

**Report for:** Audit Committee – 21 September 2023

**Item number:** 8

**Title:** Internal Audit Progress Report 2023/24

**Report authorised by :** Director of Finance

**Lead Officer:** Minesh Jani, Head of Audit and Risk Management  
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**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Information

**1. Describe the issue under consideration**

1.1 This report details the work undertaken by Internal Audit in the period 1 April to 14 August 2023 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Mazars).

**2. Cabinet Member Introduction**

2.1 Not applicable.

**3. Recommendations**

3.1 The Audit Committee is recommended to note the audit coverage and follow up work completed.

**4. Reasons for decision**

4.1 The Audit Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference.

4.2 In order to facilitate this, progress reports are provided on a regular basis for review and consideration by the Audit Committee on the work undertaken by the Internal Audit Service in completing the annual audit plan. Where further action is required or recommended, this is highlighted with appropriate recommendations for the Audit Committee.

**5. Alternative options considered**

5.1 Not applicable.

## **6. Background information**

- 6.1 The information in this report has been compiled from information held within Audit & Risk Management and from records held by Mazars.

## **7. Contribution to strategic outcomes**

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key Priority areas.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **8.1 Finance and Procurement**

There are no direct financial implications arising from this report. The work completed by Mazars is part of the framework contract which was awarded to the London Borough of Croydon to 31 March 2024, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. The maintenance of a strong internal audit function and a proactive and reaction fraud investigation team is a key element of the Council's system of Governance.

### **8.2 Legal**

The Head of Legal and Governance has been consulted in the preparation of this report and advises that there are no direct legal implications arising from the report.

### **8.3 Equality**

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

## **9. Use of Appendices**

Appendix A – Mazars Progress Report – Internal Audit

## 10. Local Government (Access to Information) Act 1985

10.1 Not applicable.

## 11. Performance Management Information

11.1 Although there are no national or Best Value Performance Indicators, local performance targets have been agreed for Audit and Risk Management. Table 1 below shows the targets for each key area monitored and gives a breakdown between the quarterly and cumulative performance.

**Table 1 – Performance Indicators**

Ref.	Performance Indicator	To 14 August	Year to date	Year end Target
1	Internal Audit work (Mazars) – Days Completed vs. Planned programme	28%	28%	95%
2	Priority 1 recommendations implemented at follow up	91%	91%	95%

## 12. Internal Audit work – Mazars

12.1 The activity of Mazars for the first period of 2023/24 is detailed at Appendix A. Mazars planned to deliver 200 days of the annual audit plan (838 days) during the period (to 14 August 2023) and delivered 235 days audit work during this period. This is a significant increase over the number of days delivered in this period last year. Planning for this year’s work began in February last year and auditees were advised well in advance of the last of the financial year of the planned work. We have agreed a target of 40% with Mazars to be delivered by the end of quarter 2.

12.2 Members of the Audit Committee receive detailed summaries of all projects for which a final report has been issued to allow for any concerns which members may have to be considered in a timely manner. Appendix A provides a list of all final reports which have been issued during the quarter.

### 12.3 Significant issues arising in Quarter 1

There was one report finalised during this period assigned “Limited” assurance; key findings arising from review are noted below.

#### **Community Alarms (Connected Care Service) -**

The Connected Care Service (CCS) is a self-funded service which provides support to people of all ages who feel vulnerable or unsafe in their own home. This can include people who are older, physically disabled or residents that have recently left the hospital. The service has a wide range of equipment available to best suit the needs of each service user. Examples include bed sensors, pendants and watches which can be used to detect falls or track a user’s location in some cases.

An in-house monitoring and response service operates 24 hours a day, 365 days a year to ensure that support is always available to service users. The

service offers two service levels; monitoring itself is for £4.15 per week and monitoring and responding is for £6.95 per week. For monitoring only, the service will contact family/friends or call an emergency service depending on the situation whereas for monitoring and responding, a Monitoring and Responding Officer visits the service user to provide assistance.

Under the fairer charging scheme, service users may be able to use the service without paying or paying a reduced fee depending on their financial circumstances. The process for each service user starts with a referral form being completed and processed, the assessment team request further details to decide which type of equipment would provide the best solution and then a date is set for installation. The service user is then set up and the monitoring team will respond to any instances of alarms being triggered.

Six recommendations were raised (two priority 1, three priority 2 and one priority 3) and this area assigned “Limited” assurance. The key issues raised where the internal controls were weak and exposed the authority to risks were: -

- A lack of an established process for recharging exempt users hinders the ability to cover the costs associated with providing the service and an estimated income amount of £95k per year was not recovered;
- Absence of performance report to monitor the target for repairing/replacing critical and non-critical faults of the alarm system;
- Lack of predefined targets for the timeliness of the alarm installation;
- The data on the monthly total number of urgent referrals and the statistics of the correspondence percentage of urgent referrals being contacted within the targeted one day have not been updated since June 2021; and
- The monthly KPI dashboard, which contained a comprehensive set of performance metrics for Connected Care Services (CCS) was no longer being produced.

The service was aware of some of the weaknesses identified from the audit and has accepted all recommendations. The recommendations are due for implementation from August 2023 to March 2024.