

# APPENDIX 1

## Introduction

This report to the Corporate Committee for the 2020/21 financial year includes details of all reports which have reached final stage in Quarter 3. 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. The fieldwork for these reviews has been completed during the government measures put in place in response to Covid-19. Consequently, testing has been performed remotely.

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.

## Key Highlights/Summary of Quarter 3 2020/21:

### 2020/21 Internal Audit Reports finalised in the quarter:

- Declarations of Interest
- Management of Cyber Risks

### 2020/21 Schools Audit Reports finalised in the quarter

- Rokesly Junior School
- Belmont Junior School
- Ferry Lane Primary School
- Rokesly Infant and Nursery School

### 2020/21 Draft Internal Audit Reports issued this quarter

- Buyback of Right to Buy

### 2020/21 Draft Internal Audit Reports issued this quarter

- |                       |  |
|-----------------------|--|
| • CIL                 | - `Brokerage (Adult's and Children's)  |
| • Letting Contracts   | - No Recourse to Public Funds          |
| • Contract Management | - IT Disaster Recovery                 |
| • Purchase Cards      | - Adaptations (Adult's and Children's) |
| • Capital Schemes     | - IT Infrastructure Resilience         |
| • Insourcing          | - Riverside and Wellbourne Schools     |

## Audit Progress and Detailed Summaries

The following table sets out the audits finalised in Quarter 3 of 2020/21 financial year 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
Declarations of Interest	September 2020	January 2021	Limited		1	2	3
Management of Cyber Risks	December 2020	January 2021	Limited		2	8	3

As part of the 2020/21 Internal Audit Plan we have visited the following schools during Quarter 3 and issued a final report:




School	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)		
					1	2	3
Rokesly Junior School	November 2020	January 2021	Adequate		-	3	1
Belmont Junior School	November 2020	January 2021	Adequate		-	5	3
Ferry Lane Primary School	December 2020	January 2021	Adequate		-	3	2
Rokesly Infant and Nursery School	December 2020	January 2021	Adequate		1	2	1

Definitions of assurance levels, recommendations priorities and direction of travel are included below.

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

Definitions of Assurance Levels	
Level	Description
<b>Substantial Assurance:</b>	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.
<b>Adequate Assurance:</b>	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.
<b>Limited Assurance:</b>	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.
<b>Nil Assurance:</b>	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.

Definitions of Recommendations	
Priority	Description
Priority 1 (Fundamental)	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Priority 2 (Significant)	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Priority 3 (Housekeeping)	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

Direction	
Direction	Description
	Improved since the last audit visit.
	Deteriorated since the last audit visit.
	Unchanged since the last audit report.
No arrow	Not previously visited by Internal Audit.

# 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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