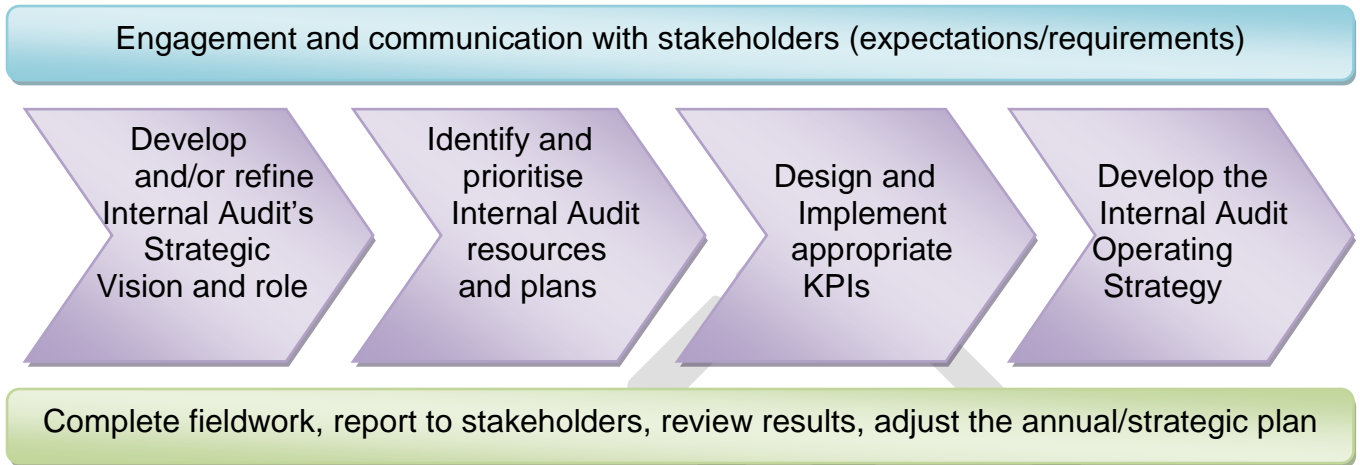


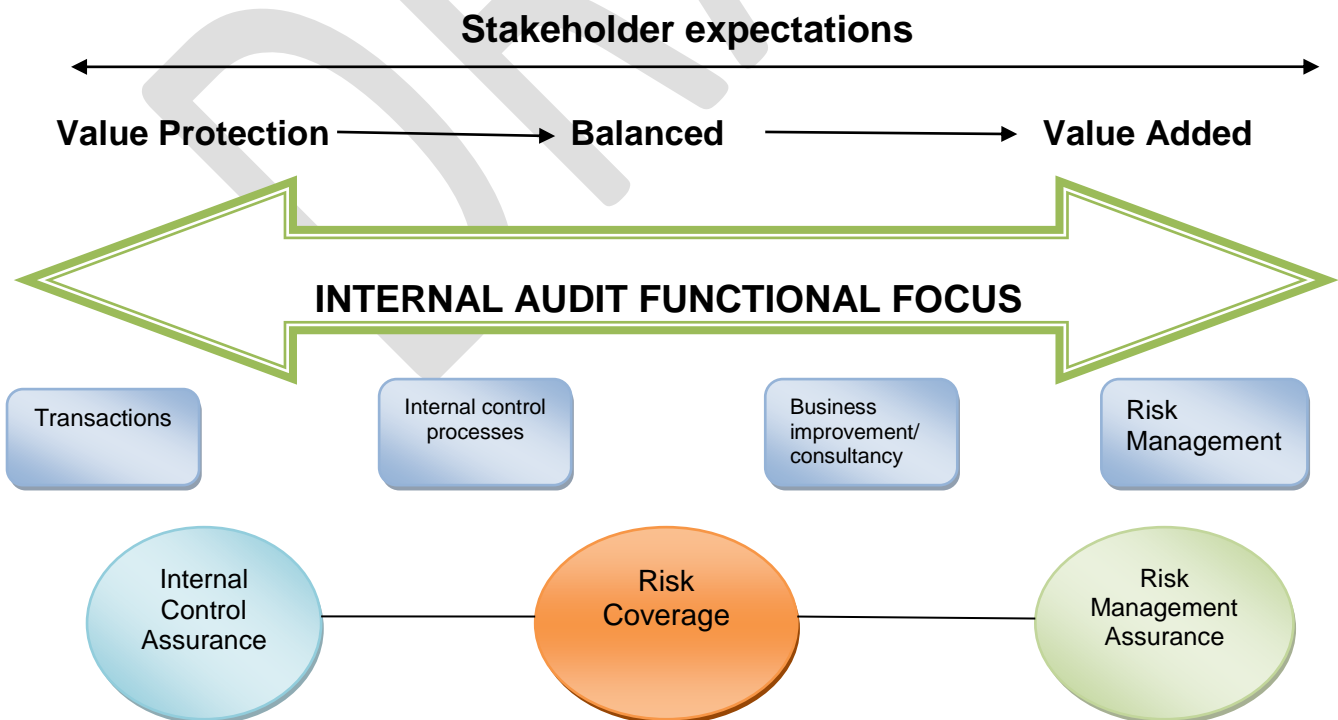
London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

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:



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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 2023/24

The internal audit service will be delivered by using 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.

The delivery of the internal audit strategy has, for 2023/24 required reappraisal following the in sourcing of Homes for Haringey, the Council's ALMO.

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The resources available in 2023/24 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. There is pressure on the level of assurance needed from the internal audit service and the resources available. The Head of Audit and Risk Management will continue to monitor the current plan and report back to the Committee where assurances cannot be assigned.

Internal Audit Planning

Audit planning will be undertaken on an annual basis and audit coverage will be based on the following:

- The Corporate Delivery 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:

- **Corporate Delivery 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.

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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.

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Internal Audit Plan 2023/24

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 Corporate Delivery Plan in order to provide assurance across the directorates.

Audit Area	Client		Days
Corporate/Cross Cutting Risk Audits			
Use of Complaints and Ombudsman reports (to Identify Trends)	Director of Culture, Strategy & Engagement		8
Arrangements for Securing Value for Money from Letting Contracts	Director of Finance		15
Management of Staff Performance	Director of Culture, Strategy & Engagement		10
Management of Council Purchase Cards (including how we want to use them)	Chief Executive		12
Post Opening and Management Procedures	Chief Executive		8
Sub-total – Corporate Risk Audits			53
Children's Services			
Arrangements to satisfy the legal requirement to review EHCPs annually - b'f from 2022/23	Director of Children's Services		10
Youth Services - b'f from 2022/23	Director of Children's Services		10
Looked after Children - Placements	Director of Children's Services		10

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Audit Area	Client		Days
Commissioning in Children's Services	Director of Children's Services		15
Haringey Learning Partnership (Commerce House)	Director of Children's Services		8
Sub-total			53
Adults, Health and Communities			
Community Alarms			8
Adult Social Care Commissioning – in Vicky's area	Director of Adults, Health & Communities		12
Operational review of the Locality / Communities' service	Director of Adults, Health & Communities		12
Management and Control of Adult Services Waiting List	Director of Adults, Health & Communities		10
Management of Aids and Adaptations	Director of Adults, Health & Communities		10
Sub-total			52
Culture, Strategy and Engagement			
Workforce Data and Establishment Controls	Director of Culture, Strategy & Engagement		10
Corporate Performance Management and Intelligence Service	Director of Culture, Strategy & Engagement		10
Programme and Project Management Governance Framework	Director of Culture, Strategy & Engagement		10
Delivery of Haringey First (Delivery of Digital Together Programme)	Director of Culture, Strategy & Engagement		10
Corporate Approach for Consultation and Engagement	Director of Culture, Strategy & Engagement		15
Sub-total			55
Environment and Resident Engagement			
Management and Control of Parking Permits 22/23	Director of Environment & Resident Experience		10
Delivery of Leisure Services (holistic	Director of Environment &		15

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Audit Area	Client		Days
review)	Resident Experience		
Flood Management	Director of Environment & Resident Experience		10
Management of Penalty Charge Notices (inc LTN)	Director of Environment & Resident Experience		15
Administration of the Landlord Licensing Scheme and Learning Lessons from its use	Director of Environment & Resident Experience		10
Sub-total			60
Placemaking and Housing			
Commercial Property	Director of Placemaking & Housing		10
Follow up Actions from Property Improvement Plan	Director of Placemaking & Housing		8
Implementation of the Corporate Property Model	Director of Placemaking & Housing		12
Net Zero Transitions and Pathways	Director of Placemaking & Housing		10
Allocation and Letting of Property	Director of Placemaking & Housing		15
Housing Rents Income - Current and Former Tenants	Director of Placemaking & Housing		10
Statutory Compliance	Director of Placemaking & Housing		10
Tenancy Management	Director of Placemaking & Housing		10
Payment Processing of Contractors' Invoices (Repairs)	Director of Placemaking & Housing		8
Management of Sheltered Accommodation within Housing	Director of Placemaking & Housing		7
Follow up actions from Housing Improvement Plan	Director of Placemaking & Housing		8
Homeownership Service	Director of Placemaking & Housing		7
Oversight of Regeneration Schemes - Life Time Control and Delivery	Director of Placemaking & Housing		10
Regeneration of Canning Crescent / Osbourne Grove	Director of Placemaking & Housing		10
Governance arrangements over Regeneration of Broadwater Farm	Director of Placemaking & Housing		10
Sub-total			145
Corporate Information Technology Audits			
Ransomware Readiness	Director of Culture, Strategy & Engagement		35
Liquid Logic Pre-implementation Programme Health Check	Director of Culture, Strategy & Engagement		15

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Audit Area	Client		Days
New Source to Pay Application Review	Director of Culture, Strategy & Engagement		15
Cloud Strategy	Director of Culture, Strategy & Engagement		10
Follow up of IT Audits	Director of Culture, Strategy & Engagement		10
Corporate IT Audits			85
Contract and Procurement Audit			
Council Operating Model over Procurement Function	Director of Finance		10
Control and Monitoring of Purchasing Cycle (Strategic)	Director of Finance		10
Contract Management - Council contracts	Director of Finance		10
Administration of the Council's London Construction Programme	Director of Finance		10
Controls over the use of the Dynamic Purchasing System	Director of Finance		10
Sub-total			50
Risk Based Audits of Key Financial Systems			
Management of Budgets	Director of Finance		10
Accounting & General Ledger	Director of Finance		8
Accounts Payable (Creditors)	Director of Culture, Strategy & Engagement		10
Accounts Receivable (Sundry Debtors)	Director of Culture, Strategy & Engagement		10
Housing Benefits	Director of Culture, Strategy & Engagement		10
Council Tax	Director of Culture, Strategy & Engagement		10
Payroll	Director of Culture, Strategy & Engagement		10
Sub-total – Key Financial Systems			68
School Audits Risk Based Programme			

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Audit Area	Client		Days
Muswell Hill	Head Teacher		8
St Aidan's Voluntary Controlled Catholic School	Head Teacher		8
Seven Sisters	Head Teacher		8
St Gilda's RC Junior School	Head Teacher		8
St John Vianney Catholic	Head Teacher		8
St Mary's RC Primary	Head Teacher		8
St Michael's CE Highgate	Head Teacher		8
Weston Park	Head Teacher		8
Blanche Nevile Special	Head Teacher		8
The Vale	Head Teacher		8
Gladesmore	Head Teacher		8
Stroud Green	Head Teacher		8
Lea Valley	Head Teacher		8
Management and follow-up of 2022/23 Schools' Audit Recs	Director of Children's Services		8
Sub-total – School Audits			112
Follow up of Audit Recommendations			30
Admin and Management			35
Risk Management			In-house
Homes for Haringey	Director of Placemaking & Housing		20
Haringey Community Based Society	Director of Placemaking & Housing		20
Contingency			0
Total			838