

Report for: Corporate Committee – 20 September 2018

Item number:

Title: Internal Audit Progress Report 2018/19 – Quarter 1

Report authorised by : Assistant Director of Corporate Governance

Lead Officer: Minesh Jani, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: minesh.jani@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision: Information**

1. Describe the issue under consideration

1.1 This report details the work undertaken by Internal Audit in the quarter ending 30 June 2018 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Mazars).

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Corporate Committee is recommended to note the audit coverage and follow up work completed.

4. Reasons for decision

4.1 The Corporate Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference.

4.2 In order to facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Corporate Committee on the work undertaken by the Internal Audit Service in completing the annual audit plan. Where further action is required or recommended, this is highlighted with appropriate recommendations for the Corporate Committee.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 The information in this report has been compiled from information held within Audit & Risk Management and from records held by Mazars.

7. Contribution to strategic outcomes

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key Priority areas.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance and Procurement

There are no direct financial implications arising from this report. The work completed by Mazars is part of the framework contract which was awarded to the London Borough of Croydon to 31 March 2023, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. The maintenance of a strong internal audit function and a proactive and reaction fraud investigation team is a key element of the Council's system of Governance.

8.2 Legal

The Assistant Director of Corporate Governance has been consulted in the preparation of this report, and advises that there are no direct legal implications arising from the report.

8.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

9. Use of Appendices

Appendix A – Mazars Progress report – Internal audit

10. Local Government (Access to Information) Act 1985

- 10.1 Not applicable.

11. Performance Management Information

- 11.1 Although there are no national or Best Value Performance Indicators, local performance targets have been agreed for Audit and Risk Management. Table 1 below shows the targets for each key area monitored and gives a breakdown between the quarterly and cumulative performance.

Table 1 – Performance Indicators

Ref.	Performance Indicator	1 st Quarter	Year to date	Target
1	Internal Audit work (Mazars) – Days Completed vs. Planned programme	25%	17%	95%
2	Priority 1 recommendations implemented at follow up	N/A	N/A	95%

12. Internal Audit work – Mazars

- 12.1 The activity of Mazars for the first quarter of 2018/19 is detailed at Appendix A. Mazars planned to deliver 180 days of the annual audit plan (727 days) during the quarter and delivered 122 days audit work during the quarter. This was slightly less than planned to allow the 2017/18 audit plan to be completed but is a significant improvement on the performance at this stage last year (10%). The audit plan has been re-profiled for quarters 2 to 4 to allow completion of this year's plan.
- 12.2 Members of the Corporate Committee receive detailed summaries of all projects for which a final report has been issued on a monthly basis to allow for any concerns which members may have to be considered in a timely manner. Appendix A provides a list of all final reports which have been issued during the quarter. Detailed summaries of any reports with a limited assurance are included in Appendix A for information.
- 12.3 **Significant issues arising in Quarter 1**
Community Alarms
The Council has an extensive community alarm and telecare/telehealth service with over 5,400 people using this service. The Council provides an immediate 24-hour, 365-day emergency response to any member of the community who uses the Safe and Sound Community Alarm Service (CAS) – also known as “Lifeline”.

Bearing in mind this service is relied upon by mostly older and more vulnerable individuals in the borough to live independently in their own home, it is essential the service has clear objectives, and puts in place resilient processes to ensure all equipment is installed in a timely manner and then monitors and maintains the equipment. The audit has highlighted deficiencies in the way internal controls are operating, particularly around service planning, test calling and the write off of equipment, exposing the Council to financial and reputational risks. Internal audit will undertake formal follow up reviews later this year and report the outcomes to the Management Board and the Corporate Committee.

19+ Education Placement

The introduction of the Children and Families Act 2014 changed the landscape for post-19 education. The extended scope of the Act means that local authorities are now required to identify and support young people within the further education sector. Concerns were raised by management that a provider may be signposting service users to a post 19 setting without appropriate review of the service users' needs or whether the setting identified was an appropriate setting to meet those needs. The audit highlighted improvements were needed to the timely completion of the Education Health and Care Plan (EHC Plan) and the proper maintenance of prime records.