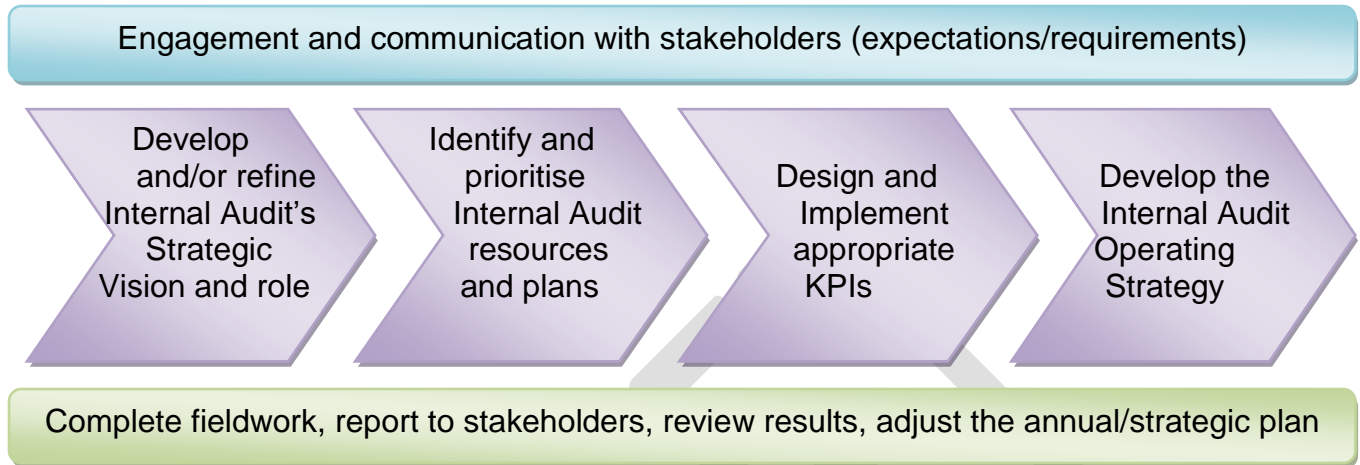


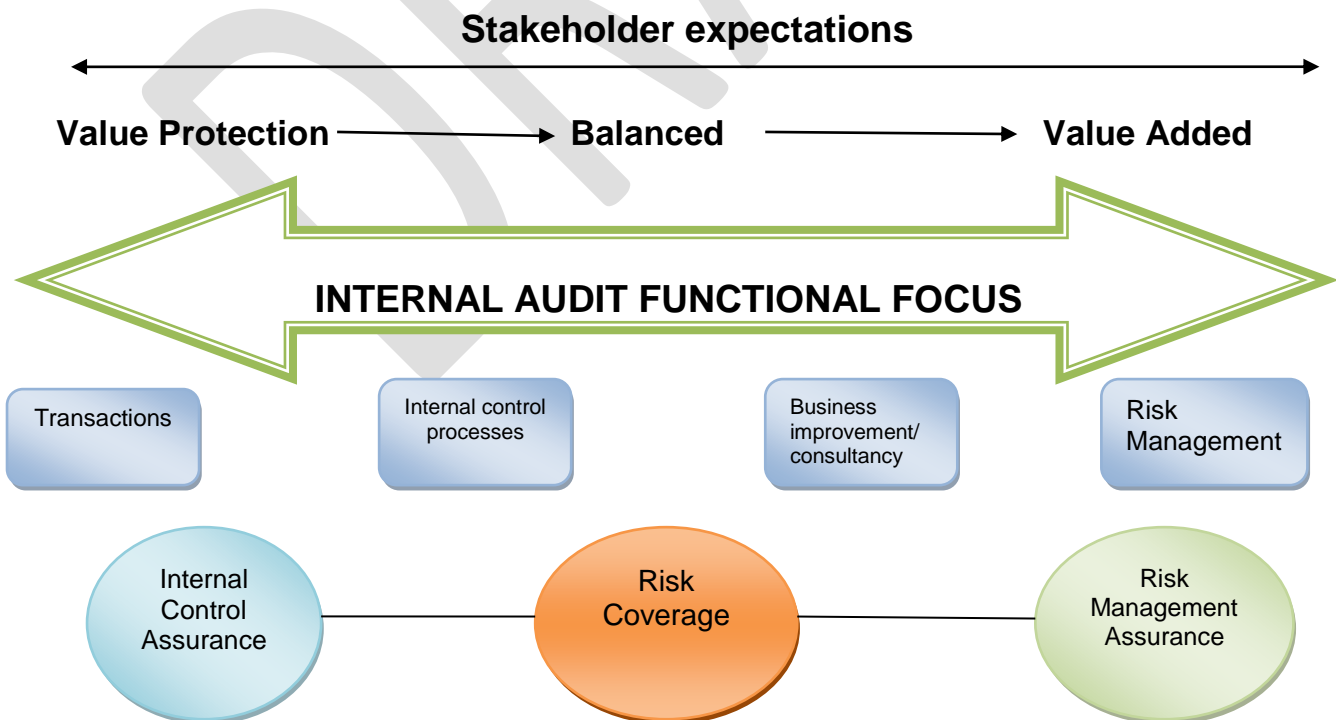
London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

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:



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 Audit 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 2024/25

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 will, for 2024/25 require to be reviewed following the in-sourcing of Leisure Services in October 2024.

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

The resources available in 2024/25 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, where available;
- 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 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.
- **Information and Communication Technology 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.

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

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

Internal Audit Plan 2024/25

The annual internal audit plan has been discussed and is being agreed with the Senior Leadership Team and nominated clients. The plan and strategy are submitted to the Audit 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 Audit 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			
Governance over Delivery of Savings (x2)	Director of Finance / Corporate		20
Data Governance	Monitoring Officer and Security Information Risk Officer		10
Management of FOIs and MEs	Director of Culture, Strategy & Engagement		7
Scheme of Delegation	Director of Finance		7
Management over Hospitality and Gifts	Director of Culture, Strategy & Engagement		7
Management, Monitoring and Collection of Income in Council (in line with Ethical Debt Policy)	Director of Environment & Resident Experience		15
Management of Staff Performance	Director of Culture, Strategy & Engagement		10
Sickness Management	Director of Culture, Strategy & Engagement		12
Sub-total – Corporate Risk Audits			88
Children's Services			
Support for Children provider payments process	Director of Children's Services		13
Arrangements for LADO	Director of Children's Services		8

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

Audit Area	Client		Days
Personal Payments for Children	Director of Children's Services		10
Youth Offending	Director of Children's Services		10
Sub-total			41
Adults, Health and Communities			
Deprivation of Liberty including Safeguarding	Director of Adults, Health & Communities		10
Reablement	Director of Adults, Health & Communities		8
Management of Waiting List	Director of Adults, Health & Communities		8
Financial Assessment of Clients	Director of Adults, Health & Communities		10
Homecare Services	Director of Adults, Health & Communities		10
Mental Health Services	Director of Adults, Health & Communities		13
Sub-total			59
Culture, Strategy and Engagement			
Corporate Performance and Intelligence Service	Director of Culture, Strategy & Engagement		10
Performance and Project Management Governance Framework	Director of Culture, Strategy & Engagement		10
Arrangements over Organisational Development	Director of Culture, Strategy & Engagement		15
Sub-total			
Environment and Resident Engagement			
Leisure Services Insourcing (pre-implementation)	Director of Environment & Resident Experience		10
Regulatory Services (such as HMO, Damp and Mould, ASB and Enforcement)	Director of Environment & Resident Experience		10
Future Design of Waste Management Services - Business Case	Director of Environment & Resident Experience		10
Recycling	Director of Environment & Resident Experience		10

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

Audit Area	Client		Days
Management of Green Haringey (Park and Open Spaces Management)	Director of Environment & Resident Experience		8
Sub-total			48
Placemaking and Housing			
Management of Garages	Director of Placemaking & Housing		12
Processes to Let a property (from empty to relet) including allocation and letting	Director of Placemaking & Housing		10
Arrangements for Managing Contracts within Housing Services (Letting of Contract, Use of Waivers, Novation etc)	Director of Placemaking & Housing		15
Follow up of Delivery of the Housing Improvement Plan	Director of Placemaking & Housing		6
Housing Repairs - Responsive	Director of Placemaking & Housing		10
Planned Maintenance - Kenneth Robbins and Stella House	Director of Placemaking & Housing		10
Partnering Contract	Director of Placemaking & Housing		15
Delivery of New Council Homes	Director of Placemaking & Housing		10
Implementation of the Corporate Property Model (Incl. recommendations from Independent review)	Director of Placemaking & Housing		12
Management of Community Assets	Director of Placemaking & Housing		10
Planning	Director of Placemaking & Housing		10
Follow up of Commercial Property	Director of Placemaking & Housing		6
Sub-total			126
Corporate Information Communications and Technology Audits			
Review of the Outline Business Case for SAP Replacement	Director of Culture, Strategy & Engagement		10
Governance over Digital Transformation – Project and Programme Management	Director of Culture, Strategy & Engagement		10

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

Audit Area	Client		Days
IT Governance Framework	Director of Culture, Strategy & Engagement		10
IT Change & Problem Management	Director of Culture, Strategy & Engagement		10
Follow Up on Prior Years Recommendations	Director of Culture, Strategy & Engagement		10
Corporate ICT Audits			50
Contract and Procurement Audit			
Implementation of the new Procurement Model	Director of Finance		10
Contract Management	Director of Finance		10
Operating Model over Procurement	Director of Finance		10
Control and Monitoring of Purchasing Cycle	Director of Finance		10
New Source to Pay Application Review	Director of Finance		15
Review and Management of Off Contract spend	Director of Finance		10
Sub-total			65
Risk Based Audits of Key Financial Systems			
Management of Budgets	Director of Finance		15
Housing Rents	Director of Placemaking & Housing		10
Accounts Receivable (Sundry Debtors)	Director of Finance		10
Treasury Management	Director of Finance		10
Pensions Investment Management	Director of Finance		7
Management of Council Tax Reduction Scheme	Director of Culture, Strategy & Engagement		10
Sub-total – Key Financial Systems			62
School Audits Risk Based Programme			
Belmont Junior	Head Teacher and Governing Body		8
Chestnuts	Head Teacher and Governing Body		8
Crowland Primary School	Head Teacher and Governing Body		8
Ferry Lane Primary School	Head Teacher and Governing		8

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

Audit Area	Client		Days
	Body		
Lancasterian Primary School	Head Teacher and Governing Body		8
Rokesley Infants School	Head Teacher and Governing Body		8
Rokesley Junior School	Head Teacher and Governing Body		8
St Mary's RC Primary School	Head Teacher and Governing Body		8
St Peter in Chains RC Infant School	Head Teacher and Governing Body		8
Welbourne Primary School	Head Teacher and Governing Body		8
West Green Primary School	Head Teacher and Governing Body		8
Highgate Wood Secondary School	Head Teacher and Governing Body		8
Park View Secondary School	Head Teacher and Governing Body		8
Woodlands Park Primary School	Head Teacher and Governing Body		8
Management and follow-up of 2023/24 Schools' Audit Recs	Director of Children's Services		10
Sub-total – School Audits			122
Follow up of Audit Recommendations			30
Admin and Management			30
Risk Management			In-house
Homes for Haringey (HfH)	Directors of HfH		20
Haringey Community Based Society (HCBS)	Directors of HCBS		20
Contingency			27
Total			823