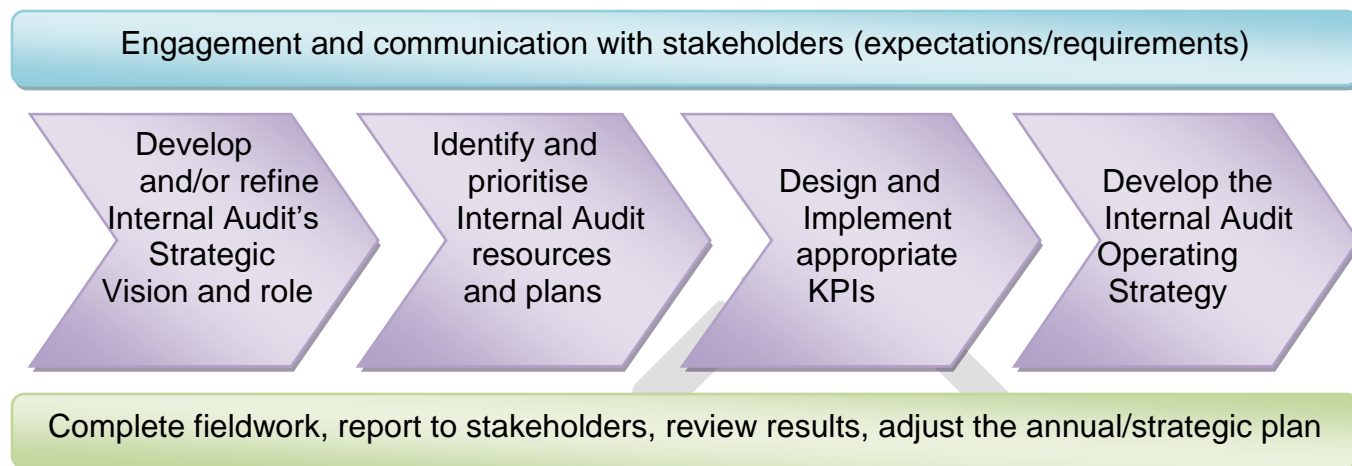
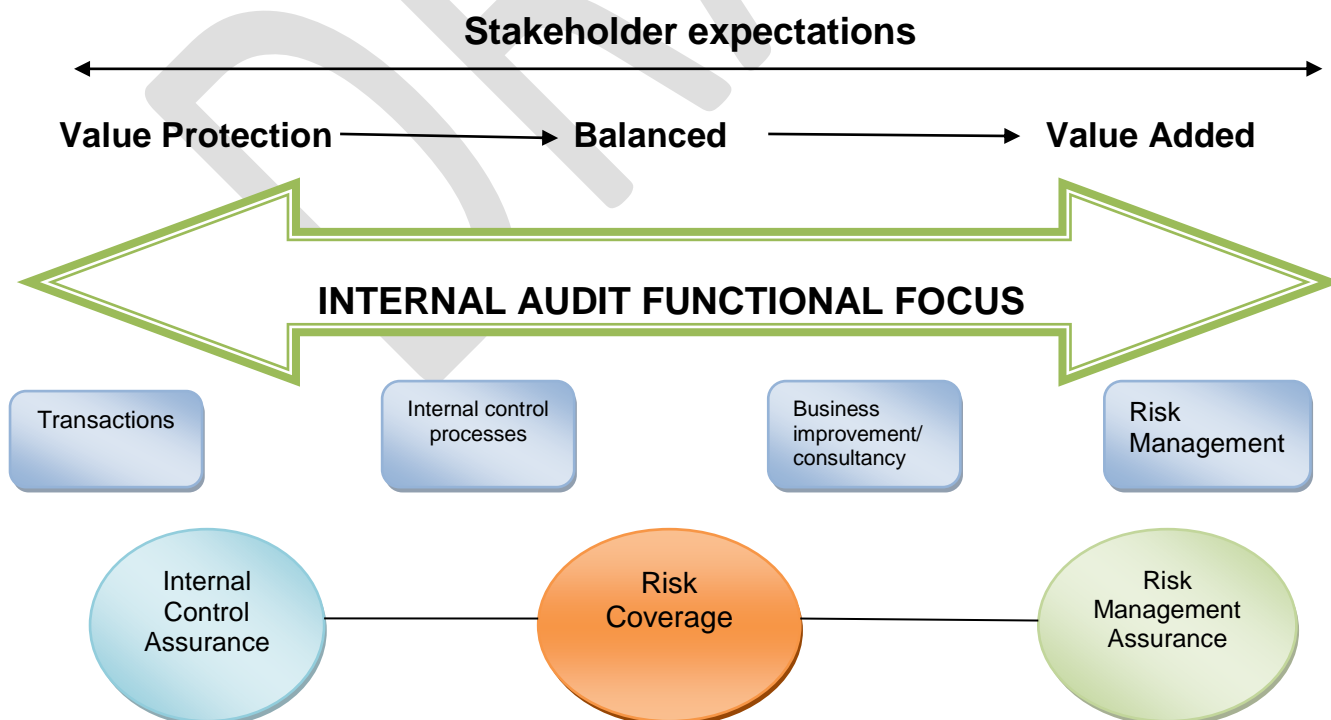


Internal Audit Strategy – Introduction

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). From 1 April 2025, new PSIAS will come into effect, it is proposed to carry out a review of the new standards and updated exiting arrangements to ensure full compliance.

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 2025/26

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.

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The resources available in 2025/26 to deliver the internal audit and counter-fraud function have been assessed; existing resources are a challenge by the demands of services but are 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 by 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; and
- Risks emerging from implementation of processes designed to support organisational efforts to set a balanced budget from 2026/27.

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

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implemented. Our mix of in house and outsourced resources, enables us to provide this added value service without conflicts of interest arising.

- The organisational goal to ensure the organisation is able to set a balanced budget without any government support.

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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Internal Audit Plan 2025/26

The annual internal audit plan has been discussed and is being agreed with the Senior Leadership Team; Statutory Officers and nominated stakeholders. 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 and Delivery of Savings (x2)	Director of Finance and Resources		20
Project Management of Non Corporate Savings (Directorate)	Director of Finance and Resources		15
Compliance with Cost Management Measures (Spend Controls)	Director of Finance and Resources		15
Compliance with Management of Agency and Other Temporary Resources			15
Corporate Arrangements for Effective Commissioning	Director of Finance and Resources		15
Forecasting, Reporting and Financial Sustainability	Director of Finance and Resources		15
Cyber-attack preparedness	Director of Finance and Resources		10
Sub-total – Corporate Risk Audits			105
Children's Services			

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Audit Area	Client		Days
Children with Disabilities	Director of Children's Services		10
Virtual Schools	Director of Children's Services		10
Strategic review over Children's Social Care Demand Management	Director of Children's Services		10
Case Management	Director of Children's Services		10
SEN Transport	Director of Children's Services		10
Sub-total			50
Adults, Housing and Health			
Arrangements to Manage Transitions	Director of Adults, Housing and Health		10
Demand, Localities and Waiting List Management	Director of Adults, Housing and Health		15
Supply, Demand and Utilisation of Day Services	Director of Adults, Housing and Health		12
Commissioning Social Care Services	Director of Adults, Housing and Health		15
Management and collection of clients contributions	Director of Adults, Housing and Health		10
Sub-total			62
Housing			
Management and Operation of Partnering Contracts	Operational Director-Hsg & Build Safety		12
Management of the Concierge Service	Operational Director-Hsg & Build Safety		10
Efficient and Effective use of Temporary Accommodation (use of all types of accommodation and the rate paid, systems for procuring, only paying for what we use)	Operational Director-Hsg & Build Safety		15
Leasehold Charges including Major Works	Operational Director-Hsg & Build Safety		10
Management and Control over the use of Service Connect	Operational Director-Hsg & Build Safety		15
Arrangements to monitor and manage compliance with big six standards	Operational Director-Hsg & Build Safety		10

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Audit Area	Client		Days
Asbestos Management in Housing Stock	Operational Director-Hsg & Build Safety		10
Sub-total			82
Placemaking and Community Regeneration			
Strategy and Management of High Road West Regeneration Scheme	Director of Placemaking and Community Regeneration		15
Sub-total			15
Environment and Resident Engagement			
Management of Leisure Services (inc Fees and Charges)	Director of Resident and Engagement		15
Review of Parking Operations (PCN and Pay and Display)	Director of Resident and Engagement		10
Street Lighting Contract Management	Director of Resident and Engagement		10
Implementation of the Customer Services Solution - Project Management and Delivery	Director of Resident and Engagement		10
Sub-total			45
Finance and Resources			
Management of Garages	Director of Finance and Resources		12
Arrangements for the Acquisition and Disposal of Assets	Director of Finance and Resources		10
Repairs and Maintenance of Commercially Leased Property	Director of Finance and Resources		10
Use of Business Intelligence Reports	Director of Finance and Resources		10
Sub-total			32
Corporate Information Technology Audits			
Review of the Outline Business Case for SAP Replacement	Director of Finance and Resources		10
Information Security Vendor Management	Director of Finance and Resources		10
Digital Transformation Management	Director of Finance and Resources		10
Audit Needs Assessment	Director of Finance and Resources		10

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Audit Area	Client		Days
Corporate ICT Audits			40
Contract and Procurement Audit			
Implementation of the Source to Pay Solution (Project Management)	Director of Finance and Resources		10
Source to Pay Application Review - Key controls review	Director of Finance and Resources		10
Implementation of the New Operating Model for Strategic Procurement	Director of Finance and Resources		15
Data, Intelligence and Category Management to secure VfM from procurement activities	Director of Finance and Resources		15
Arrangements for improving contract management	Director of Finance and Resources		10
Management and Use of Contract Waivers	Director of Finance and Resources		10
Sub-total			70
Risk Based Audits of Key Financial Systems			
Council Tax Billing, Collection and Administration	Director of Resident and Engagement		15
Business Rates Billing, Collection and Administration	Director of Resident and Engagement		15
Managing Housing Benefit Overpayments	Director of Resident and Engagement		10
Key Financial Controls - Bankline	Director of Finance and Resources		8
Sub-total – Key Financial Systems			48
School Audits Risk Based Programme			
Bruce Grove	Director of Children's Service		8
Campsbourne	Director of Children's Service		8
Coldfall	Director of Children's Service		8
Mulberry	Director of Children's Service		8
North Haringay	Director of Children's Service		8
Our Lady of Muswell	Director of Children's Service		8
Risley Avenue	Director of Children's Service		8
St Martin of Porres Catholic	Director of Children's Service		8
St Paul's Catholic	Director of Children's Service		8
Tetherdown	Director of Children's Service		8

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Audit Area	Client		Days
Riverside Special	Director of Children's Service		8
Hornsey School for Girls	Director of Children's Service		8
Rowland Hill	Director of Children's Service		8
Management and follow-up of 2024/25 Schools' Audit Recs	Director of Children's Services		10
Sub-total – School Audits			114
Follow up of Audit Recommendations			30
Admin and Management			40
Risk Management			17
Homes for Haringey			20
Haringey Community Based Society			20
Contingency			20
Total			820