



## APPENDIX 1

### Introduction

This report for the 2020/21 financial year includes details of internal audits completed by Mazars. 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 provides 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.

**Date: 6 July 2021**

## 01 Mazars Internal Audit Work Undertaken in 2020/21

The following reviews were undertaken within the year by Mazars. The audit findings in respect of each review, together with our recommendations for action and the management responses are set out in our detailed reports. 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.

Audit Title	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)			Total
					1	2	3	
Declarations of Interest	September 2020	January 2021	Limited	←	1	2	3	6
Buyback of Right to Buy (RtB)	November 2020	January 2021	Adequate	N/A	-	2	2	4
Community Infrastructure Levy (CIL)	November 2020	February 2021	Adequate	N/A	-	1	2	3
Arrangements for Letting Contracts	November 2020	May 2021	Limited	←	2	4	-	6
Contract Management of Contracts	November 2020	May 2021	Limited	←	1	5	-	6
Purchase Cards	November 2020	June 2021	Limited	N/A	1	4	-	5
Management of Cyber Risks	December 2020	January 2021	Limited	↔	2	8	3	13
Insourcing	December 2020	May 2021	Adequate	N/A	-	3	-	3
No Recourse to Public Funds	December 2020	July 2021	Substantial	N/A	-	1	1	2
Capital Schemes	January 2021	April 2021	Adequate	N/A	-	3	1	4
London Construction Programme	January 2021	April 2021	Adequate	N/A	-	2	2	4
Contract Waivers	January 2021	May 2021	Limited	↔	3	2	-	5
Risk Based Verification	January 2021	May 2021	Adequate	N/A	-	1	-	1

Audit Title	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)			Total
					1	2	3	
Brokerage (Adults)	January 2021	Draft Report	Limited	↔	-	5	1	6
Brokerage (Childrens)	January 2021	June 2021	Limited	N/A	1	2	-	3
IT Disaster Recovery	January 2021	June 2021	Limited	N/A	-	4	-	4
IT Infrastructure Resilience	January 2021	June 2021	Adequate	N/A	-	3	1	4
Adaptations	January 2021	July 2021	Substantial	N/A	-	-	2	2
Pest Control Fees and Charges	February 2021	May 2021	Substantial	N/A	-	1	2	3
Health and Safety	February 2021	June 2021	Limited	N/A	1	4	-	5
Administration of Concessionary Travel	February 2021	June 2021	Adequate	N/A	-	1	1	2
Accounting for Pay and Display Income	February 2021	July 2021	Substantial	N/A	-	-	6	6
Accounts Payable	February 2021	June 2021	Substantial	➡	-	-	1	1
Quality of Practice	February 2021	July 2021	Adequate	N/A	-	3	1	4
Management and Control of Carers Service	February 2021	July 2021	Adequate	N/A	-	3	1	4
IT Change Management Follow Up	March 2021	May 2021	N/A					
Early Years	February 2021	March 2021	N/A					
CCTV	March 2021	May 2021	N/A					
Safeguarding (Management & Triage Arrangements)	March 2021	Draft Report	Limited	N/A	2	1	2	5
Revenue Assurance	April 2021	July 2021	Adequate	N/A	-	3	1	4

Audit Title	Date of Audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)			Total
					1	2	3	
				Totals	14	68	33	115

The following schools audits were undertaken within the year by Mazars.

Audit Title	Assurance Level	Direction of Travel	Number of Recommendations (Priority)			Totals
			1	2	3	
Our Lady of Muswell Catholic Primary School	Substantial	→	-	-	1	1
North Haringey Primary School	Substantial	→	-	1	-	1
Tetherdown School	Substantial	→	-	1	-	1
Campsbourne School	Substantial	→	-	1	1	2
Woodlands Park Nursery School	Adequate	→	-	2	1	3
Lancasterian Primary School	Adequate	→	-	3	-	3
Riverside School	Adequate	→	-	3	1	4
Rokesly Junior School	Adequate	→	-	3	1	4
Ferry Lane Primary School	Adequate	→	-	3	2	5
West Green Primary School	Adequate	↔	-	4	1	5
St Peter in Chains Roman Catholic Infant School	Adequate	→	-	3	3	6
Welbourne Primary School	Adequate	↔	-	4	2	6
Crowland Primary School	Adequate	→	-	4	3	7
Belmont Junior School	Adequate	↔	-	5	3	8

Audit Title	Assurance Level	Direction of Travel	Number of Recommendations (Priority)			Totals
			1	2	3	
Rokesly Infant & Nursery School	Adequate	↔	1	2	1	4
Lea Valley Primary School	Limited	→	2	5	4	11
Stroud Green Primary School	Limited	→	2	8	-	10
Totals			5	52	24	81

Definitions of assurance levels, recommendations priorities and direction of travel are in Section 03 below.

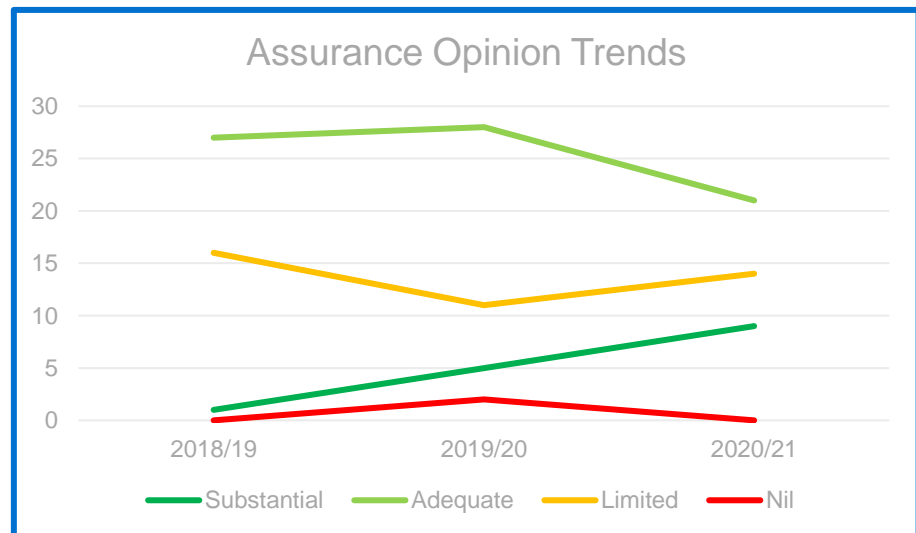
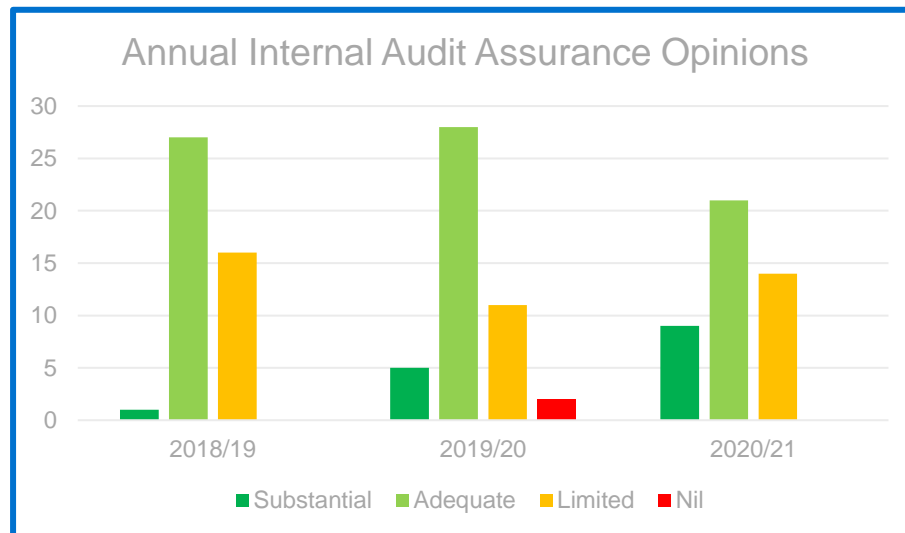
## 02 Benchmarking

This section compares the Assurance Levels (where given) and categorisation of recommendations made.

### Comparison of assurance levels (where given)

We have provided assurance opinions in 44 reports this year, with 46 opinions provided in 2019/20.

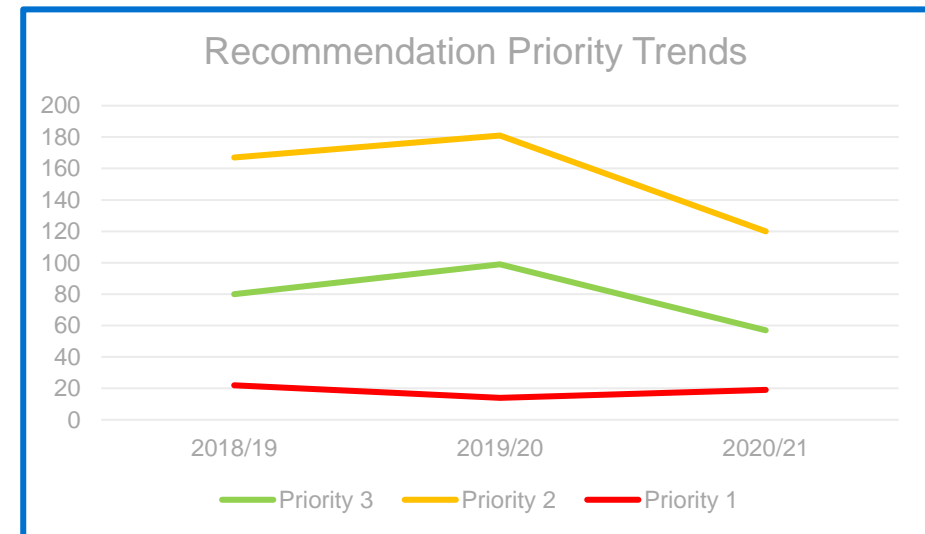
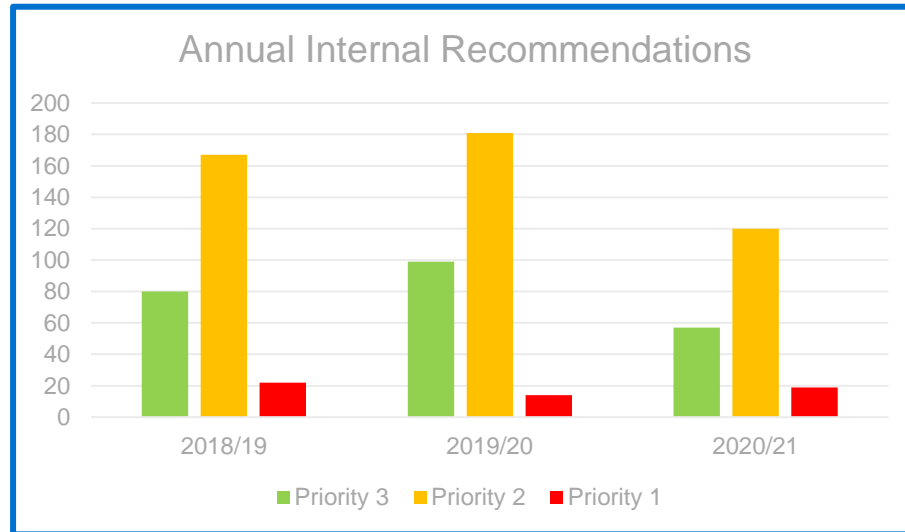
In comparison to 2019/20, there has been an increase in 'Substantial' opinions this year and no audits have received a 'Nil' assurance opinion.



### Comparison of recommendations by categorisation (where given)

Over the past year, we have made a total of 196 new recommendations. 19 recommendations were categorised as Priority 1, 120 were categorised as Priority 2 and 57 were categorised as Priority 3.




Less recommendations have been raised this year, however, there has been an increase in Priority 1 recommendations (from 14 to 19).



## 03 Definitions of Assurance and Recommendation Gradings

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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