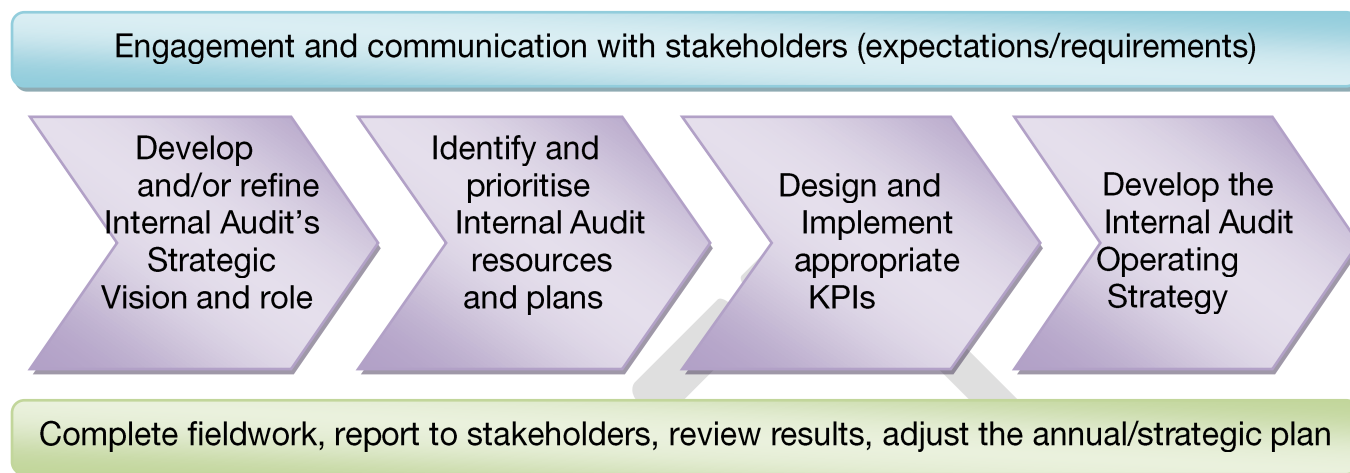
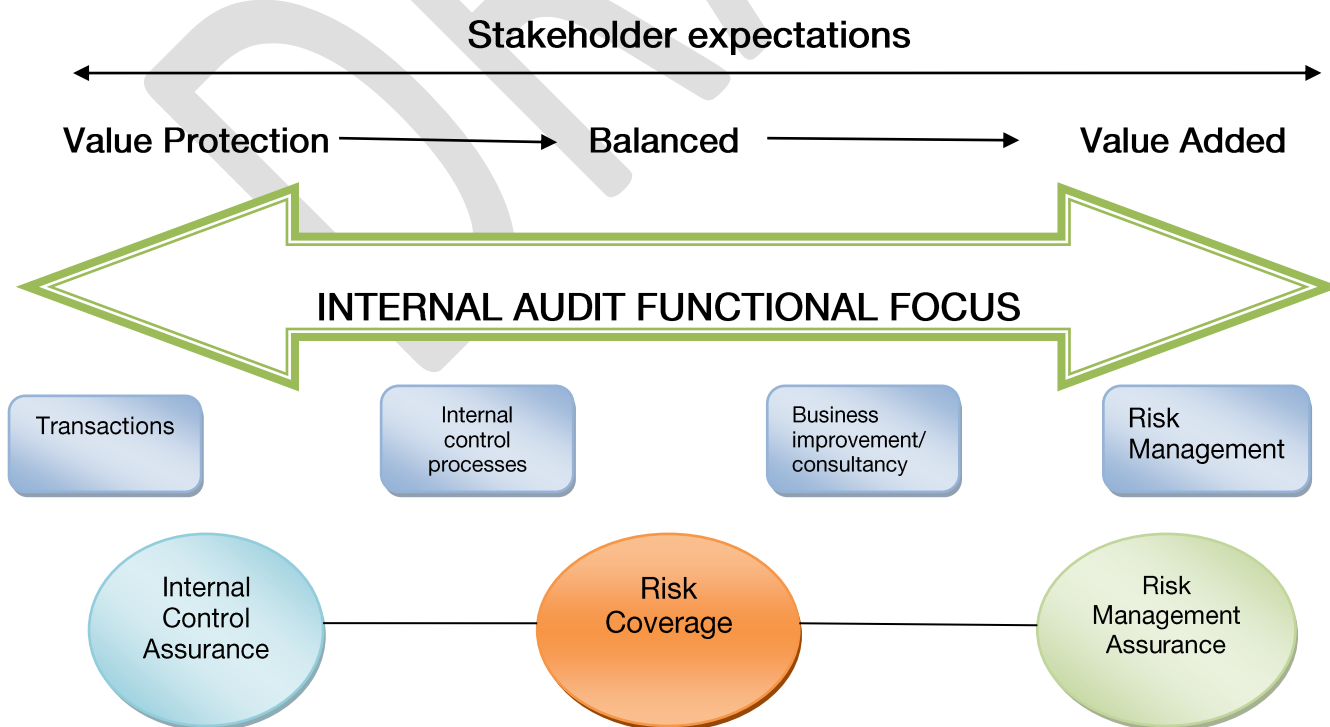


## Internal Audit Strategy – Introduction

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:



## 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 2021/22

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 started in February 2020. This role was 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.

# London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

The resources available in 2021/22 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 / Directorate Risk Registers;
- 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 are 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 is 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

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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# London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

## Internal Audit Plan 2021/22

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		Days
<b>Corporate/Cross Cutting Risk Audits</b>			
Business Continuity Planning			10
Arrangements for Strategic and directorate Planning	Director of Customers, Trans & Resources		10
Performance Management arrangements (corporate and directorate)	Director of Customers, Trans & Resources		15
Digital Together Programme	Director of Customers, Trans & Resources		15
Hospitality and Gifts	Director of Customers, Trans & Resources		7
Recruitment – interim staff including controls over IR35	Director of Customers, Trans & Resources		15
<b>Sub-total – Corporate Risk Audits</b>			<b>72</b>
<b>Borough Plan – Priority Risk Audits</b>			
<b>Priority 2 People – a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential</b>			
Arrangements for planning, monitoring and controlling the use of residential placements.	Director of Children's Services		10
Management and control over record keeping for Looked after Children.	Director of Children's Services		10

## London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

<b>Audit Area</b>	<b>Client</b>		<b>Days</b>
Arrangements for the management and control over child protection cases	Director of Children's Services		10
Council's arrangements for dealing with allegations against professionals.	Director of Children's Services		10
Arrangements to satisfy the legal requirement to review EHCPs annually.	Director of Children's Services		15
<b>Sub-total Priority 2.1</b>			<b>55</b>
<b>Priority 2 People – a Haringey where strong families, strong networks and strong communities nurture all residents to live well and achieve their potential</b>			
Arrangements for imbedding actions from Task and Finish Group (Mosaic)	Director of Adult and Health		12
Review of Joint Management Arrangements	Director of Adult and Health		10
Mental Health Assessment	Director of Adult and Health		10
Transition to London Living Wage	Director of Adult and Health		10
Deprivation of Liberty	Director of Adult and Health		10
Direct Payments	Director of Adult and Health		10
<b>Sub-total Priority 2.2</b>			<b>62</b>
<b>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.</b>			
Post implementation of new parking system	Director of Environment & Neighbourhoods		15
Control and Monitoring of Purchasing Cycle (Strategic)	Director of Environment & Neighbourhoods		15
Use and Control of CCTV	Director of Environment & Neighbourhoods		10
Management of inspection of Trees	Director of Environment & Neighbourhoods		10
New River Leisure Centre	Director of Environment & Neighbourhoods		10
Performance Indicators - Veolia	Director of Environment & Neighbourhoods		10
<b>Sub-total Priority 3</b>			<b>70</b>

# London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Client		Days
<b>Priority 4 Economy – A growing economy which provides opportunities for all our residents and supports our businesses to thrive.</b>			
Acquisitions and Disposal of Assets	Director of Housing, Regeneration & Planning		15
Delivery of Capital project /Schemes	Director of Housing, Regeneration & Planning		15
Application Review - Tech Forge	Director of Housing, Regeneration & Planning		12
Building Compliance	Director of Housing, Regeneration & Planning		10
Housing Development Programme	Director of Housing, Regeneration & Planning		15
<b>Sub-total Priority 4</b>			<b>67</b>
<b>Priority 5 Your Council – The way the Council works</b>			
Advice and assistance in the arrangements to administer the Local Welfare Assistance Scheme.	Director of Customers, Trans & Resources		12
Advice and assistance to implement the Council's Debt Strategy.	Director of Customers, Trans & Resources		12
<b>Sub-total Priority 5</b>			<b>24</b>
<b>Corporate IT Audits</b>			
IT capability	Chief Information Officer		15
Cyber Security	Chief Information Officer		13
Disaster Recovery	Chief Information Officer		10
IT Procurement controls	Chief Information Officer		10
<b>Corporate IT Audits</b>			<b>48</b>
<b>Contract and Procurement Audit</b>			
Contract Management	Director of Environment & Neighbourhoods		10
Management and Control of Contract Register	Director of Environment & Neighbourhoods		10
<b>Sub-total – Contract Audits</b>			<b>20</b>

# London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Client		Days
<b>Risk Based Audits of Key Financial Systems</b>			
Accounting & General Ledger	Director of Customers, Trans & Resources		10
Accounts Receivable (Sundry Debtors)	Director of Customers, Trans & Resources		13
Accounts Payable (Creditors)	Director of Customers, Trans & Resources		13
Housing Benefits	Director of Customers, Trans & Resources		15
Council Tax	Director of Customers, Trans & Resources		12
NNDR	Director of Customers, Trans & Resources		8
Payroll	Director of Customers, Trans & Resources		12
Administration and controls over Grants administered on behalf of central government	Director of Customers, Trans & Resources and Director of Finance		10
<b>Sub-total – Key Financial Systems</b>			<b>93</b>
<b>School Audits Risk Based Programme</b>			
Hornsey School for Girls	Head Teacher		6
Fortismere	Head Teacher		6
Alexandra	Head Teacher		5
Chestnuts	Head Teacher		5
Coldfall	Head Teacher		5
Earlham	Head Teacher		5
Mulberry	Head Teacher		5
Rhodes Avenue	Head Teacher		5
Risley Avenue	Head Teacher		5
St James	Head Teacher		5
St Martin of Porres Catholic	Head Teacher		5
St Mary's CE Primary	Head Teacher		5
St Paul's Catholic	Head Teacher		5
Tiverton	Head Teacher		5
Rowland Hill	Head Teacher		5
TBC	Head Teacher		5
TBC	Head Teacher		5
Management and follow-up of 2020/21 Schools' Audit Recs	Head Teacher		15
<b>Sub-total – School Audits</b>			<b>102</b>



## London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Client		Days
Follow up of Audit Recommendations			30
Admin and Management			70
Risk Management			70
Contingency			21
<b>Total</b>			<b>804</b>

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