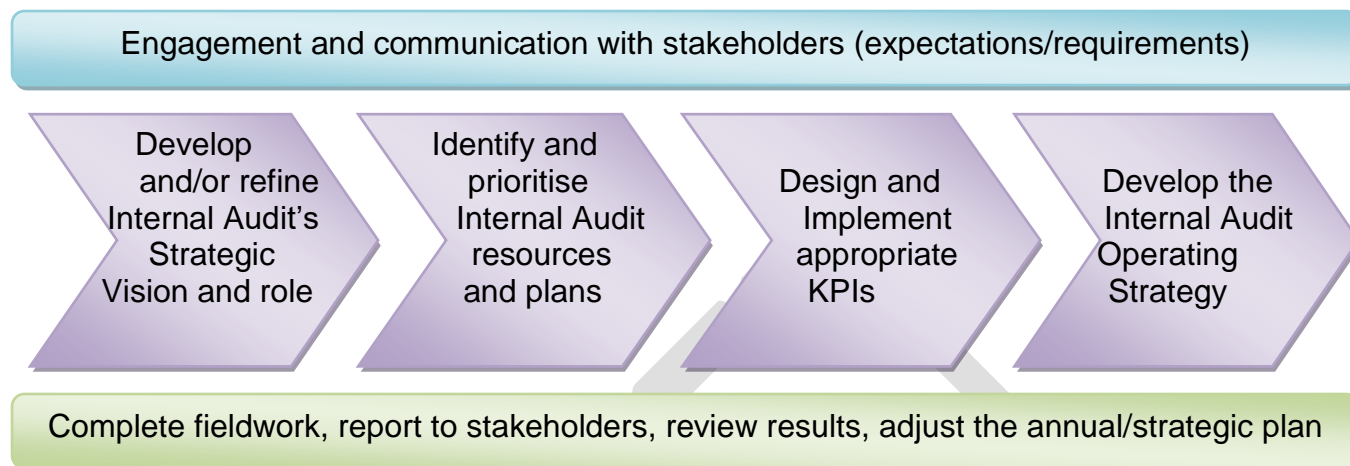
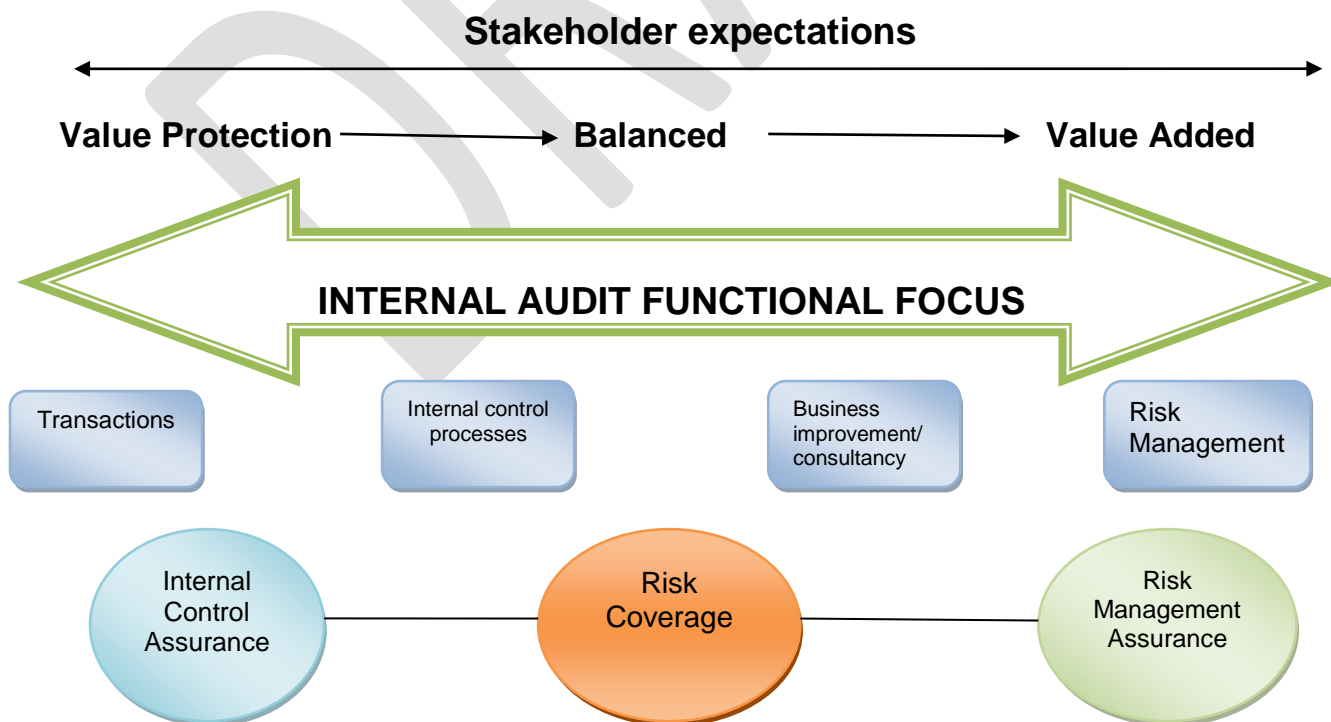


## Internal Audit Strategy – Introduction

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:



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

## 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) and the CIPFA Local Government Application Note (LGAN).

## 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. Where appropriate the work of other assurance providers may be taken into consideration and contribute to the Head of Audits annual opinion; 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 2022/23

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

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

Framework by strengthening the formal mechanisms that support management it will be easier to gain insight and provide assurance, to all stakeholders, in future. The creation of this post has provided additional capacity to manage the work of the internal audit service.

The delivery of the internal audit strategy required reappraisal following the in sourcing of Homes for Haringey, the Council's ALMO in June 2022. A risk assessment has been carried out and key areas for audits identified. These have been added to the internal audit plan below.

The resources available in 2022/23 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 by Directorate Management Teams;
- Discussions regarding assurance needs with the Council's senior management, statutory officers;
- 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.

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

- **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. Summaries 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.

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

## Internal Audit Plan 2022/23

The annual internal audit plan has been discussed and is being 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. Any change to the plan will also be reported to the committee on a regular basis.

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 directorates.

Audit Area	Client		Days
<b>Corporate/Cross Cutting Risk Audits</b>			
Community Engagement	Director of Culture, Strategy & Engagement		15
Customer Pathway Arrangements	Director of Culture, Strategy & Engagement		15
Business Continuity Planning	Director of Placemaking & Housing		10
Council Plan Delivery	Director of Culture, Strategy & Engagement		15
Recruitment, Retention and Leavers	Director of Culture, Strategy & Engagement		15
Arrangements for Managing Transformations	Director of Finance		15
Health and Safety	Director of Placemaking & Housing		10
Control and Monitoring of Purchasing Cycle (Strategic)	Director of Finance		15
<b>Sub-total – Corporate Risk Audits</b>			<b>110</b>
<b>Children's Services</b>			
Arrangements to satisfy the legal requirement to review EHCPs annually.	Director of Children's Services		15

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

<b>Audit Area</b>	<b>Client</b>		<b>Days</b>
Early Years Commissioning	Director of Children's Services		15
Admissions and school place planning	Director of Children's Services		10
Missing Children Service	Director of Children's Services		10
Delivery of Special Education Needs Improvement plan	Director of Children's Services		10
Fostering	Director of Children's Services		12
Arrangements for the management and control over child protection cases - from 2021/22	Director of Children's Services		10
Arrangements for planning, monitoring and controlling the use of residential placements - from 2021/22	Director of Children's Services		10
<b>Sub-total</b>			<b>92</b>
<b>Adults, Health and Communities</b>			
Purchase of Care Plans	Director of Adults, Health & Communities		15
Arrangements for dealing with Domestic Violence	Director of Adults, Health & Communities		10
Mosaic System Implementation	Director of Adults, Health & Communities		In-house
Public Health - Sexual Health delivery and management	Director of Adults, Health & Communities		12
Adult Mental Health Service provision	Director of Adults, Health & Communities		15
<b>Sub-total</b>			<b>52</b>
<b>Environment and Neighbourhoods</b>			
Management and control of Anti Social behaviour	Director of Environment & Neighbourhoods		10
Street Cleansing	Director of Environment & Neighbourhoods		10
Delivery of the Haringey Climate Change Action Plan	Director of Environment & Neighbourhoods		10
Control and Monitoring of Purchasing Cycle (Strategic)	Director of Environment & Neighbourhoods		15
Youth Services	Director of Environment & Neighbourhoods		10
Fleet Contract and Strategy	Director of Environment &		12

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

Audit Area	Client		Days
Management	Neighbourhoods		
Management of inspection of Trees from 2021/22	Director of Environment & Neighbourhoods		10
New Rivers Leisure Centre – Follow up	Director of Environment & Neighbourhoods		5
New Parking System implementation, parking permit and system's controls	Director of Environment & Neighbourhoods		15
<b>Sub-total</b>			<b>82</b>
<b>Placemaking and Housing</b>			
Acquisitions and Disposal of Assets	Director of Placemaking & Housing		15
Delivery of Capital project /Schemes	Director of Placemaking & Housing		15
Homelessness and Temporary Accommodation	Director of Placemaking & Housing		15
Leasehold Consultation process (S20)	Director of Placemaking & Housing		12
Application Review - Tech Forge	Director of Placemaking & Housing		15
Housing Development Programme	Director of Placemaking & Housing		15
Landlord Health and Safety - Gas Safety	Director of Placemaking & Housing		10
Strategic Asset Management and improvement (to have a focus on Decent Homes)	Director of Placemaking & Housing		10
Disrepair claims	Director of Placemaking & Housing		10
Management of voids	Director of Placemaking & Housing		10
Stocks and stores	Director of Placemaking & Housing		8
Estate Management (to have a focus on the cleanliness of estates and buildings/blocks)	Director of Placemaking & Housing		8
Lettings (to have a focus on the lettings process and new build)	Director of Placemaking & Housing		10
<b>Sub-total</b>			<b>153</b>
<b>Your Council</b>			
Advice and assistance in the arrangements to administer the Local	Director of Culture, Strategy & Engagement		In-house

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

Audit Area	Client		Days
Welfare Assistance Scheme.			
<b>Sub-total</b>			<b>0</b>
<b>Corporate Digital Services Audits</b>			
IT / Infrastructure Resilience	Chief Information Officer		10
IT Strategy	Chief Information Officer		10
IT Service Management	Chief Information Officer		15
IT Procurement Control	Chief Information Officer		12
<b>Corporate IT Audits</b>			<b>47</b>
<b>Contract and Procurement Audit</b>			
Contract Management	Director of Finance		20
Management and Control of Contract Register	Director of Finance		10
Post Implementation Review of ERP Solution	Director of Finance		15
<b>Sub-total – Contract Audits</b>			<b>45</b>
<b>Risk Based Audits of Key Financial Systems</b>			
Accounts Receivable (Sundry Debtors)	Director of Culture, Strategy & Engagement		13
Accounts Payable (Creditors)	Director of Culture, Strategy & Engagement		13
Housing Benefits	Director of Culture, Strategy & Engagement		15
Council Tax	Director of Culture, Strategy & Engagement		12
NNDR	Director of Culture, Strategy & Engagement		8
Payroll	Director of Culture, Strategy & Engagement		12
Pensions Administration	Director of Finance		10
Treasury Management	Director of Finance		10

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

Audit Area	Client		Days
<b>Sub-total – Key Financial Systems</b>			<b>93</b>
<b>School Audits Risk Based Programme</b>			
Belmont Infant School	Head Teacher		5
Bounds Green	Head Teacher		5
Devonshire Hill	Head Teacher		5
Earlham	Head Teacher		5
Earlsmead	Head Teacher		5
Highgate	Head Teacher		5
Lordship Lane	Head Teacher		5
South Harringay School	Head Teacher		5
St Francis de Sales	Head Teacher		5
The Willow	Head Teacher		5
Tiverton	Head Teacher		5
The Brook	Head Teacher		5
Pembury House Nursery	Head Teacher		5
TBC	Head Teacher		5
TBC	Head Teacher		5
Management and follow-up of 2021/22 Schools' Audit Recs	Head Teacher		15
<b>Sub-total – School Audits</b>			<b>90</b>
Follow up of Audit Recommendations			30
Admin and Management			35
Risk Management			In-house
Contingency			11
<b>Total</b>			<b>840</b>