

**Internal Audit
Quarter 1 Internal Audit Report
2018/19
London Borough of Haringey**

August 2018

Contents

Page

Executive Summary	2
Audit Progress and Detailed Summaries	4
Statement of Responsibility	15

Executive Summary

Introduction

This is our first report to the Corporate Committee for the 2018/19 financial year including details of all reports that are now at final stage. The report provides information on those areas that have achieved full or substantial assurance and gives an indication of the direction of travel for key systems work that provides Members with information on how departments are managing their risks over time. The format of this report is also designed to highlight the key risks facing individual departments and the Council that have been identified during the course of our internal audits. A more detailed summary of the limited assurance areas is included for information. Full copies of our audit reports will be provided upon request.

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

The attached tables reflect the status of the systems at the time of the audit, and Council officers may already have implemented recommendations by the time the final report is issued and reported to the Corporate Committee.

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

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

Key Highlights/Summary of Quarter 1 2018/19:

2017/18 Internal Audit Reports finalised in the quarter:

- Declaration of Interest
- Discharge to Assess
- Community Alarms
- Reviews for Independence
- Children's Centres

- 19+ Educational Placements
- Highways – Reactive Maintenance
- Estate Renewal
- Shared Digital – Contract management
- ICON Application Upgrade
- Master vendor for Supply of Agency Staff.

2017/18 Schools Audit Reports Finalised the Quarter

- Bounds Green Primary School
- Welbourne Primary School
- St Peter in Chains Primary School
- Fortismere Follow Up
- Our Lady of Muswell Hill Follow Up
- Pembury Special School Follow Up
- The Brook Special School Follow Up
- Blanche Nevil Special School Follow Up

2017/18 Draft Internal Audit Reports issued this quarter

- School Admissions

2018/19 Draft Internal Audit Reports issued this quarter


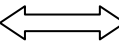
- High Cost Placements – Children’s Services

2018/19 School Draft Audit Reports Issued this quarter

- Devonshire Hill Primary School
- Earlsmead Primary School
- Highgate Primary School
- Risle Avenue Primary School
- St Francis de Sale Primary School

Audit Progress and Detailed Summaries

The following table sets out the audits finalised in Quarter 1 of 2018/19 financial year and the status of the systems at the time of the audit. Members are asked to note Council officers may already have implemented the recommendations by the time the final report is issued and reported to the Corporate Committee. Executive summaries of all audits, which do not receive 'Full' or 'Substantial' assurance ratings are also provided for Members' information.

Audit Title	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)		
					1	2	3
2017/18							
Declarations of Interest	Oct 17	May 18	Substantial		0	3	3
Discharge to Assess	Feb 18	May 18	Substantial	N/A	0	2	0
Community Alarms	Mar 18	Jun 18	Limited		4	7	1
Reviews for Independence	Mar 18	Jun 18	Substantial	N/A	0	2	1
Children's Centres	Mar 18	July 18	Substantial	N/A	0	2	0
19+ Educational Placements	Nov 17	July 18	Limited	N/A	0	3	1
Highways – Reactive Maintenance	Oct 17	Jul 18	Substantial	N/A	1	0	1
Operational Services – Budget and Financial Management	Dec 17	Jun 18	Substantial	N/A	0	0	1
Estate Renewal	Mar 18	Jun 18	Substantial	N/A	0	4	0
Shared Digital - Contract Management	Jan 18	Apr 18	Substantial	N/A	0	2	2
ICON Application Upgrade	Mar 18	May 18	Substantial	N/A	0	2	0
Master Vendor for the Supply of Agency Staff	Jan 18	Jun 18	Substantial	N/A	0	4	0

APPENDIX A

As part of the 2017 /18 Internal Audit Plan, we have visited the following schools, completed a probity audit and during Quarter 1 issued a final report.

School	Date of Audit	Date of Final Report	Assurance Level	Number of Recommendations (Priority)		
				1	2	3
2017/18						
Bounds Green Primary School	Feb 18	Apr 18	Substantial	0	0	4
Welbourne Primary School	Nov 17	Apr 18	Substantial	0	6	7
St Peter in Chains Primary School	Nov 17	May 18	Limited	0	9	1

Audit area	Scope	Status/key findings	Assurance
Adult Services			
Community Alarms	Audit work was undertaken to cover the following areas: <ul style="list-style-type: none"> • Service Planning • Application Process and Provision • Billing and Income • Additional Services • Financial Control • IT System 	<p>Haringey has an extensive community alarm and telecare/telehealth service. Over 5,400 people have this service. Haringey 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”.</p> <p>We concluded weaknesses in the system of internal controls are such as to put the client’s objectives at risk. The level of non-compliance puts the client’s objectives at risk. We identified the following key issues: -</p> <ul style="list-style-type: none"> • No approved Service Plan has been documented. • We tested 10 services users to confirm whether test calls had been completed on their alarms within the last 12 months. In seven cases, there was no record of a test call in the last 12 months. In three of the cases, there was no record of a test call ever being made. • No Write-Off Policy is currently in place for equipment used by the service. • Examination of the Service Level Agreement with Homes for Haringey confirmed it was drafted in 2006 and includes staff members who are no longer working with the Council. It was therefore clear that, despite the continued use of this agreement, it has become outdated 	Limited

Audit area	Scope	Status/key findings	Assurance
		<p>and does not reflect current working practice.</p> <ul style="list-style-type: none"> • The service delivery of the Community Alarms service is currently under review in an attempt to streamline the service, but a similar review has not occurred previously. • A break-even analysis has not been prepared for the service. • Examination of 10 referrals for the Community Alarms service confirmed that in four cases arrangements to fit the alarms were late in that the target of 5-7 days between when the referral is made and when alarms are fitted was not met due to failure to arrange the initial contact meeting in time. • Examination of 10 referrals received in 2017/18 confirmed in three cases there were delays between the initial contact and the installation date, which meant that the 5-7 target was not met. In one case, there was a delay of 160 days between initial contact and installation. • No formal record of equipment write-offs is maintained. • Invoices are issued on an annual and monthly basis to Homes for Haringey, however, these monthly charges remain a flat fee amount and do not appear to reflect the actual time spent by the team on the delivery of the service. • There is no Service Level Agreement between the London Borough of Haringey and Tunstall for the maintenance of IT equipment. 	

Audit area	Scope	Status/key findings	Assurance
		<p>As a result of our work, we raised four Priority 1 recommendations, seven Priority 2 recommendations and one Priority 3 recommendation to improve the control environment. Management response to the recommendations are shown in italics, below.</p> <p>The priority 1 recommendations raised were as follows: -</p> <p>A Service Plan should be compiled and documented to provide comprehensive and extensive details on the Council's objectives for providing the service, the objectives it hopes to achieve and how it intends to meet these. <i>An updated service plan will be devised following the current review of the service and agreement around the core functions to be delivered. New objectives will be agreed with key performance indicators and timescales identified, systems in place to monitor and review identified outcomes in line with Council objectives, values and Borough Plan deadline October 2018.</i></p> <p>All equipment should be tested on a semi-annual basis. Spot checks should be undertaken to ensure this target is being met. <i>Service to put in place a system of advising service users and clients of responsibility in regards to monthly checks and logging of faults so that appropriate action can be taken. ERO's to be assigned responsibility for contacting up to 10 clients per month as part of an audit to see if this activity is taking place. Depending on the findings further action and review of the process will be undertaken accordingly. Already Implemented.</i></p> <p>An equipment Write-Off Policy should be compiled, documented, approved and reviewed on a regular basis. <i>A new</i></p>	

Audit area	Scope	Status/key findings	Assurance
		<p><i>policy will be compiled to cover decommissioning of equipment. On completion, the policy will be updated annually as required to ensure compliance. Already implemented.</i></p> <p>The service should compile a new Service Level Agreement after a financial analysis is completed of the service. <i>Review of functions currently in progress, following which a new SLA to be compiled dependent upon agreed service delivery going forward. Deadline: October 2018.</i></p> <p>We raised the following priority 2 recommendations: -</p> <p>The service delivery model should be reviewed on a regular basis, at least annually, to determine if and how it can be improved. <i>The service delivery is currently being reviewed and as an outcome of this review, recommendations will be identified and implemented accordingly to underpin and improve service delivery. Annual reviews will be introduced. Going forward this function will form part of the revised manager functions currently being drawn up. Deadline October 2018.</i></p> <p>An analysis of the service should be completed prior to any future Service Level Agreements and funding approval being put in place, to determine the funding and fees necessary for the service to break even. <i>A full review of the service in regards to budget, income and finance has been undertaken by Senior Management in HfH, Adult social Care, and finance services. The current funding streams are under review with partners including agreement on future service delivery that will ensure income and funding is in line with safe service provision, to deliver desired outcomes. Deadline October 2018.</i></p> <p>A weekly report should be run of outstanding new referrals to identify any contacts that have not been contacted with target</p>	

Audit area	Scope	Status/key findings	Assurance
		<p>times. Arrangements should then be made to attend to any late interactions. <i>To mitigate against missing outstanding appointments, the service will be introducing a system whereby all appointments are followed, completed installation or declined is immediately condensed on the referral spreadsheet. The above actions will enable the service to have a better overview of all appointments/late interactions yet to be scheduled or outstanding. Performance will be managed by the Service Manager and Team Leaders who will identify issues and take action / escalate as appropriate. The transformation project includes review of the IT systems used by the service in order increase efficiency and effectiveness of the service, the ability to run reports that enable day to day monitoring. Already Implemented.</i></p> <p>A target should be determined for maximum number of days between a referral being received and an appointment being made to install alarms. This target should be monitored and reported in regular management reports. <i>In line with TSA, installations to be completed within 10 days of receipt of referral. Installation target date may not be achieved due to external factors as follows: - Client, NOK availability, shortage of stock, service waiting for a call back from NOK or client, or client/ a family member wishing to discuss further and explore options with others. The service will be implementing new processes to mitigate against missed appointments going forward and will be managed as part of the performance management arrangements. Already implemented.</i></p> <p>The service should keep a record of all equipment write-offs that include all details of equipment such as serial numbers, model numbers, price, date of purchase and date of disposal. It should be considered to introduce a charge for faulty equipment based on assessment of the cause of damage by the CAS Team.</p>	

Audit area	Scope	Status/key findings	Assurance
		<p><i>CAS to establish an equipment write off log. Charges for broken or misplaced equipment is already in place and CAS actively pursue charges based on assessment. All clients are provided literature, regarding lost equipment and incurring charges, which forms part of the clients contractual obligation with CAS. Charges is variable as is dependent on the equipment damaged. Already Implemented.</i></p> <p>The costs associated with delivering the service to Haringey should be reviewed to ascertain if the invoices currently being issued actually cover the cost. <i>Senior Management currently in consultation and reviewing costs to identify if charges are reflective of the service being delivered to HFH. Deadline October 2018.</i></p> <p>A Service Level Agreement between LBH and Tunstall should be developed, which outlines the full details of the services provided. The SLA should then be signed by both parties and retained on file. <i>Haringey currently in consultation and reviewing the need for new maintenance contract with Tunstall, once identified new SLA will be devised and is to be agreed by all parties. Already Implemented.</i></p>	
Children's services			
19+ Educational Placements	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> • Policies & procedures • Assessment of Needs • Assessment of Providers • Monitoring 	<p>While legally, children should pass to adulthood on their 18th birthday, education may continue beyond this so care needs are assessed jointly between children's and adult's services so that the service user can transition to adult services to their best advantage and that they are able to achieve their stated outcomes. It came to the attention of Haringey Council last year that a provider was 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</p>	Limited

Audit area	Scope	Status/key findings	Assurance
		<p>those needs. Audit was asked to provide assurance that appropriate assessments of needs are undertaken for 19+ placements and whether all provider partners are aware of the procedures that they are expected to follow when assisting service users to identify their continuing education provider.</p> <p>We concluded weaknesses in the system of internal controls are such as to put the client's objectives at risk. The level of non-compliance puts the client's objectives at risk. We identified the following key issues:</p> <ul style="list-style-type: none"> • For a sample of fifteen 19+ Educational Placement cases selected for review, the following was noted: <ul style="list-style-type: none"> • Three cases where the assessment and development of the Support Plan had commenced but was yet to be completed and approved on the Education, Health and Care Plan (EHC Plan); • Six cases where documentation was not available for review on the Mosaic system; • One case where the EHC Plan had been drafted but not agreed due to the audit taking place in the 20 week pathway; • Two cases where no EHC Plan was uploaded onto the Mosaic system to enable review; • Four cases where documentation was not available for review on the Mosaic system to indicate review of Support Plan; and • Two cases where documentation was not available for review on the Mosaic system to indicate review of EHC Plan. • For a sample of fifteen 19+ Educational Placement cases selected for review, in seven cases in which there was indication of transition recorded on the Mosaic system. 	

Audit area	Scope	Status/key findings	Assurance
		<p>Review of these cases showed that there was insufficient information retained to detail clear outcomes.</p> <ul style="list-style-type: none"> • Documentation to evidence reviews undertaken and monitoring of the reviews concerning the service providers utilised by the Council for 19+ educational placements were not provided for review during this audit. <p>As a result of our audit work we raised three Priority 2 and one Priority 3 recommendations to improve the control environment. Management response shown in italics below the recommendations raised.</p> <p>Our priority 2 recommendations are as follows:</p> <p>Assessments comprising the Support Plans should be fully completed and uploaded to Mosaic as a matter of urgency. Additionally EHC plans should be finalised and uploaded to Mosaic for eligible cases. Annual reviews of both Support Plans and EHC Plans should be completed in a timely fashion. Provision should be made to complete the reviews of both plans simultaneously where applicable. The reviews should be spot checked to ensure compliance with the process. <i>Agreed Deadline January 2019 following next transition cohort into college</i></p> <p>Reviews should be undertaken of the service providers utilised by the Council for 19+ educational placements on a consistent basis to evaluate the services they provide. <i>The reviews should be appropriately monitored and the results recorded in a register. Agreed Deadline March 2019</i></p> <p>Our priority 3 recommendation was as follows: -</p>	

APPENDIX A

Audit area	Scope	Status/key findings	Assurance
		<p>Documentation should be retained to support the communications between the stakeholders involved with the review of the individual's needs including decisions made by the Multidisciplinary Team (MDT) and the outcomes of the transition from Children's Services to Adult Services. <i>Agreed. Deadline March 2019.</i></p>	

Statement of Responsibility

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

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Mazars LLP
London
August 2018

In this document references to Mazars are references to Mazars LLP.

Registered office: Tower Bridge House, St Katharine's Way, London E1W 1DD, United Kingdom. Registered in England and Wales No 4585162.

Mazars LLP. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales to carry out company audit work.