



Internal Audit
Quarter 3 Internal Audit Report
2019/20
London Borough of Haringey

February 2020

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Executive Summary

Introduction

This is our third report to the Corporate Committee for the 2019/20 financial year including details of all reports which have reached final stage since our last report in November 2020. The report provides information on assurance opinions on areas we have reviewed and gives an indication of the direction of travel for key systems work which will provide Members with information on how risks are being managed over time. 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 recommendations may already have been implemented by Council officers 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 - Fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.

Priority 2 - Significant control weaknesses, which expose the organisation to a moderate degree of unnecessary risk.

Priority 3 - Areas where we have highlighted opportunities to implement a good or better practice to improve efficiency or further reduce exposure to risk.

From 1st April 2019, we have review our assurance ratings so that the “Full” rating has been removed. “Substantial” now become the highest rating available with a new rating of “Adequate” inserted between “Substantial” and “Limited”. This was because it was felt that “Full” assurance was too hard to attain and we now have greater leeway to reflect positive outcomes. A summary of the new framework is below:

Definitions of Assurance Levels	
Level	Description
Substantial Assurance:	Our audit finds no significant weaknesses and we feel that overall risks are being effectively managed. The issues raised tend to be minor issues or areas for improvement within an adequate control framework.
Adequate Assurance:	There is generally a sound control framework in place, but there are significant issues of compliance or efficiency or some specific gaps in the control framework which need to be addressed. Adequate assurance indicates that despite this, there is no indication that risks are crystallising at present.
Limited Assurance:	Weaknesses in the system and/or application of controls are such that the system objectives are put at risk. Significant improvements are required to the control environment.
NII Assurance:	There is no framework of key controls in place to manage risks. This substantially increases the likelihood that the service will not achieve its objectives. Where key controls do exist, they are not applied.

Key Highlights/Summary of Quarter 3 2019/20:

2019/20 Internal Audit Reports finalised in the quarter:

- Management of Contracts
- Community Safety - Use of MoPAC funding
- Fusion - Fees & Charges
- New Council House Delivery Programme
- Disposal of Assets

2019/20 Schools Audit Reports finalised in the quarter:

- Lea Valley Primary
- Lordship Lane Primary
- St John Vianney Primary
- St Mary's RC Primary
- St Michaels CE Primary
- Pembury
- The Vale Special
- Blanche Nevile Special

2019/20 Draft Internal Audit Reports issued this quarter

- Management of Parks and Open Spaces
- Housing Benefit Overpayments

2019/20 Draft School Audit Reports issued this quarter

- Gladesmore Secondary
- St John Vianney Primary
- St Mary's RC Primary

Audit Progress and Detailed Summaries

The following table sets out the audits finalised since September 2019 and the status of the systems at the time of the audit. It must be noted that the recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Corporate Committee.

Audit Title	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)		
					1	2	3
2019/20							
Management of Contracts	Aug 19	Oct 19	Adequate	N/A	0	4	0
Community Safety - Use of MoPAC funding	Sept 19	Jan 20	Adequate	N/A	0	2	0
Fusion - Fees & Charges	Aug 19	Oct 19	Adequate	N/A	0	3	2
New Council House Delivery Programme	Dec 19	Jan 20	Limited	N/A	2	4	0
Disposal of Assets	Aug 19	Oct 19	Limited	N/A	1	4	0

As part of the 2019/20 Internal Audit Plan we have visited the following schools, completed a probity audit and since September 2019 issued a final report.

School	Date of Audit	Date of Final Report	Assurance Level	Number of Recommendations (Priority)		
				1	2	3
2019/20						
Lea Valley Primary	June 19	Oct 19	No	0	14	6
Lordship Lane Primary	July 19	Oct 19	Limited	0	8	6
St John Vianney Primary	Sept 19	Jan 20	Adequate	0	6	4
St Mary's RC Primary	Oct 19	Jan 20	Adequate	0	6	1
St Michaels CE Primary	June 19	Jan20	Substantial	0	1	5
Pembury	July 19	Oct 19	Limited	2	6	3
The Vale Special	Oct 19	Jan 20	Adequate	1	4	0
Blanche Nevile Special	Sept 19	Jan 20	Adequate	0	2	3

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.

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Mazars LLP
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