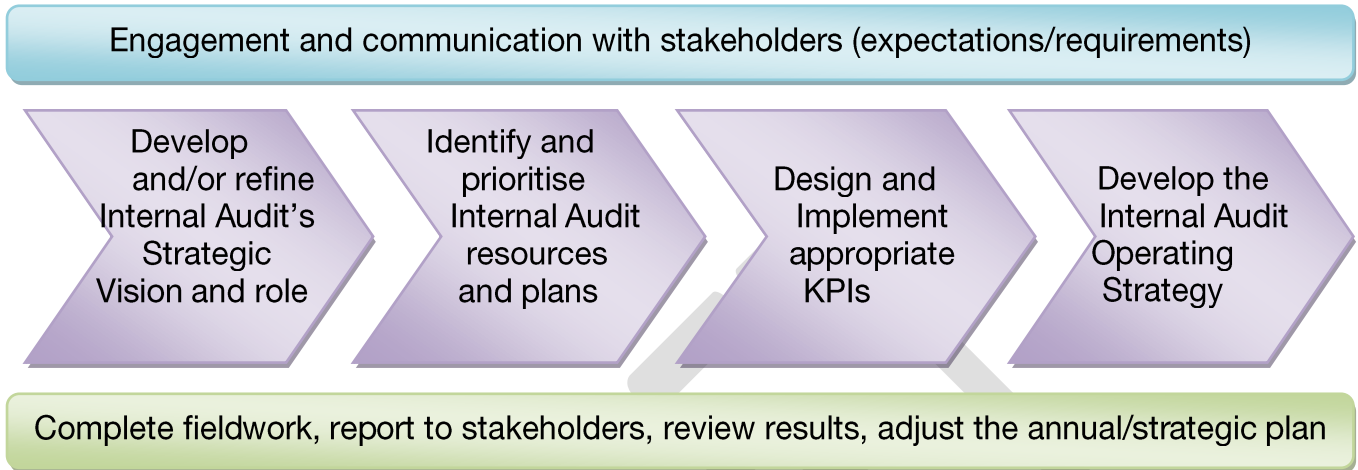
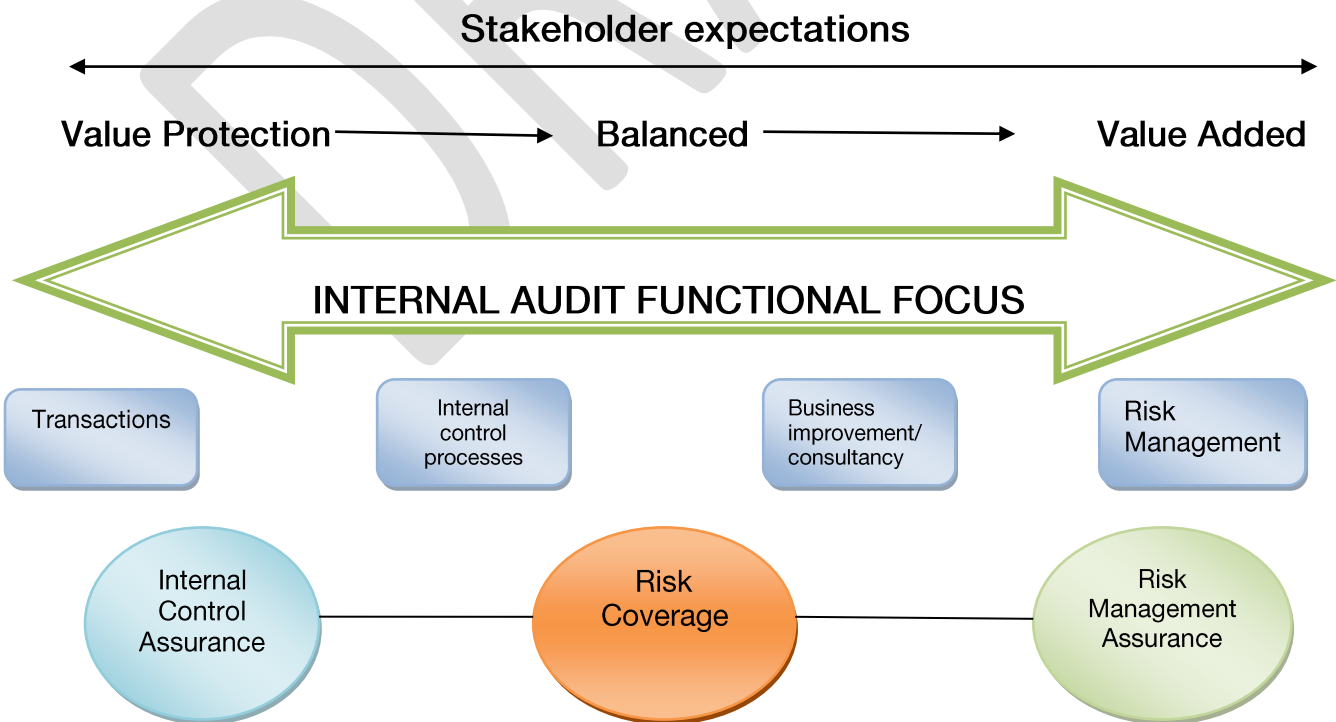


Internal Audit Strategy – Introduction

Haringey’s internal audit function is driven by an appropriate strategy, rather than as a tactical response to operational issues, to minimise the risks that key strategic issues could be overlooked. Haringey’s framework has been developed to cover both strategic and tactical considerations and ensures that internal audit resources are used to provide the appropriate assurances for the organisation at any one time, as follows:



To create an effective internal audit function, internal audit’s key stakeholders will determine how the audit function delivers the desired value by focusing on e.g. risk management and control assurance; assessment of internal control effectiveness and efficiency; regulatory and corporate compliance assurance; developing awareness of risk and control across the organisation. Internal audit’s resources and plans are then aligned to the Council’s key business risks and operational and financial priorities as follows:



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Internal Audit Objectives

Haringey's approach is designed to enable internal audit's remit to evolve and develop as the organisation's needs change over time. As stakeholder needs evolve, internal audit can focus on creating value through assisting with improvements in operational processes. As Haringey's risk appetite changes, internal audit's strategy and functional focus can move from internal control, to risk management, assurance.

The internal audit strategy sets out how the Council's Internal Audit service will be delivered, in accordance with the Internal Audit Charter. Internal Audit will provide independent and objective assurance to the Council, its members, the Chief Executive and Senior Leadership Team and to the Chief Financial Officer to support them in discharging their responsibilities under S151 of the Local Government Act 1972, relating to the proper administration of the Council's financial affairs. It is the Council's intention to provide a best practice, cost efficient internal audit service which fulfils the requirements of the statutory 2017 UK Public Sector Internal Audit Standards (PSIAS).

Internal Audit's Remit

Internal Audit will:

- Provide management and members with an independent, objective assurance and advisory activity designed to add value and improve the Council's operations;
- Assist the Corporate Committee to reinforce the importance of effective corporate governance and ensure internal control improvements are delivered;
- Drive organisational change to improve processes and service performance;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements;
- Work closely with other assurance providers to share information and provide a value for money assurance service; and
- Participate in local and national bodies and working groups to influence agendas and developments within the profession.

Internal Audit will ensure that it is not involved in the design, installation and operation of controls so as to compromise its independence and objectivity. Internal Audit will however offer advice on the design of new internal controls in accordance with best practice.

Service Delivery 2020/21

The internal audit service will be delivered by a 'mixed economy' of externally procured services under the direction of the Council's Head of Audit and Risk Management, supported by an in-house Corporate Anti-Fraud Team. A Deputy Head of Audit and Risk Management post has been established and the new post holder starts in February 2020 ready for the new financial year. This role has been established to strengthen the in house senior resources focused on Fraud, Risk, Audit and Governance to ensure the services plans for continuous improvement can be efficiently implemented with less reliance on the private sector. A key area for development is the council's Risk Management Framework by strengthening the formal mechanisms that support management it will be easier to gain insight and provide assurance, to all stakeholder, in future.

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The resources available in 2020/21 to deliver the internal audit and counter-fraud function have been assessed as adequate to fulfil the requirements of the PSIAS and ensure that the key risks of the Council are subject to an appropriate level of independent audit review.

Internal Audit Planning

Audit planning will be undertaken on an annual basis and audit coverage will be based on the following:

- The Borough Plan and Corporate Risk Register;
- Risk identified at Priority Boards or within Directorate Management Teams;
- Discussions regarding assurance needs with the Council's senior management, statutory officers and Priority Owners;
- Outputs already available from other independent assurance providers.

The annual Internal Audit Plan is composed of the following:

- **Borough Plan/Priority and Business Area Risk Based Audits:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through risk assessment process. The internal controls depending on the risk assessment are tested to confirm that they operating correctly. The selection of work in this category is driven by internal audit's and senior managers' risk assessment and may also include work in areas where the Council services are delivered in partnership with or by other organisations.
- **Key Financial Systems:** Audits of the Council's key financial systems on a continuous basis.
- **Probity Audit (schools/other establishments):** Audit of a single establishment. Compliance with legislation, regulation, policies, procedures or best practice is confirmed.
- **Computer Audit:** The review of ICT infrastructure and associated systems, software and hardware.
- **Contract and Procurement Audit:** Audits of the Council's procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts.
- **Counter-Fraud and Ad-Hoc Work:** The in-house Corporate Anti-Fraud Team undertakes a programme of pro-active and reactive counter-fraud investigations. A contingency of audit days are also included in the annual audit plan to cover any additional work due to changes or issues arising in-year.
- **Advisory:** Supporting management with advice and guidance regarding new systems and processes and how an efficient and effective control environment to manager risk can be implemented. Our mix of in house and outsourced resources, enables us to provide this added value service without conflicts of interest arising.

Follow-up

Internal Audit will evaluate the Council's progress in implementing audit recommendations against agreed targets for implementation. Progress will be reported to management and to the Corporate Committee on a quarterly basis. Where progress is unsatisfactory or management fail

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to provide a satisfactory response to follow up requests, Internal Audit will implement the escalation procedure as agreed with management.

Reporting

Internal audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work and at the follow up stage. The appropriate officers to receive the report at the draft and final reporting stage of the audit will be determined at the planning stage of the work and reviewed at the end of the fieldwork period to ensure completeness. Summary of findings are reported to the Corporate Committee as part of the quarterly reports and within the Head of Internal Audit's annual report which contributes to the assurances underpinning the statutory Annual Governance Statement of the Council.

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Internal Audit Plan 2020/21

The annual internal audit plan has been discussed and agreed with the Senior Leadership Team; Priority Owners; and nominated clients. The plan and strategy are submitted to the Corporate Committee for final approval and any significant changes to the annual internal audit plan and/or the internal audit strategy will be reported during the year to the Corporate Committee for formal approval.

The table below sets out the internal audit work to be completed by the external contractor. The total number of days to be delivered excludes audit work that will be completed as part of the corporate anti-fraud team's work.

The work planned aims to provide coverage across the value protection and value added requirements of the Council. The internal audit service has focused its annual plan to align it with the identified key risks within the Borough Plan in order to provide assurance across the Priority areas. Assurance on Priority 5 key risk areas will be provided in part via internal audit's annual audit plan delivered via Homes for Haringey and the counter-fraud work plan.

Audit Area	Client	Quarter	Days
Corporate/Cross Cutting Risk Audits			
Sickness Monitoring and Management	Director of Customers, Trans & Resources	4	10
Insourcing - Arrangements to bring service in-house	Director of Customers, Trans & Resources	2	10
Scheme of delegation / authorisation	Director of Finance	2	10
Declarations of Interests	Assistant Director - Governance	1	10
Review of Human Resources Service	Director of Customers, Trans & Resources	4	15
Sub-total – Corporate Risk Audits			55
Borough Plan – Priority Risk Audits			
Priority 2 People – a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential			
Brokerage - Children's Commissioning	Director of Children's Services	2	10
Special Education Needs (Including EHCP)	Director of Children's Services	1	15
No Recourse to Public Funds	Director of Children's Services	3	10
Foster Care Payments	Director of Children's Services	2	10
Social Care Residential Contract Management	Director of Children's Services	4	10

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Audit Area	Client	Quarter	Days
Sub-total Priority 2.1			55
Priority 2 People – a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential			
Homecare - Transition to the London Living Wage	Director of Adult and Health	1	10
Adaptation - Management and performance	Director of Adult and Health	3	10
Management and Control of Carers Service	Director of Adult and Health	3	10
Adult Social Care Management	Director of Adult and Health	2	15
Safeguarding - Management and Triage arrangements	Director of Adult and Health	2	10
Quality of Care	Director of Adult and Health	4	10
Sub-total Priority 2.2			65
Priority 3 Place – A place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green.			
Applications review of Parking System	Director of Environment & Neighbourhoods	4	10
Food and Safety inspections (Env Health)	Director of Environment & Neighbourhoods	2	10
Management of the London Construction Programme	Director of Environment & Neighbourhoods	3	10
Waste Recycling Management	Director of Environment & Neighbourhoods	2	10
Administration of Concretionary Travel	Director of Environment & Neighbourhoods	1	10
Pest Control - Fees and Charges	Director of Environment & Neighbourhoods	1	10
Sub-total Priority 3			60
Priority 4 Economy – A growing economy which provides opportunities for all our residents and supports our businesses to thrive.			
Client Monitoring of Homes for Haringey	Director of Housing, Regeneration & Planning	2	15
Capital schemes - Programme Planning, Delivery and Management	Director of Housing, Regeneration & Planning	2-3	25

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Audit Area	Client	Quarter	Days
Management of CIL	Director of Housing, Regeneration & Planning	3	10
Buy back programme of ex RTB property	Director of Housing, Regeneration & Planning	1	10
Health and Safety	Director of Housing, Regeneration & Planning	1	10
Sub-total Priority 4			70
Priority 5 Your Council – The way the Council works			
FOBO and the Digital Strategy	Director of Customers, Trans & Resources	3	15
Post implementation review - Benefits service	Director of Customers, Trans & Resources	4	15
Arrangements for maximising Business Rates	Director of Customers, Trans & Resources	2	10
Sub-total Priority 5			40
Corporate IT Audits			
Audit Needs Assessment	Chief Information Officer	1-4	45
Corporate IT Audits			45
Contract and Procurement Audit			
Arrangements for Letting Contracts	Director of Environment & Neighbourhoods	1	15
Contract Management of contracts	Director of Environment & Neighbourhoods	2-3	20
Sub-total – Contract Audits			35
Risk Based Audits of Key Financial Systems			
Use and Management of Purchase Cards	Director of Customers, Trans & Resources	1	10
Accounts Payable	Director of Customers, Trans & Resources	3	10
Teachers' Pensions contributions	Director of Customers, Trans &	3	5

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Audit Area	Client	Quarter	Days
	Resources		
Accounting for Pay and Display Income	Director of Environment & Neighbourhoods	2	10
Income collection (Debtors)	Director of Customers, Trans & Resources	2	10
Management and Use of Contract Waivers	Director of Environment & Neighbourhoods	1	10
Delivery of Financial Savings - two projects	Director of Customers, Trans & Resources	3	20
Attendance, Advice and guidance at Priority Boards	Chief Executive	1-4	20
Sub-total – Key Financial Systems			95
School Audits Risk Based Programme			
Fortismere Secondary	Head Teacher	1	6
Bruce Grove Primary	Head Teacher	1	5
Campsbourne Primary	Head Teacher	1	5
Crowland Primary	Head Teacher	1	5
Ferry Lane Primary	Head Teacher	1	5
Lancasterian Primary	Head Teacher	1	5
Lea Valley Primary	Head Teacher	2	5
North Haringay Primary	Head Teacher	2	5
Our Lady of Muswell Hill Primary	Head Teacher	2	5
Stroud Green Primary	Head Teacher	2	5
Tetherdown Primary	Head Teacher	2	5
Welbourne Primary	Head Teacher	2	5
West Green Primary	Head Teacher	2	5
Belmont Junior	Head Teacher	2	5
Rokesly Junior	Head Teacher	2	5
Rokesly Infants	Head Teacher	3	5
St Peter in Chains Infants	Head Teacher	3	5
Woodlands Park Nursery	Head Teacher	3	5
Riverside Special	Head Teacher	3	5
Follow up of Schools	Head Teacher	3	19
Sub-total – School Audits			115
Follow up of Audit Recommendations		1-4	30
Admin and Management		1-4	70
Risk Management		1-4	75
Contingency		1-4	40
Total			850