

**Internal Audit
Quarter 1 Internal Audit Report
2009/2010
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.
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Executive Summary

Introduction

This is our first quarter report to the Audit Committee for the 2009/10 financial year including details of all reports which are now at final stage. The report provides information on those areas which have achieved full or substantial assurance 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. The format of this report is also designed to highlight the key risks facing individual departments and the Council which have been identified during the course of internal audit reviews. A more detailed summary of the limited assurance audit findings is included for information. The report draws together the summary information which is provided on a monthly basis to Members of the Audit Committee. Members of the Committee will also be provided with full copies of our audit reports 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 Audit Committee. The audits highlighted in **bold** are those not previously reported to the Audit Committee.

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

- Priority 1* - major issues for the attention of senior management
- Priority 2* - other recommendations for local management action
- Priority 3* - minor matters and/or best practice recommendations

Key Highlights/ Summary of Quarter 1 2009/10:

- **Social Services Establishment Audits**
- **Start of Probity audits of Primary Schools**

As part of the 2009/10 Internal Audit Plan, we also issued a draft report in June 2009 following an audit of Hostels, which was completed as part of the Procurement plan within the Corporate Resources Directorate. We have received the management responses and the final report will be issued in July 2009.

Audit Progress Summary – 2008/09:

The following table sets out the audits finalised in this quarter 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 Audit Committee. The audits highlighted in bold are those not previously reported to the Audit Committee.

Detailed summaries of all audits which do not receive 'Full' or 'Substantial' assurance ratings are also provided for Members' information.

Audit Title	Date of audit	Date of Final Report	Assurance level	Direction of Travel	Number of Recommendations (Priority)			Comments
					1	2	3	
Pension Fund Investment	March 2009	06.04.09	Full	↔	0	0	0	
NNDR	January 2009	15.04.09	Substantial	↔	0	3	3	
Implementation of Equal Pay Project	March 2009	21.04.09	Substantial	N/A	0	0	0	
Council Tax	January 2009	22.04.09	Substantial	↔	1	1	2	
Performance Management (ACCS Directorate)	January 2009	20.05.09	Substantial	N/A	0	3	1	
Sundry Debtors	January 2009	11.05.09	Substantial	↔	1	4	0	
Housing & Council Tax Benefits	March 2009	20.05.09	Substantial	↔	1	4	0	
Strategic Financial Management & Budgetary Control	January 2009	26.05.09	Substantial	↔	0	0	1	
Creditors	March 2009	02.06.09	Substantial	↔	0	2	1	
Leisure Centre Procurement	January 2009	15.06.09	Substantial	N/A	2	4	0	
Special Educational Needs (SEN) Commissioning	October 2008	15.06.09	Substantial	N/A	0	5	1	
Area Based Grants	January 2009	25.06.09	Substantial	N/A	1	0	0	
SAP Customer Relationships Management (CRM)	April 2009	26.06.09	Substantial	N/A	0	4	2	
Cash Receipting	January 2009	26.06.09	Substantial	⇒	0	0	1	

FMSiS Assessments and Summary:

Our work during 2008/09 involved checking compliance with the requirements of the Financial Management Standard in Schools (FMSiS).

All Primary, Infants, Junior and Special Schools are to be assessed as to whether they meet the requirements of the standard by 31st March 2010. To achieve this it is planned that these schools will be assessed over the three years as follows:

- 40% of schools by the 31st March 2008;
- 40% of schools by the 31st March 2009; and
- 20% of schools by the 31st March 2010.

Our schedule of visits to Primary Schools in 2008/09 included 29 schools (43%). The audit of three of these Schools have been deferred until 2009/10. We have issued final reports for all 26 Primary Schools visited. Of these, 25 Schools have been assessed as meeting the Standard. One school has been assessed as failing the standard. We will schedule a follow-up visit later in the year to assess whether the key recommendations have been implemented to enable us to confirm that the School meets the Standard.

We also visited one Secondary School in October 2008 - Haringey Sixth Form Centre. Our final report, which was issued on 3 March 2009, confirmed that the School has met the Standard.

Our work during 2009/10 will involve visits to the remaining 20% of Primary Schools to check compliance with the FMSiS. Haringey Education Finance Team, in conjunction with Internal Audit, provided an FMSiS training session to these Schools in June 2008 and our visits are scheduled to start from September 2009.

The table below sets out the results of our FMSiS audit with regards to compliance with the Standard by the 26 Primary Schools visited (which is reported as either pass or fail):

Primary School	Date of Assessment	Date of Final Report	Outcome (Pass/Fail)
The Vale Primary School	June 2008	01.09.08	Pass
The Green Primary School	June 2008	26.09.08	Pass
Rhodes Avenue Primary School	July 2008	26.09.08	Pass
Seven Sisters Primary School	July 2008	26.09.08	Pass
South Haringay Junior School	July 2008	26.09.08	Pass
Blanche Nevile Special School	July 2008	26.09.08	Pass
Belmont Infant School	July 2008	25/09/08	Pass
Belmont Junior School	July 2008	26/09/08	Pass
Campsbourne Primary School	July 2008	20/01/09	Pass
Moselle Special School	October 2008	20/01/09	Pass
Woodlands Park Nursery	November 2008	23/01/09	Pass
Lea Valley Primary School	December 2008	05/02/09	Pass
Tetherdown Primary School	November 2008	09/02/09	Pass
St Peter in Chains RC Infants School	October 2008	09/02/09	Pass
St Aidan's VC Primary School	November 2008	17/02/09	Pass
North Haringay Primary School	October 2008	17/02/09	Pass
Highgate Primary School	November 2008	25/02/09	Pass
Broadwater Farm Primary School	December 2008	25/02/09	Pass
Welbourne Primary School	November 2008	27/02/09	Pass
Downhills Primary School	December 2008	18/03/09	Pass
William C. Harvey Primary School	December 2008	24/04/09	Pass
St Paul's RC Primary School	November 2008	24.04.09	Pass
Stroud Green Primary School	January 2009	05.05.09	Pass
Muswell Hill Primary	October 2008	15.05.09	Pass
St Ignatius Primary School	December 2008	02.06.09	Pass
Nightingale Primary School	February 2009	02.07.09	Fail

Detailed Progress Report - Implementation of Priority 1 Recommendations 2004/05 and 2005/06

Audit Area	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2004/05				
Payroll & Expenses	1	31.03.06	An online process is being developed for Payroll to manage expense claims payments. <i>Deadline: 2008/09</i>	Implemented Actions were put in place to implement the proposal for expenses claims to be processed through payroll from April 2009. Guidance on claiming of expenses are in place. Payment of expenses is processed through the payroll with effect from 27 April 2009. Imprest Account officers located within Directorates will no longer be able to make reimburse via their petty cash float. A new e-form has been designed to facilitate the process.
2005/06				
TOREX Leisure Management System	1	Ongoing/ May 2008	Request to software suppliers to correct the system in order to fully prevent access following repetitive invalid logon attempts <i>Deadline: December 2008</i>	In Progress The department will be moving across from using Torex to a newer model called Advantage. This upgrade will aim to prevent individuals accessing the system following three failed attempts. The software upgrade of the new system for the DSO Sports and Leisure department has been delayed but is expected to be completed for September 2009. <i>Revised Deadline: September 2009</i>

Detailed Progress Report - Implementation of Priority 1-3 Recommendations 2006/07

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
URBAN ENVIRONMENT				
Pointing of Housing Register Applications				
	<p>All relevant staff should formally declare any personal interest they may have in the processing of applications, awarding of points and approval of successful applicants.</p> <p>A Declaration of Interest register should be maintained by a delegated officer and updated on a regular basis.</p>	2	<p>June 2007 (Revised Deadline January 2009)</p>	<p>In Progress</p> <p>Update received from management on 12.1.09: All new staff are advised on the need to declare any conflict of interest as part of their induction. Where it is identified that a housing application or homelessness application is being made by a member of staff or a member of their immediate family, the case is dealt with by a senior officer. Where an officer identifies that a case involves a friend or someone that they know, the case is dealt with by their senior. There is no declaration of interest register which covers such situations. This will be taken forward.</p> <p>Update as at 9.4.09: Management have confirmed that no staff are aware of any register in existence, and it was identified that this is an issue with wider implications than just housing register applications, as it applies to the Senior management Team as well. Will be taken to SMT.</p> <p>Update as at 13.7.09: In order to comply with this recommendation we will have a register in place by 14 August 2009 which will be located with the Assistant Director's PA. The register will record the details of staff who have disclosed that they have a personal interest in any case that they are dealing with. This includes cases where an officer;</p> <ul style="list-style-type: none"> ▪ Is involved with the processing of an application ▪ Is involved in the award / removal of points in relation

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>to an application</p> <ul style="list-style-type: none"> Is involved in the assessment/ approval of homelessness cases Is involved with the allocation of temporary / permanent accommodation Is involved with a private landlord who has offered a property to the Council as an AST / PSL Is involved with an applicant who is presenting to Advice and Options for assistance <p>(This list is not exhaustive and there is an expectation that staff will disclose any personal interest in a case)</p> <p><i>Revised Deadline: 14 August 2009</i></p>
Waste Management				
	<p>'Household' information should be uploaded on the Mayrise system at Haringey Accord to assist with the production of performance reports.</p> <p><i>Internal Audit Note:</i></p> <p><i>Haringey Accord have been taken over by Enterprise.</i></p>	1	August 2007	<p>No longer applicable</p> <p>Management update at November 2008:</p> <p>The Council has engaged with Enterprise with regard to the potential for using the LLPG to assist in the production of performance reports. Enterprise is currently estimating that the change to using Works Manager will happen in Dec 08 / Jan 09. The Council will seek agreement for Works Manager to link with the LLPG when Works Manager is implemented or as soon as possible afterwards.</p> <p>Enterprise are yet to confirm a date when Works Manager and LLPG will be implemented on the Haringey contract.</p> <p>Update 14.4.09:</p> <p>Enterprise will not be updating Mayrise as this system will be replaced by their own corporate IT system, WorksManager. Their IT system works on UPRN and as such will be using the updated version of the LLPG supplied by the Council. The implementation project to utilise WorksManager will commence in the next couple of months.</p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>Update 13.7.09</p> <p>Due to the contract with Enterprise coming close to an end it is likely that no further amendments will be made to the system. On consultation with the Head of Environmental Resources and the Client and Performance Manager it was explained that the Council will look for the link with LLPG when reviewing proposed future contractors. Therefore this recommendation is no longer applicable.</p>
CHIEF EXECUTIVE'S – PPP&C				
Partnership Arrangements				
	<p>A clearly defined consultation strategy should be developed and incorporated within the overall strategy for each partnership arrangement.</p> <p>Consultation strategies should be communicated to all responsible individuals and stakeholders, and should define who will be consulted, methods of consultation, responsibility for consultation and how consultation findings will be utilised.</p>	2	May 2008	<p>In Progress</p> <p>A Communications and Consultation Strategy is being developed both for the Council and the HSP. The development of the strategies is being led by Head of Communications for the Council. This will support complementary principles and actions across the Council and its partners. The HSP Communications and Consultation Strategy will govern the activities of all the sub-groups of the HSP in this matter.</p> <p>Update 23.1.09: The development of the strategy is still on course. A new HSP Community Engagement Framework is in development to take account of the new 'Duty to Involve' legislation, which incorporates linking these strategies.</p> <p>Update 9.4.09: A multi agency group is developing the framework and an initial phase of consultation was undertaken to inform the</p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>framework. A second phase consultation is currently underway whereby individuals and community groups give their views on the draft framework. The framework will be agreed by the Haringey Strategic Partnership at the end of April 2009.</p> <p>Update 13.7.09 The multi agency group developed the community engagement framework. The Consultation Strategy falls under this framework. The Consultation Strategy is expected to be formally reviewed and adopted by the end of the financial year. <i>Revised Deadline: April 2010</i></p>

Detailed Progress Report - Implementation of Priority 1-3 Recommendations 2007/08

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CHILDREN AND YOUNG PEOPLE'S SERVICE					
Primary Capital Programme					
1	<p>A Project Initiation Document (PID) should be developed for all key projects and should be authorised by the Project Sponsor and Corporate Finance, in line with the Council's Project Management Framework.</p> <p>Management should consider developing an approval process for related projects (such as a reduced PID)</p>	1	Changes suggested to start immediately	<p>In Progress</p> <p>Management Update 15.1.09: The Primary Strategy for Change bid (Programme Business Case) was submitted to the DCSF in June 2008. This bid formed the basis of Haringey's proposed delivery plan for Primary capital programme for 2009/10 onwards.</p> <p>Audit were advised in August 2008 that on receipt of approval of the bid:</p> <ul style="list-style-type: none"> a. A PCP programme PID would be drafted and submitted for Council approval by December 2008; b. A mandate would be given to proceed with project brief development and approval for 2 major projects - Broadwater Farm Inclusive learning campus and a 	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>School expansion project by September 2008; and</p> <p>c. Feasibility studies and a draft of the business cases would be completed by November 2008.</p> <p>The council were anticipating a response from DCSF by September 2008 but did not receive a response until November 2008.</p> <p>The bid (business case) approval was deferred until the submission of evidence of adherence to 2 Nr Conditions within the programme delivery plan by 31st March 2009:</p> <p>a. More detail is required for Choice and diversity; and</p> <p>b. More detail is required for ICT change management & procurement.</p> <p>On receipt of the feedback to the Councils bid in November 2008, the Project Sponsor/Programme Board gave approval to the respective PCP project briefs and approval to proceed with the feasibility studies and preparation of the project business cases.</p> <p>The present projected programme milestones are:</p> <p>a. Completion the draft PCP programme PID – March 2009; and</p> <p>b. Approval of PCP programme PID – April 2009 (critical path is subject to the milestone – ‘the receipt of DCSF approval of the additional information requested to support Haringey’s bid/business case’).</p> <p>Update 8.4.09: As per the responsible Officer, the PID for the Primary Capital Programme is virtually complete but is awaiting responses from the various stakeholders. The PID for the</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>whole programme will include the Business Case. It is planned that for major projects within the programme an individual PID and Business Case will be developed.</p> <p>Update 21.7.09 A framework document is currently being written (completed by end of Sep 2009), that explains the approach to delivering all schemes in the Primary and Pre-School Programme (PPS) and the commissioning approach we are developing to new sub-programmes within PPS (current sub-programmes in implementation phase are PCP, Children's Centres Phase 3, Youth Capital Plus). As each new sub-programme is commissioned, a short commissioning document will be created defining the outcomes of that sub-programme, any funding restrictions, key timelines and prioritisation of spend. Then, as each project within a sub-programme is initiated, a standard Council template project PID will usually be created (exceptions to this would be for very some of the very small maintenance projects we deal with). Given the PCP Programme was started prior to the commissioning process, our current documentation about that sub-programme is the Primary Strategy For Change and Project Briefs or PIDs (as per the stage of delivery) for each of the PCP projects (Broadwater Farm, Rhodes Avenue expansion, Coleridge).</p> <p><i>Revised deadline: September 2009</i></p>	
2	<p>A Business Case should be developed for the Programme and for all individual projects withing the programme, in line with the Council's Project Management Framework.</p> <p>For smaller projects, the Business</p>	1	System now in place	<p>Partly Implemented</p> <p>Please see comments above</p> <p><i>Deadline: September 2009</i></p>	See above.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
	Case should be approved by the Project Sponsor or management team, and that for projects that report to the Programme, the Business Case must also be signed off by Corporate Finance and agreed by the Stream Board.				
ADULTS, CULTURE & COMMUNITY SERVICES					
Appointeeship & Receivership					
3	<p>Management should liaise with the Head of Corporate Finance to consider holding Appointeeship service user funds in interest bearing bank accounts, for the benefit of the clients.</p> <p>Consideration should be given to apportioning all interest earned on these accounts in an appropriate manner and crediting the interest to individual clients, based on the level of funds that they hold. In all cases, it should be specified whether the interest is credited gross or net, for tax return purposes.</p>	2	March 2009	<p>Partly Implemented</p> <p>The Service is still in discussion with Corporate Finance, who have confirmed that relevant action will be taken by end of April 2009.</p> <p><i>Revised Deadline: April 2009</i></p> <p>Update 13.7.09: The service are waiting for a response from the discussions with Corporate Finance.</p> <p><i>Revised Deadline: September 2009</i></p>	
4	Management should put in place a process for invoices to be raised in a timely manner for all the relevant cases where care is provided to service users.	2	<p>March 2009 – System purchase</p> <p>September 2009 – actual implementation</p>	<p>Partly Implemented</p> <p>We were informed that there is currently nothing in Framework-i to enable this functionality.</p> <p>The new system is likely to be purchased by March 2009.</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
				<p>However, the actual implementation, allowing the interface to be configured may have to be delayed to September 2009. Management will be looking to have interface between Framework-I and the charging system.</p> <p>Management Update 15.1.09: In light of the implementation of Framework-i Finance, the service will use reconciliation reports, cross referenced to SAP AR, to achieve this objective. This will ensure that when assessments are completed, invoices are raised in a timely manner where relevant.</p> <p>Management Update 09.4.09: The new system has been purchased and a go live date of the third week in May has been set. The full interface is still scheduled for September 2009.</p> <p>Update 13.7.09 Deadline not yet due to confirm implementation.</p>	
5	<p>A reminder should be sent to Social Workers of the importance to enter the correct cost code all Payment Request Forms.</p> <p>Cashiers should also be reminded of the importance to input the correct SAP cost code on the system (as noted on the Payment Request Form) when processing payment.</p> <p>It is further recommended reconciliations should be completed every two months between payments charged to community service users and the Payment Request Forms in order to identify</p>	2	N/A	<p>No longer applicable</p> <p>New methods of achieving this are currently being discussed with the Manager for Community and Social Care. A proposal is to produce a 'look up table' whereby a weekly schedule is approved. Coding will be maintained by the Finance Division: this should overcome the issue of inaccurate SAP coding by staff. However, this is an ongoing process that still needs to be discussed further.</p> <p>Management Update 09.04.09: Due to reviews being undertaken with Social Workers this has not been implemented. However, the team are currently working with Care Managers so that all payment request forms are checked manually on an individual basis.</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
	and correct any miscoding errors.			<p>A revised deadline of May 2009 has been set.</p> <p>Management Update 13.7.09: There are no more issues relating to the cost codes. Social workers no longer need to be reminded as correct codes are requested from the Finance Assessment team.</p> <p>In addition, there is a proposal for the frontline cashiers service to close so this recommendation is no longer applicable. If this proposal is successful the service will need to work with Corporate Finance to revise current procedures.</p>	
6	<p>It is recommended that all policies and procedures should be reviewed regularly, and at least annually, and updated, if necessary.</p> <p>It is further recommended that all documents should be dated and communicated to all relevant staff.</p>	3	N/A	<p>Partly Implemented</p> <p>Management Update 15/01/09: A renewed Section 48 policy is being re-drafted in line with the standardized Adults, Culture & Community Services template. This template will include a review date.</p> <p>Management Update 09.04.09: The Section 48 policy has been revised apart from one remaining section in which the department are awaiting legal advice – this should be completed by May 2009.</p> <p>Update 13.7.09: The policy is still awaiting feedback and advice from legal services.</p> <p><i>Revised Deadline: September 2009</i></p>	

Follow Up Table - 2008/09 Audit Work

AUDIT AREA	Assurance Level	Recommendations												Priority 1 Recommendations Outstanding
		Category				Implemented								
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress	Not yet due	
Council-wide														
Information Management & Security	Substantial	0	3	0	3	0	1	0	1	0	1	1	0	0
Chief Executives – PPP&C														
Complaints Procedure	Substantial	0	3	1	4	0	3	1	4	0	0	0	0	0
Chief Executives – P&OD														
Pre-employment checks	Substantial	1	4	0	5	1	4	0	5	0	0	0	0	0
Implementation of Equal Pay Project	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Resources														
Insurance Arrangements	Full	0	0	0	0	0	0	0	0	0	0	0	0	0
Accounting and General Ledger	Full	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension Fund Investment	Full	0	0	0	0	0	0	0	0	0	0	0	0	0
Disposal of Properties	Substantial	1	5	1	7	1	5	1	7	0	0	0	0	0
Council Tax	Substantial	1	1	2	4	0	0	2	2	0	2	0	0	1- Follow up to be completed in Q2 of 2009/10
NNDR	Substantial	0	3	3	6	0	3	3	6	0	0	0	0	0
Cleaning Materials Procurement	Limited	5	5	1	11	4	4	0	8	0	1	1	1	1
Framework-I Application	Substantial	0	8	2	10	0	8	2	10	0	0	0	0	0
I-World Database	Substantial	0	5	1	6	0	5	1	6	0	0	0	0	0
ALBACS	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	0

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

APPENDIX A

AUDIT AREA	Assurance Level	Recommendations												Priority 1 Recommendations Outstanding
		Category				Implemented								
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress	Not yet due	
Civica Disaster Recovery	N/A	0	2	0	2	0	0	0	0	0	2	0	0	The o/s recommendations will be followed up as part of the 2009/10 audit plan.
Urban Environment														
Highways (Contractor Processes)	Substantial	1	2	0	3	0	0	0	1	0	1	0	2	1
Adults, Culture & Community Services														
Cranwood Residential Care Home	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	0
Red House Residential Home	Substantial	0	8	1	9	0	7	1	8	1	0	0	0	0
Cemeteries & Crematorium	Substantial	1	6	1	8	0	6	1	7	0	0	0	0	1
Commissioning & Strategy	Full	0	0	0	0	0	0	0	0	0	0	0	0	0
Children & Young People’s Services														
Children’s Centres – Broadwater Farm	Substantial	1	1	0	2	1	1	0	2	0	0	0	0	0
Children’s Centre – General	Limited	3	6	1	10	1	6	1	8	0	0	1	1	1
Children’s Centres – Pembury House	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0
Passenger Transport Services	Substantial	2	9	0	11	1	8	0	9	0	1	1	0	1
All Directorates – Project Mgmt, Assurance and Project														
Building Schools for the future	Substantial	3	3	0	6	3	3	0	6	0	0	0	0	0
Total		19	90	16	125	13	80	15	109	1	8	4	4	6

Implemented – officers has indicated through self-certification the progress of recommendations. We have verified a sample of responses.

N/A – the recommendation is no longer applicable due to changes in the system, or alternative action has been taken to address the risk.

Not implemented – the recommendation has not been addressed, alternative action has not been taken.

Partly implemented – officers have started implementation of recommendations

Detailed Progress Report - Outstanding Priority 1 – 3 Recommendations 2008/09

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
COUNCIL WIDE					
Information Management and Security					
1	It is recommended that management should monitor and assess the adequacy of the procedures in place at third party service providers with regard to the management and storage of confidential data.	2	31/12/09	Update 13.7.09 Deadline not yet due to confirm implementation.	
2	It is recommended that management should establish a formal process for the periodic testing of local practices for a sample of business units against compliance with the Data Protection Act and the Council's Data Protection Policy and Procedures. It is further recommended that the results of the sample testing are documented and signed off by the officer completing the checks.	2	31/12/09	Update 13.7.09 Deadline not yet due to confirm implementation.	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CORPORATE RESOURCES					
Council Tax					
1	It is recommended that the reconciliation of the Council Tax system (IWORLD) with all other systems (including RADIUS and SAP) should be completed on a monthly basis.	1	31/04/09		This will be followed up as part of the 2009/10 audit plan.
2	It is recommended that progress on clearing the suspense account, in particular older balances, should be monitored by the Benefits and Local Taxation Finance Manager. It is further recommended that identified items on the suspense account should be reallocated to the correct accounts on the general ledger in a timely manner.	2	31/4/09		This will be followed up as part of the 2009/10 audit plan.
Cleaning Materials					
1	The Service's budget-setting process should be reviewed and appropriately revised to ensure that the budget set is realistic and reflective of the Service's current needs. In addition, the initial budget setting should be completed in consultation with the key stakeholders (the Head of Facilities Management, the Manager of Cleaning Services and the Area Managers) and should include an appropriate zero-based costing	1	31/7/09	Management Update: 13.7.09 A key stakeholders meeting was held to discuss budget issues on the 23rd March 2009. Upon discussion it was identified that this is ongoing work and the recommendation has not been fully implemented. <i>Revised deadline: September 2009</i>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
	exercise.				
2	It is recommended that the Service should complete a comparison of stock usage across the different sites using the chemical usage spreadsheet, which should be sent on a regular basis by the Suppliers. This should be used to accurately monitor the usage of stock by similar sites and any variances investigated.	2	31/4/09	Update 13.7.09 Due to the required documentation not being made available from the supplier we could not determine whether this control has been fully implemented <i>Revised Deadline: September 2009</i>	
3	The service should ensure that annual/regular refresher training is provided to relevant members of staff to ensure that up-to-date guidelines on usage and responsibility is provided. In addition, records of training courses provided should be adequately maintained.	3	31/3/09	Update 13.7.09: This was not implemented as at the above date. Same training sheet supplied and updates are still to be made over the coming year. <i>Revised Deadline: September 2009</i>	
Civica Disaster Recovery					
1	When planning the next disaster recovery test, consideration should be given to the back up process and the automated progression to be segregated to start at different times. Planning for the test should ensure that management reports are produced from the recovered system at the DR site and are taken at the same state as the system at Haringey, i.e. either before or after the progression has commenced.	2	31/6/09		This will be followed up as part of the 2009/10 audit plan.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2	<p>Management should prepare detailed test plans for the future Disaster Recovery tests, which should:</p> <ul style="list-style-type: none"> • identify key transactions processed by the Parking Management System; • be used to prepare a test schedule detailing the data to be used and expected results; and • be used on the recovery test to document testing. 	2	31/7/09		This will be followed up as part of the 2009/10 audit plan.

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
URBAN ENVIRONMENT					
Highways (Contractor Processes)					
1	It is recommended that the Confirm system should be used to generate reports on actions taken in relation to inspections undertaken, and that management should check a sample of inspections to verify that appropriate action has been undertaken on a timely basis.	2	31/3/09	Update 13.7.09: This is awaiting feedback from management regarding action taken.	
2	It is recommended that the Service should produce error logs for incomplete works from the Confirm system, and that corrective action is taken to rectify the works which are still outstanding.	2	31/6/09	Update 13.7.09: This is awaiting feedback from management regarding action taken.	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
3	<p>It is recommended that the Service should ensure that a signed agreement is in place between the Council and each contractor.</p> <p>It is further recommended that all contract variations should be supported by a signed approval by the relevant Council officer and by the contractor. A copy of the signed document giving notice of the contract variation to the contractor should be retained on file and the Service should ensure that the contractor signs and returns the document promptly, for retention by the Council</p>	1	31/12/08	<p>Update 13.7.09</p> <p>The Contracts Lawyer within legal service provided a signed copy of the contract variations on behalf of John Crowley (Maidstone) Limited. However a signed copy of the contract could not be provided.</p> <p>Revised deadline: September 2009</p>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
ADULT, CULTURE AND COMMUNITY SERVICES					
Cemeteries and Crematorium					
1	It is recommended that relevant staff should be reminded to undertake a monthly reconciliation of all income received to income due, and that any discrepancies and overdue income should be identified, investigated and followed up to a prompt conclusion. (AR invoicing file) It is further recommended that the reconciliation should be checked by an independent officer, and signed and dated by both the preparer and reviewer.	1	31/10/08	Update 13.7.09 Months November and December 2009 were not done due to sickness. <i>Revised Deadline: September 2009</i>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
CHILDREN AND YOUNG PEOPLE'S SERVICES					
Children's Centre - General					
1	Policies and procedures currently used are the generic Haringey Council policies available on Harinet. The bespoke policies and procedures will be developed and once approved, they will be made available to the centres. Centres will ensure that staff are fully trained and a training programme will be adopted to ensure this is effected.	1	31/12/08	Update 13.7.09 Policies and procedures currently used are the generic Haringey Council policies available on Harinet. The bespoke policies and procedures have been developed in draft and once approved; they will be made available to the centres. <i>Revised Deadline: September 2009</i>	
2	It is recommended that a formal signed agreement should be put in place between the Children's Centres and the Link Centres, which documents all the terms and conditions, and contractual obligations of both parties.	1	31/12/08	Update 13.7.09: This is currently in progress and will be in place in a few months. <i>Revised Deadline: December 2009</i>	
Passenger Transport Services					
1	It is recommended that contractors should be reminded of their contractual obligations to provide quarterly reports identifying their performance against the standards set out in the contract.	1	3/11/08 – Contractors Meetings	Update: 13.7.09 The last quarterly meeting minutes were provided, but there is currently no reporting of Key Performance Indicators. <i>Revised Deadline: September 2009</i>	

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
2	<p>It is recommended that the procedures by which the Passenger Transport Service operates should be documented, dated, approved at the appropriate level and made available to all relevant staff for reference.</p> <p>It is further recommended that responsibility should be assigned to a nominated officer for maintaining the procedures, including reviewing and updating these, where appropriate, on a periodic basis.</p>	2	Nov 08	<p>Update 13.7.09: A new Transport Operations Manager has been appointed as from February 2009 and is currently in the process of reviewing and updating all procedures operated by the Transport Service in addition to management of the service and plans to have the procedures completed within six months.</p> <p><i>Revised Deadline: September 2009.</i></p>	

Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit 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 internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Deloitte & Touche Public Sector Internal Audit Limited

London

July 2009

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