
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10 March 2010

Dear Gerald

### **London Borough of Haringey - Indicative audit fee 2010/11**

We are writing to summarise the audit work that we propose to undertake for the 2010/11 financial year at the Council and the associated indicative fee. The fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2010/11
- reflects only the audit element of our work, excluding any inspection and assessment fees. The Comprehensive Area Assessment Lead will be writing to you separately on inspection fees.

As we have not yet completed our audit for 2009/10 the audit planning process for 2010/11 including the risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2010/11 is for £505,000 (exclusive of VAT) which represents a £10,000 reduction on the agreed fee for 2009/10. A summary of this is shown in the table below.

<b>Audit area</b>	<b>Indicative fee 2010/11</b>	<b>Agreed fee 2009/10</b>
Financial statements, including WGA	£360,000	£340,000
Use of Resources/VFM Conclusion (including local risk based work)	£145,000	£175,000
<b>Total audit fee</b>	<b>£505,000</b>	<b>£515,000</b>
Certification of claims and returns*	£90,000	£90,000

\* Certification fee is estimated. This is charged at published hourly rates and the actual cost of this work is set out in our annual certification report, issued in December .

The Audit Commission has published its work programme and scales of fees 2010/11 (see extract at Appendix A). From 2010/11, the Council is required to prepare its accounts in accordance with International Financial Reporting Standards (IFRS). The transition to IFRS will increase auditors' work, particularly in year one where a restatement of the previous year's accounts to the new basis will be required to provide prior year comparatives. The Audit Commission has increased the scale fees for local authorities by 6% to reflect the costs of this additional work, this is reflected in the indicative fee state above.

The scale fee for the London Borough of Haringey is £531,865. The £505,000 fee that we are proposing is 5% below the scale fee (16% above scale fee last year). This is reflective of the progress the Council is currently making with the transition to IFRS and our assessment that there is a reduced risk in relation to our Use of Resources element of our work.

Using our IFRS experts, we will continue to help the Council to prepare for introduction of IFRS, through awareness raising sessions for officers and members and constructive challenge on the Council's plans and progress. This is included within the financial statements audit fee. Specialist colleagues from Grant Thornton's Financial Reporting Advisory Group, can also be commissioned for more detailed technical support, should the Council require it.

Our Use of Resources assessment will be based upon the evidence from three themes:

- Managing finances
- Governing the business
- Managing resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2010/11. Our work on Use of Resources informs our 2010/11 Value for Money conclusion. At the current time, we have identified two risk areas in relation to our value for money conclusion. For each risk, we consider the arrangements put in place by the Council to mitigate the risk, and plan our work accordingly.

<b>Risk</b>	<b>Planned work</b>	<b>Timing</b>
<p data-bbox="347 1400 657 1458"><b>Responding to Financial Challenges</b></p> <p data-bbox="347 1503 735 1823">The Council faces challenging savings targets going forwards in order to balance its budget. Much of these savings are planned to be delivered through the Haringey Forward Programme. Failure to deliver on the Programme's targets will lead to pressure on services if savings are not achieved.</p>	<p data-bbox="783 1400 1203 1487">A review of the Council's Haringey Forward programme is proposed for 2010/11.</p> <p data-bbox="783 1532 1257 1854">The review will focus on the progress that the Council has made in addressing budgetary pressures to date and its plans, including its medium term financial planning processes going forwards. It will also assess the Council's performance against a series of metrics currently being developed by the Audit Commission to assess the financial resilience of councils in the current economic conditions.</p>	<p data-bbox="1289 1400 1382 1525">Third quarter of 2010/11</p>

<b>Risk</b>	<b>Planned work</b>	<b>Timing</b>
<p><b>Adult Social Care - Personal Care Budgets</b></p> <p>Personal care budgets are at the core of the government's aim of personalising adult social care services around the needs of users. Through the Putting People First Initiative, councils will be expected to roll out a system of personal budgets for all users of adult social care.</p>	<p>The use of personal care budgets will have a significant impact on the way adult social care services are delivered and the Council will need to ensure that it has appropriate commissioning arrangements and adequate governance arrangements in place to ensure that it is delivering this efficiently and effectively.</p> <p>We will undertake a review of the progress the Council has made to deliver personalisation in adult social care.</p>	<p>Fourth quarter of 2010/11</p>

We will issue a number of reports relating to our work over the course of the audit. These are listed at Appendix B.

The above fee excludes any work requested by you that the Audit Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

We reported in our full 2009/10 Audit Plan that we were experiencing an increase in the level of communications from local electors and other interested parties and were dealing with this from within the audit fee. The indicative fee for 2010/11 includes an assumption around a estimated level of audit work in relation to communicating with the public. 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.

The key members of the audit team for the 2010/11 are:

Engagement Lead - Paul Dossett	0207 728 3180	paul.dossett@gtuk.com
Audit Senior Manager – Paul Hughes	0207 728 2256	paul.hughes@gtuk.com
Audit Manager - Caroline Glitre	0207 728 2078	caroline.glitre@gtuk.com
Audit Executive – Helen Phillips	0207 728 2385	helen.phillips@gtuk.com

A full plan will be issued in December 2010. This will detail the risks identified, planned audit procedures and any changes in fee. If we need to make any significant amendments to the audit fee during the course of the audit, we will first discuss this with the Chief Financial Officer and then prepare a report outlining the reasons why the fee needs to change for discussion with the Audit Committee.

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact the engagement lead in the first instance. Alternatively you may wish to contact the Head of Government Audit at Grant Thornton UK LLP, Sarah Howard at [sarah.howard@gtuk.com](mailto:sarah.howard@gtuk.com).

Yours sincerely

Paul Dossett

Engagement Lead

Grant Thornton UK LLP



## A Extract from the Audit Commission's work programme and scales of fees 2010/11

**1** The scales of audit fees in this document cover all the work that auditors need to carry out to meet their statutory responsibilities under the AC Act, in accordance with the statutory Code. Copies of the Code and the associated Statement of Responsibilities of Auditors and Audited Bodies may be found on the Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

**2** The Commission has defined the scale audit fee as the fee required by auditors to carry out the work necessary to meet their statutory responsibilities under the AC Act in accordance with the Code. It represents the Commission's best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes.

**3** Auditors will tailor their work to reflect local circumstances. In particular, they will carry out an assessment of the financial and operational risks facing the body and the arrangements it has put in place to manage those risks. In this assessment, auditors will consider the strength of the control environment; the quality of working papers produced to support the financial statements; and the extent of internal audit work and the reliance that can be placed on it. However, the core of the work undertaken will be common.

**4** Where audited bodies do not meet agreed timetables and/or provide poor documentation such that additional audit work is necessary, or the audit is delayed, the Commission will charge additional fees to cover the costs incurred.

**5** Under the Code, the Commission may specify additional audit work which supplements the local risk-based approach to planning the audit.

**6** For 2010/11, the Commission has specified work in the following areas.

- Auditors' input to Comprehensive Area Assessment (CAA) – the Commission will specify audit work at all local authorities, police authorities and fire and rescue authorities, leading to the delivery of use of resources (UoR) judgements. This will include work on data quality as specified in the UoR guidance. This work will also support the annual conclusion that the auditor is required to reach under the Code on an audited body's arrangements to secure value for money.
- Whole of Government Accounts (WGA) – the Commission has specified a proportionate approach to the audit of the consolidation packs for WGA at all local government bodies.

**7** The cost of the above work programme is reflected in the scales of fees set out in this document.

## B Planned Outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the audit committee.

<b>Planned output</b>	<b>Indicative date</b>
Full Audit Plan 2010/11	December 2010
Financial management report (UoR)	January 2011
Adult Social Care Report (UoR)	March 2011
Audit Strategy Document (Accounts)	June 2011
Annual report to those charged with governance report (Accounts)	September 2011
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2011
Use of resources report	September 2011
Annual audit letter	November 2011
Certification Report	December 2011



Haringey Council

Agenda item:

**[No.]**

Audit Committee

On 25<sup>th</sup> March 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

**1. Purpose of the report**

1.1 To advise and update Members on the Counter Fraud performance of the Benefit and Local Taxation Service from the 1<sup>st</sup> January 2010 – 8<sup>th</sup> March 2010.

**2. Introduction by Cabinet Member (if necessary)**

2.1. N/A

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

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

<p><b>4. Recommendations</b></p> <p>4.1. That Members consider and note this report and the work being carried out by the Benefits and Local Taxation Service in relation to Counter Fraud activity.</p>
<p><b>5. Reason for recommendation</b></p> <p>5.1 For Members to remain informed of the activity of the Fraud Investigations Team and are able scrutinise this accordingly.</p>
<p><b>6. Other options considered</b></p> <p>6.1 Not applicable.</p>
<p><b>7. Summary</b></p> <p>7.1 The Benefits and Local Taxation Service continues to maintain and further develop an effective approach to counter – benefit fraud activity.</p> <p>7.2 Since April 2009 BLT has achieved 74 successful sanctions against those found to be committing benefit fraud. During quarter 4 to date 2009/10 BLT achieved 21 sanctions and has a further 4 cases referred for prosecution.</p> <p>7.3 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.</p>
<p><b>8. Chief Financial Officer Comments</b></p> <p>8.1 The Chief Financial Officer notes the contents of this report and confirms that the counter-benefit fraud activity undertaken is provided within the overall benefits &amp; local taxation cash limit.</p>
<p><b>9. Head of Legal Services Comments</b></p> <p>9.1 The Head of Legal Services has been consulted in the preparation of this report, and advises that there are no specific legal implications which arise out of the contents.</p> <p>9.2 Legal Services will continue to support Benefits and Local Taxation, in terms of advice and prosecution work, in order to maximise the level of Government subsidy available for recovering overpaid housing benefit.</p>
<p><b>10. Head of Procurement Comments</b></p> <p>10.1 Not applicable.</p>

**11 Equalities &Community Cohesion Comments**

11.1 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 adherence to the Council’s Equalities and Community Cohesion policies.

**12. Consultation**

12.1 No consultation was required for the production of this report.

**13. Service Financial Comments**

13.1 The role of the Fraud Investigation Team does not attract direct financial subsidy from Central Government as there is no specific statutory duty to maintain counter fraud activity in respect of Housing Benefit and Council Tax Benefit.

13.2 However, there is a clear expectation on Local Authorities to maintain effective counter fraud activity. This is currently measured by the Corporate Area Assessment through the Key Lines of Enquiry.

13.3 The Benefits and Local Taxation Service maintains a dedicated team to tackle benefit fraud. The role of the Fraud Investigation Team is clearly defined in the Council’s Counter Fraud Strategy relating the Housing Benefit and Council Tax Benefit.

**14. Use of appendices /Tables and photographs**

14.1 Appendix 1 - Detailed breakdown of sanction cases achieved during Quarter 4 to date 2009/10

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

15.1 The background working papers are located within the BLT Fraud Section,10 Station Rd, Wood Green. The BFI Report was published in October 2007 and is available on the internet under [www.bfi.gov.uk](http://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 fourth quarter of 2009/10 is summarised in table 1.

- Successful outcomes for 4th quarter to date 2009/10 (figures in brackets are for the whole quarter equivalent period in 2008/09)

Sanction Type	Number Issued	Year Target	Status
Caution	29 (23)		Accepted
Admin Penalty	3 (9)		Accepted
Prosecution	0 (3)		Guilty
Total	32 (35)	35 (31)	

Table 1

2.2 It is estimated that the final Sanctions performance during quarter 4 will be above target for the period (expected to be between 36 and 47) - primarily due to a shift of emphasis towards HBMS based work in the final quarter, in order to reach 100 Sanctions in-year. There are a further 15 probable Prosecutions with our legal department, 3 with SOL B (DWP Solicitors Branch) and 2 with the Crown Prosecution Service, but these have not progressed as quickly as hoped, mainly due to court scheduling issues, but it is estimated that 3 cases will be heard in 2009/2010 and the majority of those outstanding early 2010-11.

2.3 The Benefits and Local Taxation Service originally set an annual target of 140 Sanctions for 2009/10. This isn't a feasible target now as, in common with the majority of Benefit Investigation Team's nationally, the emphasis had changed from achieving 'numbers' of sanctions to dealing with the more complex cases where criminality is involved – and this work remains ongoing. However a pro-active one-off 'HBMS data report' will enable the Fraud Team to significantly increase overall sanction performance in the final quarter and it is estimated that we will now achieve 100 sanctions by the year end.

2.4 The Fraud Team are continuing to work in partnership with Homelessness and the

DWP in order to progress the large number of NFI referrals where additional information is required before a determination can be considered. We are commissioning access to a wired Broadband port in Haringey so that the DWP can access their systems via a GCSx secure connection thus facilitating effective data exchange stage where. Additionally, our work with the Homelessness Team is reaching the arrests and/or search warrants are in process with 3-4 additional joint prosecutions likely early next financial year

2.5 Performance for the year to-date is contained in table 2. **Bold** figures are YTD to 8<sup>th</sup> March 2010)

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

Sanction Type	Number Issued	Target	Status
Caution	<b>54</b> (84)		Accepted
Admin Penalty	<b>15</b> (33)		Accepted
Prosecution	<b>16</b> (10)		Guilty
Total	<b>85</b> (127)	<b>140</b> (126)	

*Table 2*

### 3 Overpaid Housing Benefit

3.1 To date, counter fraud activity has identified £1,022,322 in overpaid benefit and a further £15,151 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 £408,928 will be reclaimed from central government in our subsidy claim, which 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 national known bug within Northgate's software application. Northgate have predicted that this bug will be corrected in a software release due in June 2010

### 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.

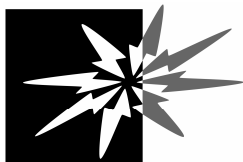
4.3 The Fraud Investigation Team in partnership with the Homelessness Investigations Unit has successfully made a joint bid for an integrated Intelligence and Case Management IT system where funding has been approved and a Project Manager appointed.

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. This project is progressing to timescale. The IT specification has been completed and the Invitation to Tender was sent out on 5<sup>th</sup> March 2010

4.5 The National Fraud Initiative has had all 1,279 Benefits recommended matches checked with a further 648 high and medium priority cases cleared to date. This will be treated as an area of priority from April 2010.

4.6 Once a suitable broadband connection has been identified, we will be working in partnership with the DWP on NFI work, with the DWP leading on cases where there is a 'living together' element to the offence (with the LA 'joining' the case prior to IUC) whereas Haringey will concentrate on the previously identified priority areas such as internal/external undeclared wages, homelessness, students and alcohol licences (with the DWP invited to join reciprocally) This should enable us in partnership to cover almost twice the amount of cases. There is agreement in place that Haringey's legal department will be handling all joint Prosecutions arising from the Local Authority, claiming for both LA and DWP Investigator costs at trial.





**Haringey** Council

## **Audit Committee**

**Date: 25<sup>th</sup> March 2010**

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**Subject: Tackling Health Inequalities Audit Report and Action Plan**

**Report Author: Susan Oti, Acting Joint Director of Public Health,  
Haringey Council and NHS Haringey**

### **1. PURPOSE**

1.1 To update the Audit Committee on the progress made in addressing the recommendations in the Grant Thornton *Tackling Health Inequalities* audit report.

### **2. SUMMARY**

2.1 Grant Thornton, the appointed external auditor for both Haringey Council and NHS Haringey, undertook an audit of work to assess how we were tackling health inequalities in the borough. While the audit report June 2008 was very positive, a number of areas for improvement and challenges were identified. A Health Inequalities Audit Action Plan was developed and an update of this plan can be found at Appendix 1. All recommendations are 'green' except for one that has 'amber' status. Progress has slipped on this recommendation as the Public health Team experienced tremendous pressure responding to the Flu Pandemic between May 2009 to January 2010 and members of the workforce were diverted to work on this public health priority.

### **3. RECOMMENDATIONS**

3.1 The Audit Committee note the Health Inequalities Audit recommendations and update of the Action Plan and recognise progress in the light of pressures experienced by the Public Health team responding to the Flu Pandemic from May 2009 to January 2010).

### **4. BACKGROUND INFORMATION**

4.1 Grant Thornton, the appointed external auditor for both Haringey Council and NHS Haringey undertook an audit of work to assess how we were tackling health inequalities in the borough. This audit covered work within both the Council and NHS Haringey and across the Haringey Strategic Partnership (HSP). The audit produced useful recommendations to support tackling health inequalities.

4.2 The audit report was presented to the Well-Being Partnership Board in June 2008, and was considered by the PCT's audit committee in September 2008.

4.3 An Action Plan has been developed to take forward the recommendations made in the audit report to help reduce the health inequalities gap. The Action Plan was taken to the Audit Committee in October 2008.

4.4 Grant Thornton presented the 'Tackling Health Inequalities in Haringey - follow-up report' to the Audit Committee on 1<sup>st</sup> February 2010 and an update on progress against the action plan was requested.

## 5. ANALYSIS

5.1 Outside of the Grant Thornton action plan a number of positive developments should be noted by members.

5.2 **Progress towards the national Life Expectancy target** - One of the two national health inequality targets is a reduction in the gap in life expectancy by at least 10% between 'routine and manual groups' and the population as a whole by 2010. To track progress against this target the Life Expectancy Action Plan for Haringey was drawn up in 2006. The plan focused on 12 key areas of activity (agreed at a consultation event to facilitate development of the action plan). In autumn 2009 a progress report was presented to the Well Being Partnership Board. The report provided a half way progress report on improving life expectancy in Haringey.

5.3 Life expectancy in both males and females is increasing. Between 2001-2003 and 2005-2007, life expectancy in Haringey has increased 1.5 years for men and 3 years for women. Male life expectancy (2005-07) in Haringey is 1.5 years lower than England. Female life expectancy (2005-07) is now 1.1 years higher than England.

5.4 The latest national report against the health inequalities target<sup>1</sup> published by the Department of Health states that **Haringey is on target to achieve its contribution towards the National Life Expectancy Target for Males and Females, based on 2004-06 rolling averages**. This is an encouraging sign and indicates that we are continuing to make solid progress towards improving life expectancy in Haringey.

5.5 Since the 2006 Haringey Life Expectancy Action Plan was published, the landscape has changed, notably several key strategic initiatives have been developed, such as, the Sustainable Community Strategy, the Local Area Agreement and the Primary Care Strategy and partnerships have strengthened the actions that have contributed to increasing life expectancy. Addressing health inequalities was identified as a priority area for improvement in the Comprehensive Area Assessment 2009.

5.6 However life expectancy is not evenly distributed in Haringey. At the two extremes, male life expectancy in Tottenham Green (70.6 years) is 8

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<sup>1</sup>Tackling Health Inequalities: 2007 Status Report on the Programme for Action. Department of Health. Available at: [www.dh.gov.uk/en/Publicationsandstatistics/Publications/DH\\_083471](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/DH_083471)

years lower than male life expectancy in Alexandra (78.9 years). Male life expectancy tends to vary with deprivation in Haringey. The gap in female life expectancy between the wards with the highest and lowest life expectancy is 8.4 years.

5.7 A number of programmes have been developed and implemented to target the borough's deprived areas in order to address the health inequalities experienced within the borough, for example smoking cessation services and physical activity programmes.

5.8 **Department of Health (DH), Health Inequalities National Support Team (HINST) visit – October 2009** - NHS Haringey is a Spearhead PCT,<sup>2</sup> to support Spearheads the DH established the HINST. The HINST has visited PCTs across the country to support areas to improve performance. The HINST visited Haringey in October 2009. The aim of the visit was to review what we are doing in relation to reducing adult health inequalities in the borough. They were particularly interested in keeping up the momentum around the national 2010 life expectancy targets against which Haringey is currently on track for both men and women. The HINST held interviews, workshops and a community engagement focus group to understand the local context and assess barriers to and opportunities for continued progress at a population level. The visit benefited from the input of many individuals within the Council, NHS Haringey, the North Middlesex Hospital and the voluntary and community sector. The HINST congratulated all partners on their commitment and passion for this area; on NHS Haringey's 'visionary' primary care strategy; on the adults' wellbeing arrangements; and on a variety of other aspects of our collective work to make progress on health inequalities.

5.9 The HINST identified a number of high level recommendations to enable Haringey to remain on track to achieve the target and to address the inequalities within the borough. A number of the recommendations have been achieved and the remainder are being addressed by all partners. The HINST are returning to Haringey in late March 2010 to discuss progress.

## 6 FINANCIAL IMPLICATIONS

The following comments relate to those items within the action plan which have direct financial implications:

- Recommendation 1 - NHS Haringey continues to invest in the JSNA as part of its investment strategy and support continues to be provided by the Council's Policy and Performance Service.

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<sup>2</sup> Identified as local authorities with a combination of factors including high levels of deprivation, relatively low life expectancy and high mortality rates for major killers such as heart disease and cancer

- Recommendation 7 – The public health team within the PCT has expanded since autumn 2008 with new consultant posts and additional investment identified with the creation of a health economist post.

## Appendix 1: Updated Health Inequalities Audit Action Plan

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
8	<p><b>Recommendation 1 - to continue the development of the Joint Strategic Needs Assessment</b></p> <p>Haringey has decided to go beyond the minimum data set in developing the Joint Strategic Needs Assessment and it is likely there will be considerable planning required to obtain detail for secondary analysis. There are also potential difficulties in developing a Joint Strategic Needs Assessment given the high mobility of the population; therefore partners will need to ensure that proper arrangements are in place to ensure development of the Joint Strategic Needs Assessment is successful. If this is the case, it is highly</p>	1	<p>Joint Strategic Needs Assessment Steering Group</p> <p>Susan Oti</p>	<p>Phase 1: Core data set to be discussed at:</p> <ul style="list-style-type: none"> <li>Council Chief Executives Management Board 29 July</li> <li>Primary Care Trust Board 6 July</li> </ul> <p>Core data set available on the website August</p> <p>Phase 2:</p> <ul style="list-style-type: none"> <li>Project Brief to be finalised August</li> <li>Consultation Plan to be agreed and undertaken from Sept.</li> <li>Area(s) focus to be decided by March 2009</li> </ul> <p>(Links to recommendation 6 and 7)</p>	<p>Core data set uploaded on the website</p> <p>Phase 2 topics agreed and being progressed</p> <p>Information on JSNA web page circulated</p> <p>Consultation plan and user survey agreed. Web based consultation</p>	<p>The JSNA continues to help us understand local need and inform the commissioning cycle. We have completed reports on population projections, social segmentation analysis and needs assessments on sexual health, alcohol and mental health.</p> <p>As part of the ongoing programme of JSNA HSP organisations will work together to look at:</p> <ul style="list-style-type: none"> <li>Carers</li> <li>CAMHS to adult services transition</li> <li>Older People's Needs Assessment Phase 2</li> </ul>	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
	likely that benefits will arise in the form of more effective commissioning aimed at improving health and well-being and reducing health inequalities.				currently being developed.	<ul style="list-style-type: none"> <li>• Kurdish Community</li> <li>• Supporting People</li> <li>• Physical Disabilities – Adults (including sensory impairment and long term conditions)</li> <li>• Economic assessment (duty to provide this begins April 2010)</li> <li>• Updating the Children and Young People's Needs Assessment</li> </ul>	
9	<p><b>Recommendation 2 - to improve cost/benefit analysis of options to reduce HI.</b></p> <p>We recommend that partners further promote a wider understanding of and focus upon the costs and benefits of options of specific courses of action to reduce Health Inequalities.</p>	2	<p>Joint Commissioning Group</p> <p>Keith Edmunds/ Margaret Allen</p>	Cost-benefit analysis is not currently undertaken, however, under World Class Commissioning, the Primary Care Trust is planning a major piece of work to understand how expenditure is related to health outcomes, which will necessarily include impact on health inequalities. This	Principles of cost/benefit analysis were applied to the PCTs investment prioritisation exercise during Autumn 2008. This approach will become further refined as the PCT develops its WCC	NHS Haringey has developed a Prioritisation Framework. This has been applied to guide investment decisions for 10/11.	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				will be started during Autumn (October) 2008.	capacity.		
11	<p><b>Recommendation 3 - improve structure of WBPB</b></p> <p>Consider the agenda of Haringey's Well Being Partnership Board to have a balance between strategy and performance issues with specific linkages to the Well Being Strategic Framework.</p> <p>Following embedding of the Implementation Plans consideration should be given to involving Overview and Scrutiny to challenge the progress made against the Health Inequalities agenda.</p>	1	<p>Well-being Chairs Executive</p> <p>Susan Otiti</p>	<p>Restructured Well-Being Partnership Board and Well-Being Chairs Executive agendas to link items to the 7 Well-Being Strategic Framework outcomes beginning</p>	<p>WBCE agenda has now been restructured to reflect the 7 outcomes. Similar restructuring of WBPB agenda planned.</p> <p>In addition, a WBCE workshop will take place in May 2009 to review operation of Executive and outcome groups, to strengthen connection with Well-being strategic framework.</p>	<p>The Well-being Strategic Framework and Partnership Board structures are being reviewed following a workshop in October 2009. (The May 2009 workshop was postponed due to the outbreak of the H1N1 virus and the need to focus public health resources on the response).</p> <p>A Joint Leadership</p>	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				Discuss performance using the well-being scorecard exception reporting beginning (Links to recommendation 9 and 10)	Well-being scorecard exception reporting now covered by both agendas.	Event will be held in April 2010 to agree the vision, outcomes and priorities of the new Well-being Strategic Framework and the new governance structures.  A draft of the new Well-being Strategic Framework will go the Well-being Partnership Board July 2010.	
11	<b>Recommendation 4 - effective involvement of provider trusts</b> There are opportunities to improve the effectiveness of	2	Joint Commissioning Group	Major acute provider Trusts already members.  Clarify how to engage more effectively with provider	The best ways to engage better with acute trusts will be explored in the WBCE workshop on	The Mental Health Trust and acute trust attend the Well-Being Partnership Board.	G



Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
	provider trusts within the health inequalities agenda. In particular, they could provide further information on Accident and Emergency attendance levels.		Keith Edmunds/Susan Oti	trusts, including in sub-groups.  Joint Commissioning Group to review which other providers should be represented and how.	1.5.09	The Mental Health Trust, acute trust and provider organisation are invited to the Joint Leadership Team on a regular basis to discuss key strategic developments.	
12	<b>Recommendation 5 - improve engagement with the public and communities of interest</b> Opportunity exists to engage with research institutions to understand what their role could be in the health inequalities agenda. Once engaged that resource could be used to commission further studies on areas where gaps currently exist.	2	Well-being Chairs Executive  Susan Oti	Making a Positive Contribution group set up (May 2008)  Building on relationship with Institute of Child Health re: obesity (ongoing)	MPC group has been set up  The Public Health team will continue to link with the Institute of Child Health on childhood obesity issues, building on previous collaborations regarding barriers to healthy lifestyles	The Haringey User Payment Policy was agreed at the Well-being Chair's Executive Board in 2009.	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				Director of Public Health to explore possibilities with Middlesex University, School of Health and Social Care (Autumn 2008)	Discussions are underway with Middlesex University to identify opportunities to connect	<p>In September 2009 Middlesex University joined the WBSP Board</p> <p>The Community Engagement Framework was agreed in 2009 and reaffirms the HSP's understanding of and commitment to community engagement.</p> <p>Service users sit on all Partnership Boards for example the Older People's Partnership Board and the Carer's Partnership Board.</p> <p>Haringey LINK continues to look at Health and Social Care issues within the</p>	

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
						borough.  The Primary Care Trust consulted on its Neighbourhood Development Plans at a number of Area Assemblies.	
13	<b>Recommendation 6 - move forward the JSNA</b> The Public Health Team should continue with the development of the Joint Strategic Needs Assessment, specifically the IT platform that is envisaged should be further explored to ensure that users can interrogate the data set for their needs.	2	Joint Strategic Needs Assessment Steering and Technical Groups Eugenia Cronin / Eve Pelekanos	Considering appropriate IT platform options such as those used in other authorities by March 2009, such as: <ul style="list-style-type: none"> <li>○ the Newham model developed by Geowise using a product called Instant Atlas</li> <li>○ Expanding the Geographical Information Systems internet solution developed by e spatial to</li> </ul>	Platform options considered at JSNA Steering Group-Newham model agreed. Business case being worked up,	We have brought together on our website a comprehensive library of data, linking the JSNA, needs assessments, borough profile, consultations and surveys to the six priorities of the HSP's Sustainable Community Strategy: <u>Haringey: Our Place</u> . As well as current data, this includes future plans with proposed publication dates. The IT Platform has been agreed at the	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				encompass the partnership		<p>Council IT Board. Potential suppliers being identified ABG funding for the IT Platform being agreed.</p> <p>The internet solution developed by e spatial can be accessed on the Council website at:</p> <p><a href="http://harinet.haringey.gov.uk/index/maps-online.htm">http://harinet.haringey.gov.uk/index/maps-online.htm</a></p>	
13	<p><b>Recommendation 7 - address capacity issues</b> To ensure that the data set can be developed on a timely basis it is imperative that the public health team is at full capacity. Consideration should be given to use any capacity within the Borough Council for analyst skills.</p>	2	<p>Director of Public Health</p> <p>Susan Otit</p>	<p>Joint Strategic Needs Assessment Technical Group established and shares data</p> <p>NHS Haringey has increased its capacity by successfully recruiting to 4 consultant posts</p> <p>The Primary Care Trust and</p>	<p>Ongoing discussions on sharing resources &amp; developing joint analysts. Further resources have been identified in the PCT's investment strategy for the Phase 2.</p>	<p>NHS Haringey has recruited a Health Economist to provide additional resource to the Public Health team.</p> <p>In January 2010 NHS Haringey and Haringey Council held 'Needs Assessment Training' for council officers to</p>	G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				Local Authority have identified further resources to support the Joint Strategic Needs Assessment (Primary Care Trust via Investment Strategy and Local Authority via dedicated time within new Information Officer post). (August)		develop their skills and understanding.	
15	<b>Recommendation 8 - more training on HI issues</b> There is potentially an opportunity to enhance joint training in Health Inequalities at both Non Executive Director and Member level as well as further down the organisation.	2	Director of Public Health  Eugenia Cronin	Director of Public Health has established London Borough of Haringey corporate public health group, with aim of cascading training through London Borough of Haringey.  Director of Public Health with Assistant Chief Executive Policy Performance Partnerships and Consultation is convening an event for elected	A health inequalities conference was held in November 2008. It was well attended by elected members and NEDs, as well as senior officers.	A second 'Health: Everyone's Business' partnership event to look at health inequalities is planned for summer 2010 to build on the work from the 2008 event and beyond. It is proposed to have this as a joint event between OSC and the WBSP Board to share the findings of the Marmot Review – Fair Society, Healthy Lives. The event will be	G  G

Page no.	Recommendation	Priority 1 = high 2 = medium 3 = low	Responsibility	Comments milestones	Progress January 2009	Progress January 2010	RAG Status
				members.(October/November 2008)  Director of Public Health in discussion with Non Executive Directors on training needs. (Autumn 2008)		open to all HSP and Theme Board members.  The HINST led a PCT Board seminar in January 2010 to discuss a number of the recommendations and share good practice. The session was open to all HSP members	
16	<b>Recommendation 9- Well Being Scorecard</b> We recommend that the Well Being Scorecard is reviewed on an exception basis and that appropriate consideration is given to the performance agenda, this may require review by the Well Being Chair Executive prior to the Well-being Partnership Board meeting.	2	Well Being Chair Executive  Sarah Barter	At Well Being Chair Executive on 20 June agreed to discuss performance using well-being scorecard exception reporting as standing item on Well Being Chair Executive and Well-being Partnership Board		Haringey has an effective Well-Being Partnership Board which is co-chaired by the Cabinet Member for Adult Social Care and Wellbeing, and the Chairman of NHS Haringey. This Board has provided robust governance and oversight to the Wellbeing agenda as reflected in improving	G

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						<p>joint performance against LAA targets.</p> <p>Performance Summary/ Exception report detailing the performance on the indicators within the Thematic Board and exception report focusing on indicators missing targets are produced and presented to the Well-being Partnership Board by the ACCS Performance Manger. Issues that may affect performance reporting on these indicators are also discussed at Well Being Strategic Partnership - Agenda Setting Meetings.</p>	
19	<b>Recommendation 11 - develop formal plans and</b>	2	Performance	Both the Council and Primary Care Trust are	NHS Haringey has agreed an Associate	NHS Haringey has identified the key	A

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	<p><b>procedures for corporate social responsibility</b> Partner organisations should develop formal corporate social responsibility plans or policies, which recognise their significant influence as local employers, commissioners, property owners and developers, and neighbours to the local community. These plans should identify how partners can use their full range of services to stimulate health improvement and address health inequalities, and consider the financial implications of doing so.</p>		<p>Management Group</p> <p>Mun Thong Phung/ Eugenia Cronin</p>	<p>seeking to develop plans for integrating corporate social responsibility (March 2009).</p> <p>The Council is developing a People Strategy to cover all aspects of employment including corporate social responsibility. The Strategy will be considered at Management Board and committee stage in September 2008; it contains a series of actions that will co-ordinate corporate social responsibility activities</p> <p>An overarching policy of Corporate Social Responsibility can be developed between NHS Haringey, Haringey Council and local voluntary and community groups, this needs discussion and agreement, initially through the Performance</p>	<p>Director for Public Health will be their named lead to work with LBH</p> <p>The People Strategy, agreed by Members in Sept 08, covers all aspects of organisational and people management - corporate social responsibility is central theme running through it. An enthusiastic discussion was also had about CRS at Management Board in January 2009. Developing a CSR Plan will be a Leadership Programme project which is likely to be completed in August 2009.</p>	<p>perspectives on CSR relating to health.</p> <p>Work Is underway linked to the Greenest Borough Strategy.</p> <p>Haringey Council and NHS Haringey are working together to maximise the use of its estate and identify shared usage.</p>	



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				<p>Management Group London Borough of Haringey. Agreement to develop a joint policy would need to be raised through the Haringey Strategic Partnership and agreed at that forum.</p> <p>It should be noted that there are key work streams, initiatives, projects and strategies that correlate with corporate social responsibility not least the Greenest Borough Strategy, the Haringey Guarantee, Child Poverty Strategy, Well being and Safer Communities Executive Board work streams amongst many others. There are also schemes within the local authority which encourage staff volunteering, and provide work experience and</p>			

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				<p>apprenticeships for Haringey residents.</p> <p>There is a need to pull this work together with overarching principles for working as ethical and socially responsible public services and employers, with a commitment and tangible evidence of creating and investing in a culture of corporate social responsibility.</p>			



Haringey Council

Agenda item:

**[No.]****Audit Committee****On 25 March 2010**Report Title: **Internal Audit Annual Plan and Strategy 2010/11**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](mailto:anne.woods@haringey.gov.uk)Wards(s) affected: **All**Report for: **Non-key decision****1. Purpose of the report**

1.1 The purpose of this report is to inform members of the proposed Annual Internal Audit Plan for 2010/11.

1.2 The report also advises Members of the internal audit strategy.

**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 the CAA. 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 That the Audit Committee notes and approves the internal audit strategy.

3.2 That the Audit Committee approves the Annual Internal Audit Plan for 2010/11.

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

4.1 The Audit Committee is responsible for reviewing and approving the annual internal audit plan as part of its Terms of Reference. In order to facilitate this, a draft audit plan is provided 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 adequacy and effectiveness of internal control throughout the authority. This report sets out the planned programme of work for 2010/11.

6.2 The information has been compiled from information held within Audit & Risk Management and from records held by business units across the Council.

**7. Head of Legal Services Comments**

7.1 The Head of Legal Services has been consulted in the preparation of this report, and comments that there are no specific legal issues arising out of the report or its recommendations.

7.2 The Head of Legal Services also notes that the Draft Internal Audit Plan and Strategy follows published and accredited guidance, and as such no legal issues arise out of that document.

**8. Chief Financial Officer Comments**

8.1 The Chief Financial Officer notes that the proposed audit plan for 2010/11 has been developed according to current best practice requirements for internal audit which stress the need for them to be fully risk based following consideration of all available information on future business issues and risk registers as well as an analysis of materiality and risk of key services and systems.

8.2 The draft plan also outlines the responsibilities of Deloitte & Touche in terms of reporting which provide further assurance that a timely and effective internal audit function is provided for the Council.

**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 has been undertaken with respective service managers, Assistant Directors, Directors and Assistant Chief Executives in the production of the draft internal audit plan.

**12. Service Financial Comments**

12.1 There are no direct financial implications arising from this report. The work completed by Deloitte and Touche to undertake the annual audit plan 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 – Draft internal audit plan and strategy 2010/11

**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 Local authorities are required by law to maintain an internal audit function. In addition, The Accounts and Audit (Amendment) (England) Regulations 2006 reinforce the statutory requirement and re-state the need for the Council to maintain an adequate and effective system of internal audit.

15.2 Within Haringey, the Internal Audit function is comprised of Deloitte and Touche, who undertake the majority of the internal audit work in accordance with the contract in place, including IT and procurement audit. The in-house team is currently responsible for investigations into allegations of financial irregularity, provision of advice on risk and controls and grant certification work.

15.3 Appendix A contains the proposed annual audit plan for 2010/11, which is fully risk based and has been derived following consideration of the risk and materiality (financial and other), of services and systems of the Council, the risk registers in place and the 2010/11 pre-business plan reviews and draft business plans. This approach reflects current best practice requirements for internal audit and ensures that, over the life of the contract, the Council's key and higher risk systems and services will be appropriately reviewed according to risk. This approach also ensures that the council operates a fully integrated internal audit and risk management process.

15.4 Appendix A also includes the audit strategy which will be used to deliver the council's internal audit plan. As part of the contract with Deloitte and Touche, it is considered appropriate to keep members advised of the strategy and the way in which the service will be delivered and request their approval of it. The strategy has been drafted in line with the 2006 CIPFA Code of Practice and best practice guidance for public sector audit services.

## **16. The Annual Audit Plan 2010/11**

16.1 The proposed annual internal audit plan for 2010/11 is attached as Appendix A to this report. It gives details of the planned audit work on the key financial and other systems of the Council. Appendix A summarises the work which will be undertaken at a corporate level, e.g. pro-active anti-fraud and project management and also provides details of the work proposed for individual directorates.

16.2 We have included brief details of the planned scope for each project, although the detailed scope will be agreed with the client for the work at the planning stage of the audit. Timings for the projects have also been agreed with the nominated clients to take account of any cyclical or other work pressures, although these may be subject to change during the course of the year.

16.3 The proposed projects have been discussed with directors and their management teams and will be subject to further discussions with the nominated client for each audit as part of the detailed planning process. All completed projects are subject to a formal follow up review process and the results of the follow up reviews will continue to be reported for information to the Audit Committee, on a quarterly basis.

16.4 We will continue to work with the Council's external auditors, Grant Thornton, to ensure that audit coverage is maximised and duplication is avoided wherever possible in order to make the best use of our combined resources. A planned programme of meetings will take place during 2010/11 to ensure that use of audit resources is effective.

16.5 Table 1 below summarises the numbers of audit projects planned for 2010/11, by directorate:

**Table 1**

<b>Directorate</b>	<b>Number of Projects</b>
Chief Executive – People and Organisational Development	<b>5</b>
Chief Executive – Policy, Performance, Partnerships, and Communication	<b>3</b>
Children and Young People's Service (excluding schools)	<b>6</b>
Urban Environment	<b>8</b>
Adults, Culture and Community Services	<b>4</b>
Corporate Resources (including key financial systems)	<b>17</b>
IT audit	<b>6</b>
Procurement and contract audit	<b>4</b>
Project management assurance	<b>5</b>
<b>Total</b>	<b>58</b>

16.6 Included in the above table (within Corporate Resources) are audits of key financial systems. We consider key systems to be those which are essential to the successful management of the Council, and where failure of the system would have a material effect on the organisation. These key systems, including payroll, accounts payable, accounts receivable, council tax, housing benefits etc. are therefore subject to regular review. This programme of work has been agreed with both the managers responsible and the council's external auditors.

16.7 The number of projects listed in the table above excludes the follow up reviews and visits to individual establishments as part of the schools and social services programmes. The 2010/11 audit plan included at Appendix A has taken account of the key risks and issues which have been identified via a review of: business unit, departmental and corporate risk registers; new projects and procurement activities reported to the Cabinet and the Cabinet Procurement Committee; the Annual Audit and Inspection Letter; fraud investigation work completed in 2009/10; and the 2010/11 business plan proposals submitted by business units. As a result, the 2010/11 audit plan has included projects to address the key risks and issues facing the Council including: data quality; safeguarding adults; personalisation contracts for service provision; employment verification procedures; disposal/sales of properties; and cash handling procedures.

16.8 We will continue to provide support to key projects, including advice to project boards at key stages of the scheme where appropriate, as well as undertaking reviews of individual projects to ensure that the project is complying with the required framework, and financial, reporting and other functions are being managed appropriately.

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## London Borough of Haringey – Draft Internal Audit Plan and Strategy 2010/11

This document sets out the annual internal audit plan for Haringey internal audits to be completed during 2010/11. The audits proposed within the plan are based on the potential risks facing business units and departments across the council in 2010/11 and take into consideration the corporate, departmental and business unit risk registers; business plans; and the Council's fraud profile and pro-active and reactive fraud work undertaken during 2009/10 to provide a fully integrated risk based annual audit plan. The proposed audits have been discussed and agreed with Directors and their management teams and the plan is submitted to the Audit Committee for final approval.

The council's strategy for delivery of the audit plan is included at the front of the 2010/11 annual audit plan. The strategy is set out below and presented to the Audit Committee for formal approval. It builds on the work completed by Deloitte and Touche since their re-appointment in April 2007. It is proposed that this approach is used for the contract with Deloitte and Touche and any significant changes to the internal audit strategy are reported to the Audit Committee for formal approval.

### 1. Introduction

#### 1.1 Purpose of the Internal Audit Strategy

The purpose of the draft internal audit strategy is to define the approach and methodology to be followed which will enable us to:

- Provide the Audit Committee with an opinion on the council's risk management, control and governance arrangements;
- Audit the risk management, control and governance arrangements through annual audit plans, which give priority to the organisation's objectives and risks;
- Identify improvements to the council's risk management, control and governance by providing management with recommendations arising from the audit work;
- Identify the audit resources required to deliver an audit service which meets relevant statutory requirements; and
- Ensure effective liaison and co-operation with both the council's and Homes for Haringey's external auditors.

#### 1.2 Roles and Responsibilities

The role of internal audit is to provide an independent and objective opinion to the Audit Committee on risk management, control and governance. The opinion given by internal audit is a key element of the framework of assurance which the Audit Committee needs to report on as part of their statutory annual reporting processes.

The opinion can, however, only be reasonable in the sense that no opinion or assurance can ever be absolute and is by definition an extrapolation of the evidence available. It is important to note that in practice the scope of the audit opinion may be constrained by factors such as the scope of audit access.

The Internal Audit opinion does not supersede the Audit Committee’s responsibility for risk, control and governance and as long as internal audit work is demonstrably conducted in accordance with the Standards on Due Professional Care there can be no question of internal auditors being responsible for control failures.

## **2. Internal Audit Coverage, Approach and Assurance**

### **2.1 Internal Audit Coverage**

#### **2.1.1 Identifying Internal Audit Coverage**

It is not necessary to audit every aspect of risk, control and governance every year, but in determining the internal audit coverage we have taken account of the following:

- The Council’s risk management processes and risk registers;
- Business plans for each business unit across the Council;
- The pro-active and reactive anti-fraud work completed by internal audit and as part of the Council’s participation in the National Fraud Initiative;
- The overall coverage will encompass the whole range of risks which the Council, and its external auditors, has identified as “key” to the achievement of its aims and objectives;
- High-risk systems or processes, as identified by the Council, will need to be audited on a regular basis to deliver the assurance required. However, such systems and processes need not be fully and systematically audited every year;
- An appropriate range of non-key risks will be included in each year’s coverage to add to the comprehensiveness of the opinion;
- Risks not defined as key still require attention, to gain assurance that adverse impacts are not arising;
- In addition to existing risk, control and governance, consideration will be given to the extent of change taking place or planned to take place within the Council. Changing processes can be inherently more risky than established and known processes, and the identification and correction of weaknesses during development is more economical than after the process has been put in place; and
- Internal audit will discuss the assurance required with the Audit Committee to help ensure that appropriate coverage is planned.

#### **2.1.2 Gathering of Information**

To enable us to prepare our internal audit strategy and proposed annual operational plan we will consult with key officers within the Council. At this point we have prepared a draft plan based on the considerations at 2.1.1, together with the results of our previous years’ work for Haringey Council and our knowledge of the organisation. The proposed coverage may be further amended following discussions with Directors and their management teams during the year. Any significant changes to the audit plan during the financial year will be provided to the Audit Committee for formal approval.

## 2.2 Internal Audit Approach and Assurance

### 2.2.1 Risk Management Framework

The Council has a well established approach to risk management and the Audit Committee approves the Council's Corporate Risk Management Policy and Strategy. Risk management is included as part of the key corporate processes including business planning and final business plans, project management framework and the development of business unit, departmental and corporate risk registers. All of these areas are considered when producing the draft annual audit plan. In some cases, these procedures and processes may be included in the audit plan to be reviewed in their own right.

### 2.2.2 Key Financial Systems

The Council has a number of systems which are important to achieving its operational objectives and have been identified by internal and external audit as 'key financial systems'. The key financial systems are those which would have a material impact on the council if they were to fail and include payroll, strategic financial management and budgetary control, accounts payable, accounts receivable, housing and council tax systems. As a result, a planned programme of work is in place which ensures that the key controls are tested on an annual basis and in-depth reviews are completed on a cyclical basis.

During 2010/11, it is proposed to develop a programme of controlled risk self assessment for those managers responsible for key financial systems. This will provide an additional source of assurance to internal and external auditors and the Audit Committee as it is still planned to test the key controls for each system on an annual basis. The self assessment will be designed to complement the audit process and will provide further information to auditors to assist them in assessing the risks within the system, focusing controls testing and providing an audit opinion on the overall system.

### 2.2.3 Assignment Planning

The assignments are planned to various depths and frequencies as follows:

#### Depth of audit

The definition of each type of audit is as follows:

##### Verification:

An audit to determine both the adequacy and effectiveness of the internal controls.  
Evaluating the adequacy of internal controls will normally involve:

- Confirming the risks and the possible causes preventing the achievement of the aims and objectives of the area/system; and
- Assessing whether the controls are sufficient for the level of risk in the achievement of the aims and objectives of the area / system.

Effectiveness testing is carried out on key controls, normally on a sample basis, to assess their

effective operation in practice. Key controls are those identified as vital to prevent a particular error, or covering a large number of causes of error.

As an alternative to verification, for less significant areas and risks, a high-level audit will be carried out. This would determine if the documented risk is sensible, relevant and has an appropriate control strategy, action plan and assurance activities.

An audit to ascertain that previous audit recommendations have been implemented effectively.

Validation:

Follow up:

**Frequency of audit**

Each audit will be prioritised depending on its significance to the Council and the planned depth and frequency will be as follows:

Priority Significance	Depth	Frequency of audit
High	Follow up and Verification	Annual
Medium	Follow up and Validation	Selected on the basis of risk
Low	Follow up and Validation	By Request Only

For each element of internal audit work identified, an estimate of the number of staff days, which will be required to conduct the work, will be made.

**3. Relationship with External Auditors and other Assurance Providers**

**3.1 Relationship with the External Auditors**

As the Council and Homes for Haringey’s Internal Auditors we will seek to meet regularly with the External Auditors for both organisations to:

- Consult on the audit plans;
- Discuss matters of mutual interest;
- Discuss common understanding of audit techniques, methods and terminology; and
- Seek opportunities for co-operation in the conduct of audit work.

In particular, we will offer the External Auditors the opportunity to rely on our work where appropriate. In any case of conflict with the External Auditors, we will consult with, or refer the matter to, the Chief Executive of the Council and/or Homes for Haringey.

**3.2 Reliance on Other Assurance Providers**

It is not always necessary for internal audit to audit processes directly in order to gain assurance about them. The council’s risk management processes identifies the officers responsible for managing risks and/or controls. As part of each audit we will consider the following:

- What other assurance processes are in place (e.g. Stewardship Reporting processes, documented CRSA reviews, the work of other review or inspection teams); and
- The way in which these processes can themselves be audited and quality assured, in order that Internal Audit can consider how the work of these assurance processes can contribute to the overall assurance (without conduct of audit work which repeats actions already taken). This may involve:
  - Specific quality assurance audits of other assurance processes;
  - Auditing on a sample basis the specific work of assurance functions to gauge reliability of findings; and
  - Joint working with other review teams.

#### 4. Reporting Protocols

##### 4.1 Timing of Audits and Notification

Following approval of the annual internal audit plan, planning meetings will be arranged with the relevant managers to agree the detailed terms of reference for the relevant audit. This will take place at least three weeks before the commencement of the audit. Terms of reference will include the area objectives, audit scope and approach, planned schedule of interviewees, planned budget days and planned date for the exit meeting.

#### 4.2 Reporting

##### 4.2.1 Audit Reports

We have an agreed audit reporting protocol, which sets out the key stages of each audit and the responsibilities of both the auditor and the service managers and this has been provided to all service directors. Formal audit reports will be produced for each audit project contained within the annual audit plan, including establishment audits. The style of report may be varied by agreement with the relevant service director and Audit Manager, for example if major findings arise in one area. Following completion of the fieldwork, the auditor will provide feedback on the findings to the service manager in an exit meeting. Draft audit reports will be produced within three weeks of this meeting with final reports being issued within two weeks of the receipt of management's response to the draft report.

Reports will normally be produced in the agreed format. This will include:

- An executive summary explaining the context of the audit, summarising all conclusions and highlighting key issues arising;
- Detailed recommendations supported by a rationale together with management response, responsibility and agreed deadlines for implementation; and
- Timing of audit follow up work where appropriate.

Audit reports will provide an overall opinion on the level of control exercised over the auditable area or risk. This opinion will be based on the findings from the audit which will be assessed as follows:

- Priority 1:* Critical business risk not being adequately addressed; weaknesses in key business controls; substantial non-conformance with regulations and accepted standards.
- Priority 2:* Important business issues to be addressed; improvement area; inadequate risk identification or reduction; non-conformance with regulations.
- Priority 3:* Minor non-conformances with the business management system; other business issues to be addressed, good working practices.

The following levels of opinion will be used in audit reports:

- Full Assurance:* There is a sound system of control designed to achieve the system objectives.
- Substantial Assurance:* There is a basically sound system, but there are weaknesses which put some of the system objectives at risk.
- Limited Assurance:* Weaknesses in the system of controls are such as to put the system objectives at risk.
- No Assurance:* Control is generally weak leaving the system open to significant error or abuse.

**4.2.2 Audit Committee Reports**

A progress report will be presented to the Council’s Audit Committee on a quarterly basis, and will include a summary of completed work, plus the following details for each of the completed internal audits which received ‘limited’ assurance:

- Objectives of the audit;
- Overall conclusion about the level of assurance;
- Number of recommendations in each priority category;
- Full details of all recommendations;
- A note about any management responses which are of concern to the internal auditors; and
- A note about any failures by the management to fulfil the actions agreed in earlier internal audit reports.

Members of the Committee will also be provided with full copies of our audit reports upon request. An Annual Report to the Council’s Audit Committee will also be produced incorporating our annual opinion and an agreed statement of the overall

assurance we are able to provide, and including details of audit coverage against audit plan, summary of major recommendations made, and commentary on significant areas or recommendations not implemented.

### 5. Quality Assurance

We are committed to delivering internal audit services of the highest quality and technical standards, which we achieve by:

- Applying an audit methodology and approach that complies with Government and professional standards, including those issued by the Auditing Practices Committee, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Internal Auditors (IIA). Our assignment methodology has been developed through experience to ensure that our procedures are of the highest quality.
- Ensuring that all our staff employ the most efficient audit techniques as a result of on-the-job training and specially tailored courses given by our specialist internal audit training division "Aid to Industry".

We have also produced a detailed written Quality Manual, which covers all aspects of our service provision and includes the following features:

- Quality procedures;
- Detailed approach and documentation;
- Complaints procedures;
- Professional standards;
- Customer care procedures;
- Quality audit procedures; and
- Nominated individuals responsible for quality.

### 5.1 Performance Indicators

With regards to the published Combined Code and Smith Report, section D3.2 (c), the council's Audit Committee should monitor and review the effectiveness of the organisation's internal audit function. We detail below the performance indicators which are currently provided to the Audit Committee for the Internal Audit Service:

- Achievement of the internal audit plan;
- Length of time taken to complete investigations into financial irregularities; and
- Evaluation of the service by client managers.

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### 6. Resources

The internal audit service is delivered by a mix of in-house staff and an externally provided contract. The mix of resources and work was considered and approved by the Audit Committee in June 2006. A five year contract based on the Audit Committee's recommendations was awarded to Deloitte and Touche Public Sector Internal Audit Ltd, in accordance with council procedure rules, in April 2007. The two full time, permanent members of staff investigate potential breaches of the council's disciplinary codes of practice, as well as providing advice on risks and controls to managers and undertaking work to assist in the completion of specific grant certification processes. The outsourced contract will provide the remaining internal audit services in order to fulfil the council's statutory requirements under Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations. The contract for the outsourced audit work specifies the skills, resources and method statements required to enable delivery of the risk based audit plan.



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### Haringey Internal Audit Coverage: 2010/11

The table below sets out the internal audit work to be completed during the 2010/11 financial year, which is in accordance with the contract. The total number of days to be delivered is 1,150; which does not include audit work that will be completed as part of the SLA with Homes for Haringey. The breakdown of work can be summarised as:

Area	Directorate	Days
Key Financial Systems (KFS)	Corporate Resources	140
Directorate Systems and Risks	Corporate Resources	61
Procurement Audit	Corporate Resources	65
IT Audit	Corporate Resources	75
Project Management Assurance and Project Advice	All Directorates	65
Pro Active Fraud	All Directorates	40
Risk Management Development and Support	All Directorates	5
Directorate Systems and Risks	Urban Environment	85
Directorate Systems and Risks (including School Audits and FMSIS inspection for Primary Schools)	Children and Young People's Service	205
Directorate Systems and Risks	Adult, Culture and Community Services	50
Directorate Systems and Risks	Chief Executives - People and Organisational Development	55
Directorate Systems and Risks	Chief Executive - Policy, Performance, Partnerships and Communication	30
Follow Up	All Directorates	50
Management	All Directorates	100
Sub-total		1026
Contingency		124
<b>Total</b>		<b>1150</b>

Corporate Resources – Key Financial Systems and Directorate systems and risks:

Audit title	Scope	Client	Quarter	Days
Strategic Financial Management & Budgetary Control (KFS)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Budget setting;</li> <li>• Budgetary control and variance analysis;</li> <li>• Departmental management reporting;</li> <li>• Virements;</li> <li>• Corporate management reporting;</li> <li>• Close down procedures; and</li> <li>• Follow up of previous recommendations.</li> </ul>	<p>Head of Corporate Finance</p> <p>Head of Finance – Budgets, Projects &amp; Treasury</p>	3	15
Cash Receipting (KFS)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Staff training;</li> <li>• Reconciliations;</li> <li>• Posting of receipts to the general ledger;</li> <li>• Segregation of duties;</li> <li>• Investigation of unidentified payments;</li> <li>• Storage of income;</li> <li>• Banking of income;</li> <li>• Returned cheques;</li> <li>• Management information being produced;</li> <li>• IT access, security and disaster recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>	<p>Head of Corporate Finance</p> <p>Head of Finance – Accounting &amp; Control/ Head of Income &amp; Debt Management</p>	3/4	15
Treasury Management (KFS)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p>	<p>Head of Corporate Finance</p>	3	10

Audit title	Scope	Client	Quarter	Days
	<ul style="list-style-type: none"> <li>• Legislative requirements are complied with;</li> <li>• Council assets are protected;</li> <li>• Necessary financial information is provided to ensure that the performance of the Council's net cash flow is maximised;</li> <li>• Regular reconciliation carried out to support the integrity of loans and investments made;</li> <li>• Reporting complies with the legislation;</li> <li>• Access to data is restricted; and</li> <li>• Follow up of previous recommendations.</li> </ul>	Head of Finance – Budgets, Projects & Treasury		
Accounting & General Ledger (KFS)	High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas: <ul style="list-style-type: none"> <li>• Data entry;</li> <li>• Completion &amp; recording of journals;</li> <li>• Management information &amp; reports produced;</li> <li>• Feeder system and input to the Ledger;</li> <li>• Control account reconciliation;</li> <li>• Structure of the ledger;</li> <li>• IT access, security &amp; disaster recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>	Head of Corporate Finance  Head of Finance – Accounting & Control	4	15
Accounts Payable (Creditors) (KFS)	High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas: <ul style="list-style-type: none"> <li>• Receipt &amp; certification of invoices;</li> <li>• Input of invoices to system;</li> <li>• Payments;</li> <li>• Amendments to supplier master file;</li> <li>• BACS controls;</li> <li>• Cheque controls;</li> <li>• IT access, security &amp; disaster recovery; and</li> </ul>	Head of Corporate Procurement/P2P Performance Manager  (Head of Finance – Accounting & Control, and Financial Systems Manager)	4	15

Audit title	Scope	Client	Quarter	Days
Pension Fund Investment (KFS)	<ul style="list-style-type: none"> <li>• Follow up of previous recommendations.</li> </ul> <p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Guidance &amp; training;</li> <li>• Verification of investments;</li> <li>• Purchases &amp; sales;</li> <li>• Income;</li> <li>• Performance monitoring;</li> <li>• IT access, security &amp; disaster recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>	<p>Head of Corporate Finance</p> <p>Head of Finance – Budgets, Projects &amp; Treasury</p>	4	10
Accounts Receivable (Sundry Debtors) (KFS)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Raising of invoices;</li> <li>• Cash receipts;</li> <li>• Reconciliation to general ledger;</li> <li>• Debt recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>	<p>Head of Corporate Finance</p> <p>Head of Income &amp; Debt Management</p>	3	15
Housing Benefits (KFS)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• IT access, security and disaster recovery;</li> <li>• Segregation of duties;</li> <li>• Compliance with scheme;</li> <li>• Scanning and Indexing;</li> <li>• Backdated claims;</li> <li>• Fraud management;</li> </ul>	Acting Head of BLT	3	20

Audit title	Scope	Client	Quarter	Days
Council Tax (KFS)	<ul style="list-style-type: none"> <li>• Payments;</li> <li>• Overpayments;</li> <li>• Appeals;</li> <li>• Reconciliation;</li> <li>• Quality Control;</li> <li>• Subsidy;</li> <li>• Budgetary control;</li> <li>• Performance review; and</li> <li>• Follow up of previous recommendations.</li> </ul> <p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Organisational structure;</li> <li>• Methods of payment</li> <li>• Reconciliation between debit and valuation list;</li> <li>• Discount &amp; reduction applications;</li> <li>• Billing;</li> <li>• Receipts from taxpayers;</li> <li>• Suspense accounts;</li> <li>• Debt recovery action;</li> <li>• Write off;</li> <li>• Monitoring of collection rates;</li> <li>• Reconciliation with general ledger;</li> <li>• Refunds;</li> <li>• Void allowances;</li> <li>• Benefits assessments;</li> <li>• Policies and procedures;</li> <li>• IT access, security &amp; disaster recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>	Acting Head of BLT	4	15
NNDR (KFS)	High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and	Acting Head of BLT	4	10

Audit title	Scope	Client	Quarter	Days
	<p>significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Organisational structure;</li> <li>• Reconciliation between debit &amp; valuation list;</li> <li>• Charitable relief;</li> <li>• Billing;</li> <li>• Receipts from taxpayers;</li> <li>• Suspense accounts;</li> <li>• Debt recovery action;</li> <li>• Write off;</li> <li>• Monitoring of collection rates;</li> <li>• Reconciliation with general ledger;</li> <li>• Refunds;</li> <li>• Void allowance;</li> <li>• Policies &amp; procedures;</li> <li>• IT access, security &amp; disaster recovery; and</li> <li>• Follow up of previous recommendations.</li> </ul>			
BLT risk register – testing of key controls	This will be a risk based audit focusing on testing of the key controls identified by the service within the Business Unit risk register.	Acting Head of BLT	2	10
Corporate Property Services risk register – testing of key controls	This will be a risk based audit focusing on testing of the key controls identified by the service within the Business Unit risk register.	Head of Corporate Property Services	2	10
Teachers' Pensions contributions (Grant certification requirement 2010/11)	The Council is required to complete an annual statement showing teachers' pension contributions deducted and remitted in the year. Internal audit will complete sample testing to confirm that the requirements of the statement have been complied with for those schools with outsourced payroll providers.	Head of Corporate Finance Head of Finance, CYPS	1	6
Management of Out of Hours telephone contact service (Risk Register CR07)	This will be a full review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:	Interim Head of Customer Services	2	5

Audit title	Scope	Client	Quarter	Days
<p>Implementation of IFRS and asset valuation (Risk Register CR03, CR05)</p>	<ul style="list-style-type: none"> <li>• Compliance with contractual, local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Business Continuity and Disaster Recovery procedures;</li> <li>• Monitoring and review processes; and</li> <li>• Reporting and management information, including any statutory returns.</li> </ul> <p>High level system audit, including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with IFRS requirements, statutory and local policies and procedures (including capitalisation and depreciation);</li> <li>• Process to validate and update the Asset Register;</li> <li>• Notification processes to ensure all relevant Council records are maintained e.g. Council Tax, NNDR, Insurance; and</li> <li>• Reconciliation with Nominal Ledger.</li> </ul>	<p>Head of Corporate Property Services</p> <p>Head of Corporate Finance</p>	<p>2</p>	<p>10</p>
<p>Disposals/sales of properties (Risk Register CR05)</p>	<p>This will be a full systems review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Links to asset management strategy and monitoring arrangements;</li> <li>• Approval processes for disposals;</li> <li>• Advertising, publicity and communications processes;</li> <li>• Updating of asset registers and notification procedures to ensure other departments' records, e.g. insurance and BLT, are updated.</li> </ul>	<p>Head of Corporate Property Services</p>	<p>2</p>	<p>10</p>

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Audit title	Scope	Client	Quarter	Days
Local Land Charges (Risk Register CR06)	<ul style="list-style-type: none"> <li>• Budget management and controls; and</li> <li>• Monitoring and reporting arrangements.</li> </ul> <p>This will be a full review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Processes for receiving, processing and responding to applications for services;</li> <li>• System and controls for setting and applying statutory and local charges, collection of income and reconciliation process;</li> <li>• Communication and marketing of the service;</li> <li>• Monitoring and review processes; and</li> <li>• Reporting and management information, including statutory returns.</li> </ul>	Head of Legal Services	3	10
<b>Total</b>				<b>201</b>



Procurement Audit:

Audit title	Scope	Client	Quarter	Days
Contract evaluation procedures	<p>This will be a full review of the controls in place to ensure that the objectives of this area are met. We will review the following areas across the Council for a sample of contracts let during 2010/11:</p> <ul style="list-style-type: none"> <li>• Compliance with local, statutory and EU requirements and legislation;</li> <li>• Identification of evaluation criteria for each contract at PQQ and ITT stages;</li> <li>• Evaluation and assessment processes used for each contract at PQQ and ITT stages; and</li> <li>• Recommendation and selection of Contractors based on evaluation processes.</li> </ul>	Head of Corporate Procurement	2	20
Use of corporate purchase/credit cards	<p>This will be a full review of the controls in place to ensure that the objectives of this area are met. We will review the following areas for a sample of purchase card users:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, approval and authorisation processes for purchase card users;</li> <li>• Collection of purchase cards for officers who leave, move or are no longer entitled to use the service;</li> <li>• Level and type of expenditure complies with the purchase card procedures and financial regulations;</li> <li>• Records, including retention and disposal procedures for purchases;</li> <li>• Reconciliation monitoring and reporting arrangements.</li> </ul>	Head of Corporate Procurement	3	15

Use of waivers	<p>This will be a full review of the controls in place to ensure that the objectives of this area are met. We will review the following areas for a sample of business units:</p> <ul style="list-style-type: none"> <li>• Compliance with local, statutory and EU requirements and thresholds;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, approval and authorisation processes for waiver requests;</li> <li>• Records, including retention and disposal procedures at directorate level; and</li> <li>• Subsequent expenditure complies with approved waivers.</li> </ul>	Head of Corporate Procurement	3	15
Use of consultants	<p>This will be a full review of the controls in place to ensure that the objectives of this area are met. We will review the following areas for a sample of business units:</p> <ul style="list-style-type: none"> <li>• Compliance with local, statutory and EU requirements and thresholds;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, approval and authorisation processes for use of consultants;</li> <li>• Records, including maintenance at directorate level (including use of waivers);</li> <li>• Contracts in place for each consultant which comply with corporate requirements; and</li> <li>• Subsequent engagement and expenditure complies with waiver and/or local and EU thresholds.</li> </ul>	Head of Corporate Procurement	1	15
<b>Total</b>				<b>65</b>

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IT Audit:

Audit title	Scope	Client	Quarter	Days
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Audit title	Scope	Client	Quarter	Days
Framework-I Payments	<p>The Framework-I Social Care system is being configured to allow payments to be made directly from the system following authorisation without subsequent authorisation for payments within SAP. This audit will seek to identify the controls in place over the authorisation of payments within Framework-I, reconciliation of interfaces and the impact on business processes to help ensure that appropriate controls are put in place over the interface.</p>	AD – Safeguarding & Strategic Services	2	10
Network Infrastructure	<p>Previous internal audits have audited the Network Windows Operating System but have not audited the overall network structure to identify if management have put controls in place over the management of the network to review network capacity and eliminate single points of failure. This audit will cover areas such as Network Management, Network Topology, Monitoring, Network Support, Network Device Security and Physical and Environmental Controls</p>	Head of IT Services	4	15
Disaster Recovery Test Revenues and Benefits Application	<p>Previous audits have attended the Civica Parking, SAP Financials and Corelogic Disaster Recovery Tests. The test to be attended will be confirmed with the IT Security and Continuity Manager. The audit will look to review the processes for the DR test, attendance at the test and reporting of the test.</p>	Acting Head of Benefits & Local Taxation	2	5
Revenues and Benefits – Application Audit	<p>Haringey use the Northgate iWorld application for the processing of Council Tax and Housing and Council Tax Benefit. This is a key system for the Council and includes significant revenue and payment streams. The audit will look at the application used to process the claims. The only previous audit in this area was completed as part of the 2008/09 Internal Audit Plan however looked at the iWorld database only.</p> <p>The audit will examine as appropriate user access structure, logical access controls and security configuration of the system, together with sample testing of input, output, processing; audit trail controls, backup procedures and Business Continuity / Disaster Recovery arrangements, and any interfaces</p>	Acting Head of Benefits & Local Taxation	2	15

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Audit title	Scope	Client	Quarter	Days
Contact Point	<p>As part of the Every Child Matters programme Contact Point has been established as a database covering all Children that can be accessed by Social Care practitioners and other interested parties. This applies to Local Government and places a number of key security considerations for the protection of sensitive data and for the allocation of access. The audit will assess the controls and applied to comply with the Contact Point national and corporate security policy requirements by evaluating the adequacy of the control framework with relation to the following areas:-</p> <ul style="list-style-type: none"> <li>- Project governance and risk management</li> <li>- Roles, responsibilities and administration procedures;</li> <li>- System security segregation of duties and data shielding;</li> <li>- Data integrity</li> <li>- Management reporting.</li> </ul>	CYPs Deputy Director – BSD	1	10
Security, Virus and Patch Management	<p>The prevention of Virus attack is a key requirement for the protection of the Councils information resources. This audit will look at the processes the Council has in place for the update of Virus protection and the update of patches on Council Operating Systems. This audit will include the process for ensuring that Council systems are protected from Virus and Spyware and the policies adopted for the patch management of IT systems.</p>	Head of IT Services	1	10
Follow ups	<p>To help ensure that management are implementing actions completed as part of previous audit reports we propose to undertake a series of follow up visits to audits issued as part of the 2009/10 Internal Audit Reports. The focus of this work will be to ascertain the status of recommendations of previous audit recommendations and obtain evidence where recommendations are marked as implemented.</p>	Various	3	10
<b>Total</b>				<b>75</b>

All Directorates:

Audit title	Scope	Client	Quarter	Days
Project Management Assurance	<p>The audit work will consider key projects, as identified by the Council as part of the overall delivery of the council plan and Haringey Forward programme.</p> <p>The following projects have been identified for inclusion in the internal audit plan in consultation with the Project Manager within the Policy &amp; Performance Team.</p> <ul style="list-style-type: none"> <li>• Heartlands – including relationships with other agencies</li> <li>• Wards Corner</li> <li>• Local Development Framework</li> <li>• Carbon Reduction Schemes (externally funded schemes)</li> <li>• Park Force</li> </ul>	<p>AD – Planning, Regeneration &amp; Economy</p> <p>AD – Planning, Regeneration &amp; Economy</p> <p>AD – Planning, Regeneration &amp; Economy</p> <p>Assistant Director – Frontline Services</p> <p>Assistant Director – Recreation Services</p>	<p>3</p> <p>1</p> <p>2</p> <p>3</p> <p>1</p>	<p>10</p> <p>10</p> <p>15</p> <p>15</p> <p>15</p>

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Audit title	Scope	Client	Quarter	Days
Pro-active Anti-fraud	<p>Our work will cover high risk areas, where there have been previous fraud cases. We will also take into account the National Fraud Initiative, Audit Commission, London-wide view of high risk areas and the National Fraud Strategy.</p> <p>As a result of the risk analysis undertaken and fraud profiles, we will identify and recommend areas of work to be included in the pro-active anti-fraud plan.</p>	All Directors and ACE's as required	1-4	40
Risk Management Support and advice	<p>During the year we will liaise with key business unit managers and Directors for each Department across the Council to assist in the management of the council's Covalent IT system to ensure that all departments review and update their risk registers in accordance with the Council's Management of Risk Strategy.</p> <p>Where appropriate, we will either provide advice regarding controls to manage the risk, assess the adequacy of the controls identified and/or assess the effectiveness of the controls identified.</p>	All Directors and ACE's as required	1-4	5
<b>Total</b>				<b>120</b>

Urban Environment Directorate:

Audit title	Scope	Client	Quarter	Days
<p>Building Control Services (carried forward from 2009/10)</p>	<p>The Building control section ensures compliance with the Building Regulations and deals with approximately 2000 applications a year. This will be a full review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Processes for receiving, processing and responding to statutory and local notices;</li> <li>• System and controls for setting and applying statutory and local charges, collection of income and reconciliation process;</li> <li>• Monitoring and review processes; and</li> <li>• Reporting and management information, including statutory returns.</li> </ul>	<p>Assistant Director – Planning, Regeneration and Economy</p>	<p>1</p>	<p>10</p>
<p>Certificates of Lawfulness (Risk Register UE02)</p>	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, assessment and approval processes;</li> <li>• Links to Planning Services, other Council departments and external organisations e.g. utility service providers;</li> <li>• Monitoring and Enforcement processes;</li> <li>• System and controls for setting and applying statutory and local charges, collection of income and reconciliation process;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	<p>Assistant Director – Planning, Regeneration and Economy</p>	<p>2</p>	<p>10</p>



Audit title	Scope	Client	Quarter	Days
CCTV Community Safety management and operation (Risk Register UE08)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• System and controls for monitoring compliance with contractual arrangements;</li> <li>• Monitoring of contractor performance;</li> <li>• Data collection and verification processes; and</li> <li>• Reporting and management information, including statutory returns.</li> </ul>	Assistant Director – Frontline Services	2	10
Abandoned and untaxed vehicle services (Risk Register UE08)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• System and controls for monitoring compliance with contractual arrangements;</li> <li>• Monitoring of contractor performance;</li> <li>• Data collection and verification processes; and</li> <li>• Reporting and management information, including statutory returns.</li> </ul>	Assistant Director – Frontline Services	3	10
Implementation of the Dumping Action Plan (Fly-tipping) (Risk Register UE08)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements including National Indicators;</li> <li>• Documentation, policy and procedures;</li> <li>• Monitoring and review of service providers;</li> <li>• Invoices and payments to service providers;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	Assistant Director – Frontline Services	1	10

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Audit title	Scope	Client	Quarter	Days
Compliance with corporate procedures – absence management	<p>This will be a full review of the controls in place to ensure that the objectives of this system and corporate requirements are met, covering the following areas and control objectives across all business units within the department:</p> <ul style="list-style-type: none"> <li>• Compliance with corporate policy requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Maintenance of manual and SAP records;</li> <li>• Referral to and liaison with HR and OHU; and</li> <li>• Follow up, monitoring and reporting procedures.</li> </ul>	Assistant Director – Business Improvement & Strategy	1	15
SCHS risk register – testing of key controls	<p>This will be a risk based audit focusing on testing of the key controls identified by the service within the Business Unit risk register.</p>	Assistant Director – SCHS	3	10
Supplier Managed PSL properties for Temporary Accommodation (Risk Register UE06)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Documentation, policy and procedures;</li> <li>• Compliance with contractual framework requirements;</li> <li>• Monitoring and review of service providers;</li> <li>• Invoices and payments to service providers;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	Assistant Director – SCHS	4	10
<b>Total</b>				<b>85</b>

Children and Young People's Service:

Audit title	Scope	Client	Quarter	Days
BSD risk register – testing of key controls	This will be a risk based audit focusing on testing of the key controls identified by the service within the Business Unit risk register.	Deputy Director – BSD	3	10
Catering Services – Compliance with Financial Regulations	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas to provide assurance that the service is compliant with the Council's financial procedure rules:</p> <ul style="list-style-type: none"> <li>• Purchasing/general expenditure;</li> <li>• Contract procurement;</li> <li>• Payments for goods and services;</li> <li>• Income collection;</li> <li>• Banking, recording and reconciliation of income;</li> <li>• Physical assets, including security and inventory procedures;</li> <li>• Stocks, including usage and stock check procedures; and</li> <li>• Imprest Account usage and procedures.</li> </ul>	Deputy Director – BSD	1	10
Transport Services – Compliance with Financial Regulations	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas to provide assurance that the service is compliant with the Council's financial procedure rules:</p> <ul style="list-style-type: none"> <li>• Purchasing/general expenditure;</li> <li>• Contract procurement;</li> <li>• Payments for goods and services;</li> <li>• Income collection;</li> <li>• Banking, recording and reconciliation of income;</li> <li>• Physical assets, including security and inventory procedures;</li> </ul>	Deputy Director – BSD	1	10

Audit title	Scope	Client	Quarter	Days
<p>Leaving Care Service – Cash handling procedures</p>	<ul style="list-style-type: none"> <li>• Stocks, including usage and stock check procedures; and</li> <li>• Imprest Account usage and procedures.</li> </ul> <p>This will be a full review of the controls in place to ensure that the objectives of this service are met, and to provide assurance that the service is compliant with the Council's financial procedure rules:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, assessment and referral processes;</li> <li>• Monitoring and review of clients and service provision;</li> <li>• Collection and storage of cash;</li> <li>• Payments to clients;</li> <li>• Records, including retention and disposal procedures</li> <li>• Reconciliation and banking procedures; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	<p>Deputy Director – Children &amp; Families</p>	<p>2</p>	<p>10</p>
<p>Commissioning and Placements (No recourse to public funds service) – cash handling procedures</p>	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, and to provide assurance that the service is compliant with the Council's financial procedure rules:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Application, assessment and referral processes;</li> <li>• Monitoring and review of clients and service provision;</li> <li>• Collection and storage of cash;</li> <li>• Payments to clients;</li> <li>• Records, including retention and disposal procedures</li> <li>• Reconciliation and banking procedures; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	<p>Deputy Director – Children &amp; Families</p>	<p>2</p>	<p>10</p>

Audit title	Scope	Client	Quarter	Days
Internal payments and recharge procedures	<p>This will be a full review of the controls in place to ensure that the objectives of this process is met, and value for money is achieved covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Identification of current payment processes and volume of payments, including internal transfers, and cheque payments;</li> <li>• Review of alternative payment options; and</li> <li>• Monitoring and reporting arrangements.</li> </ul> <p>The review will include central CYPs departments and schools.</p>	<p>Deputy Director – BSD</p> <p>Head of Income &amp; Debt Mgmt</p> <p>Head of Finance - CYPs</p>	1	10
<p><b>Schools Audit Programme:</b></p> <p>Primary Schools</p>	<p>A risk based approach is taken in completing the schools audit programme. Factors taken into account include:</p> <ul style="list-style-type: none"> <li>- History of inadequate financial management; and</li> <li>- Inability to manage deficits or surpluses.</li> </ul> <p>The audit will be a full review of the controls in place to ensure that the objectives of the service are met, covering the following areas:</p> <ul style="list-style-type: none"> <li>• Management organisation;</li> <li>• School inspections and OFSTED;</li> <li>• Budgetary control;</li> <li>• Staffing;</li> <li>• Disbursement accounting records;</li> <li>• Asset management;</li> <li>• Unofficial Fund;</li> <li>• Data protection and security;</li> <li>• Income;</li> <li>• Health and safety; and</li> </ul>	Individual schools' Head teachers/ CYPs Finance	1-4	70

Audit title	Scope	Client	Quarter	Days
Secondary Schools (including FMSiS follow up)	<ul style="list-style-type: none"> <li>School meals.</li> </ul> <p>Additionally, for relevant Primary schools, work will also include a visit to schools to ascertain compliance with the statutory Financial Management Standard in Schools (FMSiS).</p> <p>A risk based approach, as for Primary schools, is used to determine the audit programme for secondary schools.</p> <p>Additionally, for relevant Secondary schools, work will include a visit to ascertain continued compliance with the statutory FMSiS where the FMSiS certificate from DCSF is due for renewal.</p>	Individual schools' Head teachers/ CYPs finance	1-4	70
FMSiS Advisory Work – Primary Schools	Resources have been included in the audit plan provide ongoing assistance and training for schools' Head teachers, finance officers and governors prior to the FMSiS work being undertaken at individual schools. We will liaise with the CYPs finance team to co-ordinate the support provided.	Individual schools' Head teachers/ CYPs finance	1-4	5
<b>Total</b>				<b>205</b>

Adults, Culture and Community Services:

Audit title	Scope	Client	Quarter	Days
Day Centre – Transport Services (Risk Register AC05)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met. We will review the following areas:</p> <ul style="list-style-type: none"> <li>• Documentation, policy and procedures;</li> <li>• Procurement processes for transport services;</li> <li>• Monitoring and review of clients' needs and service provision;</li> <li>• Budget management and control;</li> <li>• Monitoring and reporting arrangements; and</li> <li>• Follow up of recommendations from previous audit and scrutiny reviews.</li> </ul>	AD - Adult Services	2	10
Personalisation – Contracts for service provision To include Adult Social Care and Strategic Services (spot contracts) (Risk Register AC05, AC02)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements</li> <li>• Documentation, policy and procedures;</li> <li>• Tendering and appointment processes for service providers;</li> <li>• Monitoring and review of clients and service provision;</li> <li>• Payments to service providers;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	AD - Adult Services  AD – Safeguarding & Strategic Services	4	20
Safeguarding – adult services (Risk Register AC05, AC02)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements</li> <li>• Documentation, policy and procedures;</li> <li>• Application, assessment and referral processes;</li> <li>• Monitoring and review of clients and service</li> </ul>	AD – Safeguarding & Strategic Services	3	10

	<p>provision;</p> <ul style="list-style-type: none"> <li>• Records management – IT and manual systems;</li> <li>• Budget management and control;</li> <li>• Monitoring and reporting arrangements; and</li> <li>• Follow up of recommendations made by audit and CQC inspections.</li> </ul>			
<p>Sports approved suppliers framework (Risk Register AC03)</p>	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements</li> <li>• Documentation, policy and procedures;</li> <li>• Tendering and contract processes for external service providers;</li> <li>• Payments to service providers;</li> <li>• System and controls for setting and applying charges, collection of income and reconciliation process;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	<p>AD - Recreation Services</p>	<p>1</p>	<p>10</p>
<p><b>Total</b></p>				<p><b>50</b></p>



Chief Executive – People and Organisational Development:

Audit title	Scope	Client	Quarter	Days
Local Democracy risk register – testing of key controls	This will be a risk based audit focusing on testing of the key controls identified by the service within the Business Unit risk register.	Deputy Head of Member Services	2	10
Payroll – Key financial system (annual audit)	<p>High level system audit, including follow-up of previous audit recommendations, and including documentation, and testing of both key and significant controls covering the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Reliability &amp; integrity of transactions and records;</li> <li>• New starters and Leavers;</li> <li>• Payments, variations &amp; adjustments to pay;</li> <li>• Payroll deductions; and</li> <li>• System reconciliation.</li> </ul>	Head of Shared Services	4	15
Employee expenses (including temporary/agency staff)	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Electronic authorisation processes, including manager approval and release of final payments to employees;</li> <li>• Manual payments, including authorisation processes, documentation and records;</li> <li>• Monitoring and review processes;</li> <li>• Retention of documentation and spot checks; and</li> <li>• Reporting arrangements.</li> </ul> <p>The audit will include spot checks of documentation held by Business Units.</p>	Head of Shared Services	4	10
Employment – ongoing verification procedures, including	This will be a full review of the controls in place to ensure that the objectives of this service are met,	Head of Shared	1	10

<p>CRB and Independent Safeguarding Authority checks.</p>	<p>covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Identification and recording procedures for employees holding temporary visa/work permits, or limited right to remain/work permits;</li> <li>• Referral to and liaison processes with other government agencies where appropriate;</li> <li>• Monitoring and follow up procedures in respect of employees who hold temporary visa/work permits;</li> <li>• Ongoing verification procedures for CRB and ISA checks including escalation and referral processes; and</li> <li>• Reporting arrangements.</li> </ul>	<p>Services</p>		
<p>Health and Safety (Corporate Risk Register)</p>	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with local and statutory requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• System and controls for monitoring compliance with statutory requirements;</li> <li>• Monitoring of performance, including reportable incidents;</li> <li>• Data collection and verification processes;</li> <li>• Liaison with HSE and other agencies; and</li> <li>• Reporting and management information, including statutory returns.</li> </ul>	<p>Head of HR</p>	<p>1</p>	<p>10</p>
<p><b>Total</b></p>				<p><b>55</b></p>

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## Chief Executive - Policy, Performance, Partnerships and Communication:

Audit title	Scope	Client	Quarter	Days
Data quality – national performance indicators (Risk Register PP04)	<p>This will be a high level review of the controls in place to ensure that the objectives of this service are met, including a follow up of previous years' internal audit recommendations and external audit feedback. The following areas and control objectives will be reviewed:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Data collection and verification processes;</li> <li>• Monitoring and reporting arrangements, including statutory returns.</li> </ul>	Corporate Head of Performance & Policy	2	10
Haringey Offender Management Scheme	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Monitoring and review of clients and service provision;</li> <li>• Payments to service providers;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>	Head of Safer Communities	4	10
Translation and Interpretation Services	<p>This will be a full review of the controls in place to ensure that the objectives of this service are met, covering the following areas and control objectives:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory and local requirements;</li> <li>• Documentation, policy and procedures;</li> <li>• Monitoring and review of clients and service provision;</li> <li>• Payments to service providers;</li> </ul>	Head of Communications	3	10


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Audit title	Scope	Client	Quarter	Days
	<ul style="list-style-type: none"> <li>• Communication and marketing processes;</li> <li>• Performance monitoring and customer feedback;</li> <li>• Budget management and control; and</li> <li>• Monitoring and reporting arrangements.</li> </ul>			
<b>Total</b>				<b>30</b>



Agenda item:

**[No.]**

Audit Committee		On 25 March 2010
Report Title: <b>Annual Audit Letter 2008/09</b>		
Report of: <b>Chief Financial Officer</b>		
Signed : 		
Contact Officer : Gerald Almeroth, Chief Financial Officer		
Wards(s) affected: <b>All</b>	Report for: <b>Key Decision</b>	
<p><b>1. Purpose of the report</b></p> <p>1.1. To receive the Annual Audit Letter for 2008/09 from the Council's external auditors, Grant Thornton and to note the issues raised and actions being taken.</p>		
<p><b>2. State link(s) with Council Plan Priorities and actions and /or other Strategies:</b></p> <p>2.1. The Annual Audit Letter is part of the formal process of external audit and provides an independent assessment of the Council's position in terms of progress in meeting its strategic objectives.</p>		
<p><b>3. Recommendation</b></p> <p>3.1. To receive the Annual Audit Letter for 2008/09 and to note the Council's response.</p>		
<p><b>4. Summary</b></p> <p>4.1. The Annual Audit Letter for 2008/09 summarises the key issues arising from the work undertaken by the external auditors; Grant Thornton, during their 2008/09 audit work. The main two areas of audit work are in respect of the audit of the accounts and the Use of Resources assessment under the new Comprehensive Area</p>		

Assessment (CAA) process.

- 4.2. In terms of the audit of the accounts for 2008/09 the Council received an unqualified opinion from the external auditors. This was formally reported to the General Purposes Committee on 24 September 2009 within the statutory deadline. The auditors also reported that the Council has improved performance against key targets in the certification of grant claims and returns.
- 4.3. In respect of the Use of Resources the overall score was assessed as a 3 out of 4 (performing well). The auditors also concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009, except for producing relevant and reliable data and information to support decision making and manage performance. This was formally reported to the Audit Committee on 5 November 2009.
- 4.4. This report also outlines how the Council is addressing the key issues raised by the external assessment process and summarises the actions. This was reported to Cabinet on 26 January 2010.

#### **5. Head of Legal Services Comments**

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

#### **6. Service Financial Comments**

- 6.1. The resource implications for implementing the actions recommended in the Annual Audit Letter have been considered as part of the overall financial and business planning process. The majority of actions are included within the existing approved budget although a small investment bid for implementation of International Financial Reporting Standards has been put forward for Members to consider.

#### **7. Use of appendices /Tables and photographs**

- 7.1. Annual Audit Letter 2008/09 – Grant Thornton

#### **8. Local Government (Access to Information) Act 1985**

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

- Report of Chief Financial Officer to General Purposes Committee on 24 September 2009 – Annual Governance Report 2008/09
- Report of Chief Financial Officer to Audit Committee on 5 November 2009 - Comprehensive Area Assessment (CAA) Auditor's Report on the Use of Resources 2008/09

## **9. Background**

- 9.1. The Annual Audit Letter for 2008/09 is compiled by the Council's appointed external auditors Grant Thornton. It summarises the conclusions and significant issues arising out of the audit work for the Council in the preceding year. It includes information from the audit of the Council's accounts, the Use of Resources Assessment and the certification of claims and returns.
- 9.2. The Annual Audit Letter for 2008/09 from Grant Thornton is an important external assessment of the Council's overall position and the Use of Resources element features as a major part in the framework under the new Comprehensive Area Assessment and individual Organisational Assessment.
- 9.3. The auditors' findings have been reported previously to the General Purposes Committee and to the Audit Committee and actions agreed in response. The Audit Committee is responsible for monitoring the implementation and progress of the detailed actions, which are summarised in this report. The auditors have also agreed the substance of the detailed actions.

## **10. Annual Audit Letter 2008/09**

- 10.1. This is the second year of Grant Thornton operating as the Council's external auditor. Council officers have worked closely with Grant Thornton in preparation for and during the audit and a positive relationship existed continuing from the experience of the previous year.
- 10.2. In relation to the Council's 2008/09 statutory financial accounts an unqualified opinion was given by the auditors. This is a positive outcome and this also forms part of the input for the auditors' Use of Resources assessment.
- 10.3. The auditors concluded under the Use of Resources assessment that in overall terms the Council achieved a score of 3 out of 4 (performing well). This maintains the overall 3 from the previous year. A significant proportion of other local authorities received a reduced score in this assessment under the new CAA arrangements.
- 10.4. Under the value for money conclusion the auditors view is that the Council has at least adequate arrangements in all areas except for in its 'use of data' assessment. On this individual area a score of only 1 was achieved. This reflects the findings of the Joint Area Review and the Ofsted review in Children and Young People's Services and some other data quality spot checking issues in Housing and Housing Benefits.
- 10.5. The Use of Resources assessment comprises of three overall themes:
  - Managing finances (overall score 3);

- Governing the business (overall score 2);
- Managing resources (overall score 3).

10.6. The Council has improved its performance in the work required for certification of grant claims and returns, in particular improvements in timeliness and reduced numbers of qualifications. A number of areas of weakness were identified in the data quality for the housing benefits claim and actions have been agreed to improve the performance on this for 2009/10.

## 11. Recommendation

11.1. To note the Annual Audit Letter for 2008/09 and the Council's response to the actions relating to the new audit recommendations as set out in the letter.

## 12. Summary Actions

12.1. A summary of the key actions are set out in the table below. These have been previously reported to the Audit Committee where progress will be monitored.

Letter Section	Recommendations	Response	Responsible Officer
1	The Council needs to continue its preparations for the introduction of accounting under International Financial Reporting Standards (IFRS), including ensuring that asset valuation procedures are sufficiently robust and accounting for fixed assets is further strengthened.	The Council has a detailed project plan and project board responsible for implementing the new IFRS. The Council will continue to work closely with Grant Thornton to ensure timely implementation and careful management of the project risks.	Chief Financial Officer
1	The Council should address, as a matter of priority, the identified weaknesses in data quality, including in the child protection and housing and council tax services, in order to achieve at least an "adequate" assessment in future.	An action plan to address the recommendations within the Use of Resources section of the letter was submitted to the Audit Committee on the 5 November 2009. The key actions for Children and Young People's Services are set out in the JAR Action Plan.	Director of CYPS / Chief Financial Officer / various officers as set out in the Audit Committee report



3	Use of Resources – in addition to the data quality issue a number of possible areas of improvement were highlighted	An action plan to address the recommendations within the Use of Resources section of the letter was submitted to the Audit Committee on the 5 November 2009.	Chief Financial Officer
4	Certification of claims and returns	An action plan to address the recommendation on data quality and the Housing and Council Tax benefit claim was submitted to the Audit Committee on the 5 November 2009.	Chief Financial Officer





**London Borough of Haringey**

**Annual Audit Letter 2008/09**

**21 December 2009**

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# 1 Introduction and key messages

## **Purpose of this Letter**

- 1.1 This Annual Audit Letter ('Letter') summarises the key issues arising from the work that we have carried out at the London Borough of Haringey ('the Council') during our 2008/09 audit. The Letter is written in an accessible style, designed to communicate our key messages to the Council and external stakeholders, including members of the public. The Letter will be published on the Council's website.

## **Responsibilities of the external auditors and the Council**

- 1.2 This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission ([www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)).
- 1.3 We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.
- 1.4 Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks when reaching our Code conclusions.
- 1.5 In addition to our responsibilities under the Code of Audit Practice, we also act as agents for the Audit Commission to review and provide a certificate on the accuracy of grant claims and returns to various government departments and other agencies.
- 1.6 It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

## **What this Letter covers**

- 1.7 This Letter covers the audit work we have carried out in 2008/09, including key messages and conclusions from our work in:
- auditing the 2008/09 year end accounts (Section 2)
  - assessing the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources (Section 3)
  - certifying claims and returns (Section 4).

- 1.8 We have not repeated recommendations agreed with the Council during the year in this Letter. A list of the reports issued can be found at Appendix A. Appendix B sets out our actual and budgeted fees for 2008/09.
- 1.9 The findings of our work in 2008/09 contribute towards the Audit Commission's Organisational Assessment of the Council and the Comprehensive Area Assessment for Haringey. The results of this work will be reported separately to the Council by the Audit Commission.

## **Key conclusions and areas for Council action**

- 1.10 The key conclusions from our 2008/09 audit are as follows:
- We issued an unqualified opinion on the Council's 2008/09 accounts by the required deadline. The Council engaged in the accounts audit in a very positive and responsive fashion.
  - Although the Council performed well overall in the new use of resources assessment, our VFM conclusion contained an "except for" qualification in respect of the Council's use of data, based on a number of weaknesses identified with the Council's data quality.
  - Our review of the Council's treasury management arrangements demonstrated that the Council has put sound arrangements in place and, following its exposure from the Icelandic banking crisis, has taken decisive action to deal with the nationally and locally identified areas for improvement.
- 1.11 We highlight the following key areas, where the Council should take action in 2009/10:
- The Council should continue its preparations for the introduction of accounting under International Financial Reporting Standards (IFRS), including ensuring that asset valuation procedures are sufficiently robust and accounting for fixed assets is further strengthened.
  - The Council should address, as a matter of priority, the identified weaknesses in data quality, including in the child protection and housing and council tax services, in order to achieve an "adequate" assessment in future.
- 1.12 The context for these key messages can be found in this Letter.
- 1.13 This Letter was agreed with the Chief Financial Officer on 4 December 2009 and will be presented to Cabinet.
- 1.14 We would like to take this opportunity to express our appreciation for the assistance and cooperation provided during the course of the audit. Our aim is to deliver a high standard of audit, which makes a positive and practical contribution that supports the Council's own agenda. We recognise the value of your co-operation and support.

**Grant Thornton UK LLP**  
**21 December 2009**

## 2 Audit of accounts

### Introduction

- 2.1 We issued an unqualified opinion on the Council's 2008/09 accounts on 25 September 2009, ahead of the statutory certification deadline. Our opinion confirms that the financial statements 'present fairly' the financial position of the Council.
- 2.2 Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to "those charged with governance" (for the purposes of accounts approval, the General Purposes Committee is designated as "those charged with governance"). We presented our Annual Report to those Charged with Governance to the General Purposes Committee on 24 September 2009 and summarise only the key messages in this Letter.

### Audit of the accounts

- 2.3 The Council produced an initial set of draft 2008/09 accounts on 5 June 2009 (prior to submission of full draft accounts on 24 June), which enabled an initial team and technical review of the accounts to take place and be fed back, prior to production and approval of the formal draft accounts. This enabled audit work to begin early and was useful for the client in obtaining timely feedback on its accounts. We have submitted the closedown process used by the Council to the Audit Commission as an example of good practice.
- 2.4 Closedown was well managed by the Council this year and there is clear corporate commitment to producing good quality accounts. This resulted in a smooth audit process and a reduced level of proposed adjustments. Additionally, the Council has already engaged effectively in taking forward planning for accounting under International Financial Reporting Standards (IFRS).
- 2.5 Our audit identified a small number of misstatements within the accounts, which had no net effect on the income and expenditure account or the General Fund balance. Management agreed to process all accounting adjustments and the majority of proposed amendments to classification and disclosure to improve presentation.

### Financial performance

- 2.6 The Council reported a £0.75m revenue surplus at March 2009 and has set a balanced budget for 2009/10 and for the period of the current Medium Term Financial Strategy (MTFS). General fund reserves reduced from £11.9m to £7.5m in year due to planned support for the MTFS. Overall, the Council maintains a healthy level of reserves, including a £10.1m risk reserve and a £14.1m financing reserve.
- 2.7 The Council has begun its preparations for the anticipated funding reductions from 2011. Officers are addressing this as part of a strategic approach through the financial planning process.

- 2.8 The Council is experiencing some financial pressures in 2009/10, notably through increased service volume from demand led children's services. The Council is pursuing plans for mitigating the impact of the financial pressures in these areas and continues to closely monitor the position each month.

### **Financial systems**

- 2.9 We undertook sufficient work on key financial controls for the purpose of designing our programme of work for the financial statements audit. Our evaluation of the Council's key financial control systems did not identify any control issues that presented a material risk to the accuracy of the financial statements.
- 2.10 Our accounts audit work identified some areas where the Council should continue to work to improve its systems, primarily around valuation and accounting for fixed assets. Further details of these matters are set out in our Annual Report to those Charged with Governance, which contains a schedule of actions agreed with management to resolve the identified issues.
- 2.11 We reviewed the work of internal audit and concluded that the scope and conduct of internal audit work was appropriate to support our work in auditing the Council's 2008/09 accounts.
- 2.12 We performed a high level review of the general IT control environment as part of the overall review of the internal control system and concluded that there were no material weaknesses within the IT arrangements that could adversely impact our audit of the accounts. We reported our findings in July 2009 and agreed actions with management to resolve the minor control issues identified.

### **Annual Governance Statement**

- 2.13 We examined the Council's arrangements and process for compiling the Annual Governance Statement (AGS). In addition, we read the AGS and consider whether the statement is in accordance with our knowledge of the Council. As the AGS must be reviewed and, as necessary, updated as at the date of signing our audit opinion, we reviewed the final version of the AGS as part of our audit completion procedures.
- 2.14 We concluded that the AGS was consistent with our knowledge of the Council, subject to a proposed adjustment to update the AGS for our recent assessment of the Council's 'use of data', which management incorporated into the final version of the document. It will be important for the Council to ensure timely and robust action is taken to implement the required control improvements identified in the AGS.



### **Icelandic Banks - the Council's Response**

- 2.15 The Council held £37m investments in the three Icelandic banks that went into administration in October 2008. Accounting standards require councils to make their best estimate of any impairment of financial assets. The Council calculated the impairment on its investment in accordance with relevant guidance and, following receipt of updated forecast recoverability information in September 2009, recognised a net impairment of £8.2m (including future loss of interest) in 2008/09.
- 2.16 In light of the Icelandic bank crisis, auditors were requested by the Audit Commission to review the treasury management arrangements in place at councils. Our review of the Council's treasury management arrangements demonstrated that the Council has put sound arrangements in place and has taken decisive action to deal with the nationally and locally identified areas for improvement.

### **Members' expenses and allowances**

- 2.17 Due to the high profile coverage of Parliamentary expenses during 2008/09, we looked at members' and senior officers' allowance and expenses in greater detail than in previous years. Our review of the arrangements in place, found appropriate procedures and controls are currently in operation at the Council.

### **Looking ahead**

- 2.18 We would like to draw to the attention of those charged with governance further significant changes that will happen to the statement of accounts in future years, the most significant of which is the full implementation of IFRS into the 2010/11 accounts. Although this may seem a long way off, it is important that authorities start planning now, as there will be significant changes to the accounts. Our experience in other sectors shows that audited bodies that are well planned for the transition to IFRS have fewer amendments to their accounts and are less likely to be charged additional audit fees, than those who are not well prepared.
- 2.19 We recognise that the Council has already carried out a lot of work in starting to address IFRS and is well placed to go forward although, as our audit suggests, there are some significant challenges around fixed asset accounting and valuation. In addition, the Council will need to consider and manage the group accounting implications of the likely required consolidation of Alexandra Park and Palace under IFRS.

## 3 Use of resources

### Introduction

- 3.1 We issued our annual VFM conclusion on 25 September 2009, at the same time as our accounts opinion, ahead of the required deadline. We concluded that the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009, except for producing relevant and reliable data and information to support decision making and manage performance.
- 3.2 Prior to giving our VFM conclusion, we summarised the basis of this conclusion in our Annual Report to those Charged with Governance, which we presented to the General Purposes Committee on 24 September 2009. We provided further detail and set out the results of our assessment of the Council against the use of resources framework in our Use of Resources 2009 report, which was presented to Audit Committee on 5 November 2009. In this Letter we summarise the key messages from this work alongside relevant current findings, and look forward to forthcoming challenges for the Council.

### 2008/09 VFM conclusion and use of resources assessment

- 3.3 Our VFM conclusion was informed by our use of resources work which, in councils, is based on the Audit Commission's new use of resources (UoR) assessment. The new framework emphasises **outcomes** over **processes**, and brings new areas into the assessment such as environmental management. It presents a more robust challenge than the old framework, based on different scoring criteria. It should be noted, therefore, that changes from prior year scores do not necessarily reflect an objective change in performance.
- 3.4 In order for us to provide an unqualified conclusion, the Council needed to achieve an 'adequate' assessment (score of at least 2) for each component of the UoR assessment. Failure to achieve an 'adequate' assessment in any one area results in an "except for" conclusion.
- 3.5 Our UoR assessment concluded that the Council had at least adequate arrangements in all areas, with the exception of an assessment of 'inadequate' (score of 1) for "use of data". This reflects the findings of the joint area review, the Ofsted review of safeguarding children and mixed results within our own data quality spot-checking work.
- 3.6 Therefore, our VFM conclusion contained an "except for" qualification in respect of the Council's use of data.

3.7 Aside from the "use of data" component of the assessment, we would like to emphasise that the Council performed well to achieve a number of level 3 scores, as the prevailing score nationally is 2. In the context of London, the Council's overall performance was similar to others, reflecting the stronger performance of London councils in the new assessment.

3.8 The 2008/09 scores by Key Line of Enquiry (KLoE) area are shown in the table below.

**Table 1: UoR scores 2008/09**

Theme / KLoE		Score
<b>Theme 1 - Managing finances</b>		<b>3</b>
1.1	Financial planning	3
1.2	Understanding costs	2
1.3	Financial reporting	3
<b>Theme 2 - Governing the business</b>		<b>2</b>
2.1	Commissioning and procurement	2
2.2	Use of data	1
2.3	Good governance	2
2.4	Internal control	2
<b>Theme 3 - Managing resources</b>		<b>3</b>
3.1	Managing natural resources	3*
3.2	Asset management	2
3.3	Workforce management	N/A*

**Scoring scale:**

1 - Below minimum requirements - inadequate performance

2 - Only at minimum requirements - adequate performance

3 - Consistently above minimum requirements - performing well

4 - Well above minimum requirements - performing strongly

\* Within the Managing Resources theme, in 2008/09, environmental management has the greater weighting and workforce management is not assessed

3.9 We assessed the Council as performing well (level 3) in the areas of managing finances and managing resources. The managing finances assessment reflects particular strengths in the areas of integrated financial and service planning, financial reporting and stakeholder consultation.

3.10 The overall score of 3 for managing resources is largely attributable to the underlying score of 3 for managing natural resources, which is an area of strength for Haringey. Apart from the score of 1 for "use of data," we assessed the Council as performing adequately in all areas of the governing the business theme.

3.11 The high priority recommendations arising from our UoR assessment were for the Council to ensure that it:

- continues to demonstrate outcomes across its key areas of activity in order to deliver its strategic priorities and, thus, retain its "performing well" assessment for managing finances
- is able to clearly articulate and quantify the financial and non-financial benefits arising from all areas of the Haringey Forward and core efficiency programmes, including showing how service review and analysis activity, such as that undertaken for the benefits service in 2008/09 and planned for corporate support functions in 2009/10, is leading to the targeted levels of improvement

- can demonstrate that arrangements for inter-agency child protection practice are improving in line with the action plan submitted to Ofsted in response to the joint area review
- is addressing identified weaknesses in data quality management and reporting in relation to child protection, in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting
- continues to develop data quality checking mechanisms for housing and council tax benefit claims in order to minimise the high level of errors in a number of payment categories when compared to other councils.

3.12 We agreed a number of recommendations management to implement these improvements and we will review progress with implementation during the 2009/10 audit.

## **Follow-up of prior year local VFM work**

### **Health inequalities**

- 3.13 As part of our 2007/08 external audits of the Council and Haringey Teaching PCT ('the PCT'), we carried out a joint risk based review of Health Inequalities, to support our 2007/08 use of resources conclusions at both bodies.
- 3.14 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 Health and Wellbeing Partnership Board (HWBPB) and the need to address capacity issues.
- 3.15 In April-June 2009, we followed up on progress made to date against the recommendations raised within our June 2008 report.
- 3.16 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.
- 3.17 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 PCT and Council may have played a part in delaying some of the actions in this area. The key messages are summarised in the table overleaf.

**Table 2: Health inequalities - summary of progress on implementation**

<b>Areas of good progress</b>	<b>Areas where more action is needed</b>
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	Partners will need to ensure the effective implementation of current plans for better involvement of the acute sector in the health inequalities agenda.
The Wellbeing Scorecard is now reviewed on an exception basis which avoids unnecessary detail being presented to the HWBPPB	More training on HI issues is needed to support the further development of the JSNA.

- 3.18 We agreed a revised action plan with Council and PCT management to implement the remaining recommendations and will seek updates on progress during the 2009/10 audit.

### **Probity and propriety**

- 3.19 As part of our 2007/08 audit, we carried out a review of the Council's arrangements for probity and propriety, the results of which fed into our annual VFM conclusion. Our work covered the following areas:
- ethical governance
  - the Standards Committee
  - counter fraud and corruption
  - confidential reporting procedures
  - managing the risk of fraud
  - responding to proven cases of fraud.
- 3.20 We concluded that the Council's arrangements were generally robust and no serious issues were identified from our work. We did, however, identify some areas where the Council could further improve arrangements to move towards best practice and we agreed an action plan with the Council in November 2008.
- 3.21 We followed up on progress in November 2009 and found that the Council has made good progress in implementing the recommendations made in our initial report and target dates have been agreed for those not yet implemented.

3.22 Key recommendations implemented by the Council include:

- the introduction of a training programme for all Standards Committee Members
- agreement of a revised Anti-Fraud and Corruption Strategy that is explicit in its application not only to Council employees but also to contractors of the Council
- the corporate risk register being updated to include the risk of fraud and corruption occurring as a risk to the Council
- declarations of interest are now included as a standard agenda item for all committee meetings
- with the exception of the Vice-Chair of the Audit Committee, there is now separate membership of this Committee and the Council's Scrutiny Committees.

3.23 There are a small number of areas for further action to help support further improvement in the Council's governance arrangements:

- the Council should improve its evidencing of how it proactively raises standards of ethical conduct.
- there remains some scope for the Council to raise the profile of the Standards Committee and its role in improving ethical standards, including implementing recommendations made by the Monitoring Officer
- as set out in our Use of Resources report the Council has not yet completed its assessment of governance arrangements for its significant partnerships, although this is planned to take place by March 2010.

3.24 We will review progress in implementing these remaining matters as part of our 2009/10 use of resources audit.

### **National Fraud Initiative**

3.25 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.

### **Questions from the public**

3.26 We have experienced an increase in the level of communications from local electors and other interested parties and we are currently discussing a number of matters with the Council, including a land sale issue, leaseholder service charges, CCTV, grant awards and special educational needs funding. We will consider these issues in the context of our audit responsibilities, including our use of resources conclusion, and will report any matters to the Council as required.

## Looking ahead

- 3.27 We agreed our indicative 2009/10 audit fee with the Council in March 2009. The 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. This comprised:
- additional risk based work on data quality
  - a partnership working project carried out jointly with the PCT
  - early work in assessing workforce management arrangements
  - ongoing review of treasury management arrangements.
- 3.28 We confirm that these assumptions remain relevant and we will build these into the risk assessment for our 2009/10 plan, along with specific follow up of our 2008/09 recommendations and any new risks emerging between now and when we agree our full plan in December 2009.

## 4 Certification of claims and returns

### Introduction

- 4.1 In addition to our responsibilities under the Code of Audit Practice, we also act as agents for the Audit Commission to review and provide a certificate on the accuracy of grant claims and returns to various government departments and other agencies.
- 4.2 The Audit Commission prescribes our work in this area. Each year, it 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 Instructions (CIs).
- 4.3 Certification work provides important and valuable assurances to taxpayers over public funds:
- each year, auditors certify £43 billion of public funds
  - since 2004, auditors have found errors of over £0.5 billion in the claims and returns prepared by local authorities
  - the level of the errors found by auditors and corrected by authorities since the new arrangements were introduced in 2004 is almost five times the cost of auditors' certification work
  - 10 per cent of claims and returns have been adjusted for errors and 37 per cent have been qualified over the past five years
  - significant amounts of overpaid subsidy are recovered from authorities by grant-paying bodies when action is taken to follow up auditors' qualifications – one grant-paying body has recovered over £63 million in the past three years.
- 4.4 In its national report, "Review of arrangements for certifying claims and returns" (September 2009), the Audit Commission identified that further improvements in performance in preparing and auditing claims and returns are achievable:
- local authorities need to attach greater importance to the preparation of claims and returns to reduce the volume and value of errors made
  - grant-paying bodies should improve their understanding of the certification process
  - auditors need to do more to raise the profile of certification work at the local level and encourage authorities to improve their use of resources.



## Key messages

- 4.5 Each year, following certification of the programme of claims and returns we produce a summary report for the Council and agree an action plan in respect of any identified improvement areas. We presented our Grants Report 2007/08, to the Audit Committee in February 2009 and are nearing completion of the certification of 2008/09 claims and returns.
- 4.6 In February 2009, we reported that the Council had improved performance against key targets, including levels of qualifications and amendments and timeliness of submission, compared to the previous year:
- 4.7 Our work on certification of 2008/09 claims and returns is nearing completion and we can confirm that, overall, the Council's performance has improved from 2007/08 in terms of timeliness of submission, and levels of qualification and amendment.
- 4.8 The exception to this was the Council's Housing and Council Tax Benefit claim. This was qualified due to a number of issues with the quality of data. We identified more issues with the claim at Haringey than at the other councils that we audit. An amendment of £18k was made to the claim (total value £259m), which decreased the amount due from the Council to the Department for Work and Pensions. We have already made a recommendation, in our Use of Resources report, to improve the quality of housing and council tax benefit data.
- 4.9 We will report comparative performance measures along with our views on how well the Council has implemented previously agreed actions in our forthcoming Certification of 2008/09 claims and returns report.

## Appendix A 2008/09 reports issued

<b>Report</b>	<b>Date issued</b>
Audit Plan	May 2008
Review of probity and propriety	November 2008
Use of Resources and Data Quality 2008	December 2008
Grants Report 2007/08	January 2009
Review of Data Quality Arrangements in Adult Social Care	March 2009
Audit Strategy Document	June 2009
Information Technology controls	July 2009
Health Inequalities follow-up	September 2009
Annual Report to those Charged with Governance	September 2009
Use of Resources 2009	October 2009
Annual Audit Letter	December 2009

## Appendix B Audit fees 2008/09

<b>Audit area</b>	<b>Budget 2008/09</b>	<b>Actual 2008/09</b>
Financial statements, including WGA	327,200	327,200
VFM conclusion/Use of resources/Data Quality	143,920	143,920
<b>Total Code of Practice fee</b>	<b>471,120</b>	<b>471,120</b>
Certification of claims and returns (2007/08)	*100,000	107,248
<b>Total fees</b>	<b>571,120</b>	<b>578,368</b>

\* Represents the initial estimate of the cost of certification work, which is billed on a cost incurred basis.



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