



**Haringey** Council

Agenda item:

**Audit Committee**

**On 1 February 2010**

Report Title: **Internal Audit Progress Report – 2009/10 Quarter 3**

Report authorised by: **Chief Financial Officer**

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

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Wards(s) affected: **All**

Report for: **Non-key decision**

### **1. Purpose of the report**

1.1 To inform the Audit Committee of the work undertaken during the third quarter by the Internal Audit Service in completing the annual audit plan and any responsive fraud investigation work. In addition, the work the Council's personnel division has undertaken in supporting disciplinary action taken across all departments by respective council managers.

### **2. State link(s) with Council Plan Priorities and actions and/or other Strategies:**

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by reviewing key services and making recommendations for improvement where appropriate. Follow up work is undertaken to ensure that managers implement agreed recommendations and improvements.

2.2 Internal audit forms a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on progress against the agreed audit plan and the implementation of audit recommendations ensure that the requirements of the CAA assessment are fulfilled.

### **3. Recommendations**

3.1 The Audit Committee is recommended to note the audit coverage and progress during the third quarter 2009/10.

3.2 That the Audit Committee notes the progress and responses received in respect of outstanding audit recommendations.

3.3 That the Audit Committee confirms that the actions taken during Quarter 3 to address the outstanding recommendations are appropriate.

#### **4. Reason for recommendation(s)**

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. In order to facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Audit Committee.

4.2 Where further action is required or recommended, this is highlighted in the covering report and associated appendices and included in the recommendations for the Audit Committee.

#### **5. Other options considered**

5.1 Not applicable

#### **6. Summary**

6.1 The internal audit service makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the authority. This report looks at the work undertaken in the quarter ending 31 December 2009 and focuses on:

- Progress by Deloitte and Touche (internal auditors) on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised;
- Progress in implementing outstanding internal audit recommendations with special attention given to priority 1 recommendations; and
- Details of investigative work undertaken relating to fraud and/or irregularities that fall outside the remit of the Housing Benefit Fraud Investigation Team, including information in respect of disciplinary action taken.

6.2 The information has been compiled from information held within the Audit & Risk Management Unit and from records held by Deloitte and Touche and the Council's corporate Human Resources business unit.

#### **7. Head of Legal Services Comments**

7.1 The Head of Legal Services has been consulted in the preparation of the is report, and advises that there are no direct legal implications arising out of the report or the recommendations.

## **8. Chief Financial Officer Comments**

8.1 The Chief Financial Officer notes the contents of the report and has no additional comments to make.

## **9. Head of Procurement Comments**

9.1 Not applicable

## **10. Equalities and Community Cohesion Comments**

10.1 This report deals with how risks to service delivery are managed across all areas of the council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

## **11. Consultation**

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of individual internal audit reports and follow up programmes. Their comments included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

## **12. Service Financial Comments**

12.1 There are no direct financial implications arising from this report. The work completed by Deloitte and Touche is part of the five year contract which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

## **13. Use of appendices**

13.1 Appendix A – Deloitte and Touche Progress report  
Appendix B – In-house Team – investigations into financial irregularities  
Appendix C – Council-wide disciplinary information

## **14. Local Government (Access to Information) Act 1985**

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

## 15. Performance Management Information

15.1 Although there are no national or Best Value Performance Indicators, local performance targets have been agreed for Audit and Risk Management. These form part of Corporate Resources' reporting processes, but are detailed below for information. Table 1 below shows the targets for each area of audit activity monitored and gives a breakdown between the quarterly and cumulative performance.

**Table 1**

PI Ref.	Performance Indicator	3rd Quarter	Year to date	Target
A1	Audit work Completed vs. Planned programme	100% of planned Q3 programme	69% of total annual programme	95%
A2	User satisfaction (1 = low, 5 = high)	3.3	3.5	3.75
A3	Time taken to complete investigations (2008/09 referrals)	14.3 weeks	14.5 weeks	12 weeks
A4	Priority 1 recommendations implemented at follow up (2008/09 audits)	100%	92%	95%

## 16. Internal Audit work – Deloitte and Touche contract

16.1 The activity of Deloitte and Touche for the third quarter of 2009/10 to date is detailed at Appendix A. Members of the Audit Committee receive detailed summaries of all projects for which a final report has been issued on a monthly basis to allow for any issues to be raised and discussed in a timely manner. Appendix A provides a list of all final reports which have been issued during the quarter, together with detailed summaries of all reports which are issued with a 'limited' assurance rating.

16.2 Appendix A also provides detailed summaries of all recommendations which were previously recorded as outstanding at the time of the follow up audit work. Members have been monitoring the progress and implementation of these at each Audit Committee to ensure that managers were taking appropriate action to address outstanding recommendations. As at 31 December, only 2 recommendations from prior years remained outstanding: 2005/06 - One Priority 1 recommendation remains outstanding; and 2007/08 - One Priority 3 recommendation remains outstanding.

16.3 A summary of all follow up audits of 2008/09 projects which have been undertaken in 2009/10 is also included in Appendix A (pages 19-20). We have followed up on 151 recommendations and found that 141 (93%) have been implemented, one has been partly implemented, five are no longer applicable and four are not yet due for implementation. All

Priority 1 recommendations followed up during quarter 3, where the deadline for implementation has passed, had been implemented.

- 16.4 To date, 69% of the planned annual programme of work has been delivered. A total of 75% of the total annual audit plan was estimated to be delivered in the first three quarters of 2009/10. Although the level of audit work delivered to date is slightly below the annual aggregate target, there are no issues identified at this date which will prevent the 95% annual target from being achieved and ongoing monthly contract monitoring reviews ensure that performance levels are kept under review.
- 16.5 In this quarter, a total of 23 projects from the 2009/10 annual audit plan have been finalised, including seven school visits to assess compliance with the Financial Management Standard in Schools (FMSiS). All the work planned to be undertaken during quarter 3 (325 audit days) was delivered, which has ensured that the annual programme of work remains on course to be delivered by 31 March 2010.
- 16.6 In conjunction with the Chief Financial Officer, Directors are kept advised of the outstanding recommendations and any actions required to ensure that implementation of recommendations is achieved. From 2008/09 onwards, the implementation of Priority 1 recommendations has been included in the performance reporting requirements for all departments. During quarter 3, Internal Audit are satisfied that managers have been taking appropriate action to address the issues raised in the original recommendations prior to 2008/09.

## **17. In-house Team – Fraud investigation/Irregularities**

- 17.1 In accordance with the Council's Constitution, Internal Audit investigates all cases that fall outside the remit of the Housing Benefit Fraud Investigation Team and the Information Security Policy. Appendix B details the individual cases that were completed by the In-house Team to date in 2009/10 and any which were brought forward from 2008/09. The listing at Appendix B also includes any referrals made using the Council's whistle blowing policy which were investigated by Internal Audit. During the third quarter, no whistleblowing referrals were made.
- 17.2 Within the third quarter, no new cases were referred to Internal Audit for investigation, and six cases were completed during the quarter involving Council employees. The six cases completed in quarter two took 12.4 weeks on average to complete. Internal Audit work closely with officers from personnel and the service involved to ensure that the investigation is completed as quickly as possible.
- 17.3 The Council has a dedicated email address and telephone number, which is advertised on the Council website, by which members of the public can report instances of suspected fraud or irregularity. The In-house Team manage and monitor these referrals. During the third quarter, 12 referrals in relation to new allegations were made via the Council's email reporting facility. Of these, three related to complaints rather than fraud and were referred to the relevant departmental complaints teams; one related to housing benefits issues and was referred to the Housing Benefit Fraud Investigation Team for further review; one referral

related to a potential UK Visa fraud and was referred to the Home Office for further investigation; one related to Housing and sub-letting issues and was referred to the Strategic Housing Division for further review; two referrals related to fraudulent misuse of a credit card and was referred to Corporate Finance and the relevant bank's fraud investigation team for further review. Four referrals were not related to fraud within Haringey Council.

17.5 The In-house Team also investigates claims of non-receipt of Council cheques. In 2009/10, there has been one referral for investigation and no losses to the Council. This is a substantial reduction on previous years' figures. Improvements in procedures, including the introduction of 'positive pay' whereby the council's banking team receives information on cheques before they are cleared, and new cheque security measures have reduced the opportunity for attempted fraud in this area.

## **18. Council-wide disciplinary statistics**

18.1 Appendix C details the number of disciplinary suspensions and/or action taken in the third quarter of 2009/10. The data is taken from SAP and the information has been provided by the Council's Human Resources business unit in line with council statistics reported elsewhere.

18.2 Improved processes, monitoring, management information and liaison between service departments and HR has been put in place to ensure that the length of time taken to resolve disciplinary cases is minimised. During quarter 3, the number of disciplinary cases was 36 which is in line with the previous quarter, but an increase in comparison with the first quarter of 2009/10 and the last quarter of 2008/09. The average length of time taken to resolve disciplinary cases in quarter 3 rose to 100 days.

**Internal Audit  
Quarter 3 Internal Audit Report  
2009/2010  
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.  
January 2010

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## Executive Summary

### Introduction

This is our third quarter report to the Audit Committee for the 2009/10 financial year including details of all reports which are now at final stage. The report provides information on those areas which have achieved full or substantial assurance and gives an indication of the direction of travel for key systems work which will provide Members with information on how risks are being managed over time. The format of this report is also designed to highlight the key risks facing individual departments and the Council which have been identified during the course of internal audit reviews. A more detailed summary of the limited assurance audit findings is included for information. The report draws together the summary information which is provided on a monthly basis to Members of the Audit Committee. Members of the Committee will also be provided with full copies of our audit reports upon request.

All recommendations are agreed with Council officers, and any disputes are discussed prior to the final report being issued. All recommendations to address any control weaknesses highlighted within this report have been agreed. Officers' actions to address the recommendations, including the responsible officer and the deadline for completion, are fully detailed in the individual final audit reports.

The attached tables reflect the status of the systems at the time of the audit, and recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee. The audits highlighted in **bold** are those not previously reported to the Audit Committee.

As a reminder, our recommendations are prioritised according to the following categories:

<i>Priority 1</i>	-	major issues for the attention of senior management
<i>Priority 2</i>	-	other recommendations for local management action
<i>Priority 3</i>	-	minor matters and/or best practice recommendations

### Key Highlights/ Summary of Quarter 3 2009/10:

- **RBS Bankline Application Audit 2009/10**
- **Contract Management (Procurement) Audit 2009/10**
- **Commercial Property Income Audit 2009/10**
- **Registrars Service Audit 2009/10**
- **Council Owned Land – Project Management Assurance Audit 2009/10**
- **Fixed Assets Audit 2009/10**
- **Building Schools for the Future – Procurement Audit 2009/10**

As part of the 2009/10 Internal Audit Plan, we also issued a draft report in Quarter 3 for the following audits:

- Website Audit
- Marsh Lane Depot – Project Management Assurance
- Markfield Park Development – Project Management Assurance
- Lordship Recreation Ground Regeneration Programme – Project Management Assurance
- Heritage & Conservation – Project Management Assurance
- Highways & Street Lighting Contracts
- Temporary Accommodation
- Culture, Libraries & Learning (ACCS) – Risk Register Testing
- Voluntary Organisations

#### **Follow Up of Prior Years' Recommendations**

The results of our follow-up work are as follows:

##### **2005/06**

One Priority 1 recommendation remains outstanding.

##### **2007/08**

One Priority 3 recommendation remains outstanding.

##### **2008/09**

We have followed up on 151 recommendations and found that 141 (93%) have been implemented, one has been partly implemented, five are no longer applicable and four are not yet due for implementation. All Priority 1 recommendations followed up to date, where the deadline for implementation has passed, have been implemented.

##### **2009/10**

We have followed up on the recommendations raised in the **Decent Homes Standards** report issued in September 2009, which was completed as part of the Corporate Procurement Plan for 2009/10. From eight recommendations raised, it was found that three Priority 1 recommendations, two Priority 2 recommendations and one Priority 3 recommendation have been implemented, while two Priority 1 recommendations have been partly implemented. Revised deadlines have been given for the full implementation of the two recommendations.

# DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

## APPENDIX A

### Audit Progress Summary – 2009/10:

The following table sets out the audits finalised in this quarter and the status of the systems at the time of the audit. It must be noted that the recommendations may already have been implemented by Council officers by the time the final report is issued and reported to the Audit Committee. The audits highlighted in bold are those not previously reported to the Audit Committee.

Detailed summaries of all audits which do not receive 'Full' or 'Substantial' assurance ratings are also provided for Members' information.

Audit Title	Date of audit	Date of Final Report	Assurance level	Direction of Travel	Number of Recommendations (Priority)			Comments
					1	2	3	
<b>2009/10</b>								
RBS Bankline Application	Sept 09	13.10.09	Substantial	N/A	0	1	1	
Corporate Procurement Risk Register Testing	July 09	13.10.09	Substantial	N/A	0	5	0	
Contract Management (Procurement)	Aug 09	15.10.09	Substantial	N/A	0	6	1	
PPP & C Risk Register Testing	July 09	06.11.09	Limited	N/A	2	3	0	
Connexions	July 09	06.11.09	Limited	N/A	5	5	1	
Commercial Property Income	Aug 09	13.11.09	Limited	N/A	2	4	0	
Registrars Service	Aug 09	19.11.09	Substantial	N/A	0	3	0	
Council Owned Land – Project Management Assurance	Sept 09	25.11.09	Substantial	N/A	1	4	0	
Mortuary – Project Management Assurance	Sept 09	25.11.09	Substantial	N/A	0	9	1	
Fixed Assets	July 09	11.12.09	Limited	N/A	4	4	0	
Building Schools for the Future – Procurement	Sept 09	04.12.09	Substantial	N/A	0	4	1	
Recreation Services – Risk Register Testing	Sept 09	07.12.09	Limited	N/A	2	0	0	

**DETAILED SUMMARIES:**

Audit area	Scope	Status/key findings	Assurance
<b>CORPORATE RESOURCES</b>			
<p><b>Commercial Property Income</b></p> <p><b>2009/10</b></p>	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> <li>• Compliance with Statutory Requirements;</li> <li>• Documentation, Policies and Procedures;</li> <li>• System and Controls for Setting and Applying Rental Charges;</li> <li>• Collection of Income and Reconciliation Process;</li> <li>• Payment Plans and Concessions Granted;</li> <li>• Arrears Monitoring, Enforcement and Follow up Processes;</li> <li>• Budget Management; and</li> <li>• Monitoring and Reporting Arrangements.</li> </ul>	<p>Weaknesses in the system of controls are such as to put the system objectives at risk.</p> <p>Some of the controls were observed to be operating satisfactorily and are listed below:</p> <ul style="list-style-type: none"> <li>• Rental and lease charges are approved by the Commercial Property Manager;</li> <li>• There are monthly rent runs to pick up new invoices which are due to be issued;</li> <li>• Aged debtor listings are produced on a monthly basis and used for debt management; and</li> <li>• Checks are carried out on new tenants prior to entering into a Lease Agreement.</li> </ul> <p>Within the system there are several weaknesses which put the system objectives at risk. The areas where weaknesses were found include:</p> <ul style="list-style-type: none"> <li>• The Quality Assurance documents were dated as produced in 2003 and there was no evidence to show that these had subsequently been reviewed and updated since then;</li> <li>• There are currently no policies and procedures in place for the Service;</li> <li>• Commercial Section Valuation forms were not held on file in three out of twenty cases;</li> </ul>	<b>Limited</b>

Audit area	Scope	Status/key findings	Assurance
		<ul style="list-style-type: none"> <li>• Issues with the Manhattan system remain unresolved since 2005 and unreconciled items with a value of £30,000 are consistently on monthly reconciliations; and</li> <li>• The Debt Management Cycle has not been finalised, approved and implemented.</li> </ul> <p>As a result of our audit work we have raised two Priority 1 and four Priority 2 recommendations, which will help improve controls in the area.</p> <p>The priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• The Service should develop and approve policies and procedures, which should be communicated to all relevant staff; and</li> <li>• The existing 'Debt Management Cycle' should be finalised, approved and implemented.</li> </ul> <p>The Priority 2 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• The Quality Assurance documents used by the team should be reviewed, updated and approved on at least an annual basis and in line with relevant legislation;</li> <li>• The Service should develop a file management system in line with the Council's Document Retention Policy and including chain of custody records;</li> <li>• Management should, as a matter of urgency, work in conjunction with IT services to resolve the issues surrounding the full functioning of the Manhattan system; and</li> <li>• A formal process should be established for the Finance Team to review the suspense account on a regular (monthly) basis and investigate and clear items posted to the account promptly, in particular long outstanding items.</li> </ul>	

Audit area	Scope	Status/key findings	Assurance
<p><b>Fixed Assets</b></p> <p><b>2009/10</b></p>	<p>Audit work was undertaken to cover the control environment in the following areas:</p> <ul style="list-style-type: none"> <li>• Asset Register;</li> <li>• Asset Security;</li> <li>• Compliance with Policies and Procedures;</li> <li>• Asset Disposal and Write-off; and</li> <li>• Reconciliation to General Ledger.</li> </ul>	<p>Weaknesses in the system of controls are such as to put the system objectives at risk.</p> <p>A number of controls were observed to be operating satisfactorily, some of which are listed below:</p> <ul style="list-style-type: none"> <li>• Property valuations are required to be documented on a standard pro-forma, signed by the valuer and reviewer;</li> <li>• The Capital Expenditure Programme is monitored against budget expenditure by the Capital Accountant;</li> <li>• Responsibility for monitoring changes to accounting legislation has been delegated to the Head of Finance (Accounting and Control Service); and</li> <li>• An IFRS project team has been commissioned to oversee required changes in accounting policy and the impact of such changes across the Council. The team is currently chaired by the Head of Finance with the first meeting scheduled for 18th August 2009.</li> </ul> <p>Within the system there are weaknesses which put some of the system objectives at risk. The areas where weaknesses were found include:</p> <ul style="list-style-type: none"> <li>• We were unable to obtain a documented copy of a current five year property valuations programme;</li> <li>• The absence of clear protocols to establish the requirements for asset valuations across the Council and to incorporate these requirements within the five year plan;</li> <li>• The CPM system used by the Valuations team to store valuation data no longer meets the minimum requirements in terms of entry fields and as such, the 2008/09 raw data has not been entered onto the system. We were unable to identify plans going forward to remedy the problem either</li> </ul>	<p><b>Limited</b></p>

Audit area	Scope	Status/key findings	Assurance
		<p>in terms of existing systems development or future procurement;</p> <ul style="list-style-type: none"> <li>• We were unable to obtain evidence of a formal reconciliation of data issued to Corporate Finance to original valuations data; and</li> <li>• The absence of a formalised plan within Property Services to undertake valuations under IFRS legislation.</li> </ul> <p>As a result of our internal audit work in this area we have raised four priority 1 and four priority 2 recommendations, which should help to improve the control environment.</p> <p>The priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• The five year plan for valuing properties should be documented and reviewed on a regular basis;</li> <li>• A formal reconciliation should be undertaken between the listing of valuations required to be carried out during the year and the valuations to check for completeness. Further, a reconciliation should be undertaken of valuations loaded on SAP to valuations data maintained by Property Services to check for accuracy;</li> <li>• A review of systems requirements and resolution of inherent problems within the current systems should be completed; and</li> <li>• Property Services should conduct a review/gap analysis as a matter of urgency in what their requirements and limitations will be for IFRS legislation.</li> </ul> <p>The priority 2 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• The Service should develop a file management system in line with the Council's Document Retention Policy;</li> <li>• Corporate Finance should develop a formal programme (in</li> </ul>	

Audit area	Scope	Status/key findings	Assurance
		<p>conjunction with Directorates) to record plant, machinery and equipment in order to meet new requirements for a complete asset register;</p> <ul style="list-style-type: none"> <li>• Management within Property Services should review the arrangements around quality checking of valuations; and</li> <li>• Policies relating to valuation method and requirements, disposals, surplus properties, write-offs and depreciation should be documented within the Council's Asset Management Strategy.</li> </ul>	
<b>POLICY, PERFORMANCE, PARTNERSHIPS &amp; COMMUNICATIONS</b>			
<p><b>PPP &amp; C Risk Register Testing 2009/10</b></p>	<p>Internal Audit work was undertaken to assess the adequacy and effectiveness of the controls in place to mitigate the following risks:</p> <p>PPP&amp;C1 Shared risk around loss of funding comprising outcomes and quality of service. Failure to change perceptions of crime and anti social behaviour.</p> <p>PPP&amp;C2 Failure to respond to emergencies affecting the borough, or as part of the LLAG arrangements.</p> <p>PPP&amp;C3 Damage to the Council's reputation: Quality of Practice.</p> <p>PPP&amp;C4 Recession impact on services, both front line and corporate.</p> <p>PPP&amp;C5 Resources: failure to recruit in staffing / increasing Sickness Absence resulting in stress on delivery of services</p>	<p>Weaknesses in the system of controls are such as to put the system objectives at risk.</p> <p>We have evaluated and tested the twenty eight controls and further actions that mitigate the five risks identified in the risk register and found the following:</p> <ul style="list-style-type: none"> <li>• Based on the samples within our testing seventeen controls were operating effectively;</li> <li>• Six were classified as being partly effective;</li> <li>• One was found to be operating ineffectively; and</li> <li>• Four were not the responsibility of the Directorate or the individuals identified within the controls.</li> </ul> <p>As a result of our audit work we have raised two priority 1 and three priority 3 recommendations, which will help improve controls in the area.</p> <p>The priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• Risk and control owners should be identified and</li> </ul>	<p><b>Limited</b></p>



Audit area	Scope	Status/key findings	Assurance
		<p>documented within the PPP&amp;C Directorate's risk register. The responsibilities and ownership should be communicated to all identified risks and control owners; and</p> <ul style="list-style-type: none"> <li>The Directorate's risk register should be reviewed for accuracy and completeness and amended as a matter of urgency to ensure that it accurately reflects processes within the Directorate.</li> </ul> <p>The priority 2 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>Minutes should be kept of the monthly budget monitoring meetings and an action plan, including deadlines and responsibilities relating to individual Service Managers and Finance Managers, should be developed to investigate and address budget variances;</li> <li>The Directorate should develop and document formal and robust strategies on ways to expand residents' involvement in addressing Anti-Social Behaviour (ASB), as identified in the risk register; and</li> <li>The Service should ensure that the most up-to-date version of the Business Continuity Plan (BCP) and Emergency Plan is made available for uploading on Harinet and is communicated to all relevant staff and stakeholders.</li> </ul>	
<b>CHILDREN &amp; YOUNG PEOPLE'S SERVICE</b>			
<p><b>Connexions Service 2009/10</b></p>	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> <li>Compliance with Local and Statutory Requirements;</li> <li>Documentation, Policies and Procedures;</li> <li>Liaison Processes for Organisations Involved</li> </ul>	<p>Weaknesses in the system of controls are such as to put the system objectives at risk.</p> <p>A number of key controls were observed to be operating satisfactorily, some of which are listed below:</p> <ul style="list-style-type: none"> <li>Staff have received training related to their role as a Personal Advisor (PA) and a record of this training has been</li> </ul>	<b>Limited</b>

Audit area	Scope	Status/key findings	Assurance
	<p>with the Connexions Services;</p> <ul style="list-style-type: none"> <li>• Assessments and Referral Processes;</li> <li>• Monitoring and Review of Contracts and Service Provision;</li> <li>• Budget Management and Control; and</li> <li>• Management and reporting Arrangements.</li> </ul>	<p>made in a Staff Training Log;</p> <ul style="list-style-type: none"> <li>• Staff are able to access the Council's policies and procedures, via Harinet;</li> <li>• SLAs and Delivery Plans set out the duties that are to be carried out by Connexions Staff;</li> <li>• A Code Of Practice for PAs is in place and this sets out the broad duties expected of them; and</li> <li>• The Key Performance Indicators (KPIs) in place for the Connexions Service reflect the National Standards.</li> </ul> <p>Weaknesses in the system of controls are such as to put the system objectives at risk. The areas where weaknesses were found include:</p> <ul style="list-style-type: none"> <li>• Management have not gained evidence to confirm whether all staff who were subsequently transferred across to the Council (TUPE agreement) have actually obtained their NVQ4 qualifications;</li> <li>• Staff are working within Connexions Services who have not signed a contract of employment with the Council;</li> <li>• Inconsistent and ad hoc budget monitoring reports are produced and used for financial performance monitoring purposes;</li> <li>• Management are unaware of the contents of the Statutory Returns that are submitted on their behalf; and</li> <li>• Management receive no confirmation from their contractor that the Statutory Return prepared on their behalf has actually been submitted.</li> </ul>	

Audit area	Scope	Status/key findings	Assurance
		<p>As a result of our audit work we have raised five Priority 1, five Priority 2 and one Priority 3 recommendations, which should help to improve controls in this area.</p> <p>The Priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• Management obtain formal confirmation that all staff who were transferred across to Haringey's Connexions Service (as part of the TUPE agreement) in 2008 have achieved their NVQ4 qualifications;</li> <li>• Local/desk policies and procedures along with formalised team structures should be developed and approved for the Universal and the Targeted Teams to assist their PA's in the course of their duties;</li> <li>• The process for the referral of a young person to any of the Service's partner organisations is formalised, documented and communicated to all relevant Connexions staff;</li> <li>• The Service's managers request and obtain monthly budget monitoring reports from the CYPs Finance team. These reports should document each cost centre within the Connexions Service and should record the monthly budget vs. actual figures, the year-to-date figures and should be profiled in order to provide management with a clear indication of the budgetary performance of Connexions Service; and</li> <li>• All relevant staff are reminded of the need to ensure that all Service Level Agreements (SLAs) between the Council's Connexions Service and its partner organisations should be signed and approved prior to the start date of the contracts.</li> </ul> <p>The Priority 2 recommendations are as follows:</p>	

Audit area	Scope	Status/key findings	Assurance
		<ul style="list-style-type: none"> <li>• The Service's management, in conjunction with the Council's HR team, should ensure that all staff who were transferred across to the Haringey Connexions Service (as part of the TUPE agreement) in 2008 now have a valid and signed employment contract with the Council;</li> <li>• A record should be maintained of the budget monitoring meetings, which take place between the IAG Partnership Manager and the Budget Accountant from Children's Service Finance;</li> <li>• The Directorate's Finance team should ensure that the Connexions Service's budget is set in conjunction with the Service's managers;</li> <li>• The Service's senior managers should review the information/statistics contained within the monthly statutory return submitted on behalf of the Connexions team; and</li> <li>• Budget monitoring information should be presented to and discussed at the monthly 'Full Management' meetings.</li> </ul> <p>The Priority 3 recommendation is as follows:</p> <ul style="list-style-type: none"> <li>• Management should review the frequency of the 'Senior Management' meetings and where the meetings are not held in line with the agreed meetings schedules, relevant action should be taken to obtain explanations and to address the issues.</li> </ul>	
<b>ADULTS, CULTURE &amp; COMMUNITY SERVICES</b>			
<b>Recreation Services Risk Register Testing</b>	Internal Audit work was undertaken to assess the adequacy and effectiveness of the controls in place to mitigate the following risks:	Weaknesses in the system of controls are such as to put the system objectives at risk  It should be noted that our opinion is only focused on checking	<b>Limited</b>

Audit area	Scope	Status/key findings	Assurance
<p>2009/10</p>	<p>RC18 Fear of crime in parks and open spaces is not reduced PPP&amp;C2 Failure to respond to emergencies affecting the borough, or as part of the LLAG arrangements.</p> <p>RC20 Capital programmes delivered above budget.</p> <p>RC21 Unable to respond to a flu pandemic – lack of staff to deliver a normal service (e.g. in the case of Bereavement Services).</p> <p>RC22 Adequate funding is not received for capital investment in Recreation facilities.</p> <p>RC24 Contractor fails to deliver required level of service for Recreation Service; contractor lacks resources to deliver; poor performance from contractor leads to service users’ requirements not being met.</p> <p>Approved suppliers for Open Space Design and Landscaping/ Horticultural works do not deliver according to standards.</p>	<p>that the controls identified by management were operating effectively at the time of our work and that our opinion precludes risks to the service which may still materialise as part of the operations of Recreation Services.</p> <p>We examined the 27 controls that mitigate five risks identified in the risk register and found the following:</p> <ul style="list-style-type: none"> <li>• Based on the samples within our testing, 22 controls were operating effectively;</li> <li>• One was partly effective; and</li> <li>• Four were ineffective.</li> </ul> <p>As a result of our audit work we have raised two priority 1 recommendations, which will help improve the effectiveness of the controls in the area.</p> <p>The priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> <li>• Management should establish a formal set of contract monitoring protocols and document requirements around the formal monitoring of contracts; and</li> <li>• Management should review all contracts currently in place to check that signed and sealed copies are held with the Council.</li> </ul> <p>We were unable to provide any assurance on Risk 20 – ‘Capital programmes delivered above budget’ as documents have not been provided for examination, although numerous requests were made.</p> <p>Our examination of the Recreation Services (RS) risk register revealed that there is no identification of the officers responsible for managing individual risks, controls and further actions. This has been raised with management, who have stated that actions to mitigate risks identified on the Risk</p>	

Audit area		Scope	Status/key findings	Assurance
			<p>Register are embedded in the RS key projects where a project owner is clearly identified who will be in charge to implement the projects and hence directly and indirectly responsible for the mitigation of the risks on the Risk Register. As a result, no recommendation has been raised.</p> <p>During the audit, we also noted that although Risk 21 (Flu Pandemic) shows a residual risk score of 16 (above the tolerance threshold), no further actions have been identified to bring the score down to an acceptable level. This was also brought to the attention of management who stated that RS key projects are used to mitigate actions on the risk register and the progress of the projects are reviewed quarterly at the RSMT, and the risk registers are updated periodically to reflect the project progress. With regard to Risk 21 management advised Audit that actions identified have already been implemented and RS is in constant liaison with Corporate Emergency Planning group so as to respond to any escalation in the pandemic. As a result, no recommendation has been raised.</p>	

**FMSIS Assessments:**

We have continued our work in Quarter 3 with regard to checking compliance with the requirements of the Financial Management Standard in Schools (FMSiS). Where the validity of the FMSiS certificate is due to expire, we have scheduled visits to relevant Schools to assess continued compliance with the requirements of the Standard. This includes visits to three Secondary Schools.

We will report on the results of our work in our next report to the Audit Committee.

Detailed Progress Report - Implementation of Priority 1 Recommendations 2005/06

Audit Area	Priority	Original Implementation Deadline	Progress/Status	Comments/Update
<b>2005/06</b>				
TOREX Leisure Management System	1	Ongoing/ May 2008	A request has been made to software suppliers to correct the system in order to fully prevent access following repetitive invalid logon attempts.	<p><b>In Progress</b></p> <p>The update received in Quarter 2 was that the go live date was scheduled for the 14<sup>th</sup> December as per IT's project plan. The Service indicated that the allocation of resources by IT is beyond their control and that the delay is due to IT's very long process to get projects prioritised amongst the rest of the council's business. The revised deadline given was <i>December 2009</i>.</p> <p>Quarter 3 update:</p> <p>The recommendation has not yet been actioned. However, the ITS Business Partner has stated that this has been raised with Xn, the software supplier, who are writing an amendment to the software for another client, which will be available on general release for all their clients to install. The ITS Business Partner also stated that it is understood that this will be released in March 2010 and that it is the business' intention to get this installed as a change request when it becomes available.</p> <p><b>Revised Deadline: March 2010</b></p>



Detailed Progress Report - Implementation of Priority 1-3 Recommendations 2007/08

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>ADULTS, CULTURE &amp; COMMUNITY SERVICES</b>				
<b>Appointeeship &amp; Receivership</b>				
1	<p>It is recommended that all policies and procedures should be reviewed regularly, and at least annually, and updated, if necessary.</p> <p>It is further recommended that all documents should be dated and communicated to all relevant staff.</p>	3	N/A	<p><b>Partly Implemented</b></p> <p>Management Update 15/01/09:</p> <p>A renewed Section 48 policy is being re-drafted in line with the standardized Adults, Culture &amp; Community Services template. This template will include a review date.</p> <p>Management Update 09.04.09:</p> <p>The Section 48 policy has been revised apart from one remaining section in which the department are awaiting legal advice – this should be completed by May 2009.</p> <p>Update 13.7.09:</p> <p>The policy is still awaiting feedback and advice from legal services (<b>Revised Deadline: September 2009</b>)</p> <p><b>Update 18.9.09:</b></p> <p>This recommendation has not yet been fully implemented. A draft policy from legal services regarding Public Health Act is now expected at the end of October 2009 to complete the revised procedures, which will be renamed Income, Asset and Property Protection Procedures.</p> <p>The service requests that this deadline be extended to November 2009 to coincide with the implementation of the ACCS Integrated Access Team, who will be incorporating the revised policy into their scripts.</p> <p><b>Revised Deadline: November 2009</b></p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p><i>Update 23.12.09:</i>                      The draft policy from legal services has not yet been completed and is still with legal services. It is expected to be received in January 2010.  <i>Revised Deadline: January 2010</i></p>

# DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

## APPENDIX A

### Follow Up Table - 2008/09 Audit Work

AUDIT AREA	Assurance Level	Recommendations													Priority 1 Recommendations Outstanding						
		Category						Implemented						N/A		In Progress	Not yet due				
		1	2	3	Total	1	2	3	Total												
<b>Council-wide</b>																					
Information Management & Security	Substantial	0	3	0	3	0	2	0	2	0	0	0	2	0	0	0	1				
<b>Chief Executives – PPP&amp;C</b>																					
Complaints Procedure	Substantial	0	3	1	4	0	3	1	4	0	0	0	4	0	0	0	0				
Emergency Planning Procedures	Substantial	0	5	1	6	0	5	0	5	0	0	0	5	0	0	1					
<b>Chief Executives – P&amp;OD</b>																					
Pre-employment checks	Substantial	1	4	0	5	1	4	0	5	0	0	0	5	0	0	0	0				
Implementation of Equal Pay Project	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>Corporate Resources</b>																					
Insurance Arrangements	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Accounting and General Ledger	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Pension Fund Investment	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Disposal of Properties	Substantial	1	5	1	7	1	5	1	7	0	0	0	7	0	0	0	0				
Council Tax	Substantial	1	1	2	4	1	1	2	4	0	0	0	4	0	0	0	0				
Creditors	Substantial	0	2	1	3	0	1	1	2	0	0	0	2	0	0	1					
Housing & Council Tax Benefits	Substantial	0	1	4	5	0	1	4	5	0	0	0	5	0	0	0	0				
Cash Receipting	Substantial	0	0	1	1	0	0	1	1	0	0	0	1	0	0	0	0				
NNDR	Substantial	0	3	3	6	0	3	3	6	0	0	0	6	0	0	0	0				
Strategic Financial Management & Budgetary Control	Substantial	0	0	1	1	0	0	1	1	0	0	0	1	0	0	0	0				
Cleaning Materials Procurement	Limited	5	5	1	11	5	5	1	11	5	5	1	11	0	0	0	0				

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2009/10

APPENDIX A

AUDIT AREA	Assurance Level	Recommendations														Priority 1 Recommendations Outstanding	
		Category						Implemented						N/A	In Progress		Not yet due
		1	2	3	Total	1	2	3	Total								
Framework-I Application	Substantial	0	8	2	10	0	8	2	10	0	0	0	0	0	0	0	
I-World Database	Substantial	0	5	1	6	0	5	1	6	0	0	0	0	0	0	0	
ALBACS	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	0	0	0	
<b>Urban Environment</b>																	
Highways (Contractor Processes)	Substantial	1	2	0	3	0	0	0	0	3	0	0	0	0	0	0	
<b>Adults, Culture &amp; Community Services</b>																	
Cranwood Residential Care Home	Substantial	0	7	1	8	0	7	1	8	0	0	0	0	0	0	0	
Red House Residential Home	Substantial	0	8	1	9	0	7	1	8	1	0	0	0	0	0	0	
Cemeteries & Crematorium	Substantial	1	6	1	8	1	6	1	8	0	0	0	0	0	0	0	
Commissioning & Strategy	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Leisure Centre Procurement	Substantial	2	4	0	6	2	3	0	5	0	0	0	0	0	1	1	
<b>Children &amp; Young People's Services</b>																	
Children's Centres – Broadwater Farm	Substantial	1	1	0	2	1	1	0	2	0	0	0	0	0	0	0	
Children's Centre – General	Limited	3	6	1	10	3	6	1	10	0	0	0	0	0	0	0	
Children's Centres – Pembury House	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0	0	0	
Passenger Transport Services	Substantial	2	9	0	11	2	8	0	10	0	0	0	0	1	0	0	
<b>All Directorates – Project Management Assurance</b>																	
Building Schools for the future	Substantial	3	3	0	6	3	3	0	6	0	0	0	0	0	0	0	
Chestnuts Park	Substantial	3	3	0	6	2	3	0	5	1	0	0	0	0	0	0	
<b>Total</b>		<b>24</b>	<b>103</b>	<b>24</b>	<b>151</b>	<b>22</b>	<b>96</b>	<b>23</b>	<b>141</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>			

**Implemented** – officers has indicated through self-certification the progress of recommendations. We have verified a sample of responses.

**N/A** – the recommendation is no longer applicable due to changes in the system, or alternative action has been taken to address the risk.

**Not implemented** – the recommendation has not been addressed, alternative action has not been taken.

**Partly implemented** – officers have started implementation of recommendations

Detailed Progress Report - Outstanding Priority 1 – 3 Recommendations 2008/09

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES</b>				
<b>Passenger Transport Services</b>				
1	<p>The procedures by which the Passenger Transport Service operates should be documented, dated, approved at the appropriate level and made available to all relevant staff for reference.</p> <p>Responsibility should be assigned to a nominated officer for maintaining the procedures, including reviewing and updating these, where appropriate, on a periodic basis.</p>	2	November 2008	<p><b>In Progress</b></p> <p><b>Update 13.7.09:</b></p> <p>A new Transport Operations Manager has been appointed as from February 2009 and is currently in the process of reviewing and updating all procedures operated by the Transport Service in addition to management of the service and plans to have the procedures completed within six months. <b>Revised Deadline: September 2009</b></p> <p><b>Management comments at 16.10.09:</b></p> <p>“The deadline for the final agreed versions of the various SOPs is likely to be the end of November 2009. The delay has been due to the new Operations Manager post being recruited to, major prior staffing issues, the outsourcing of the driver and vehicle part of the service, and the need to revise all draft SOPs again in light of the new operating arrangements with the totally externalised fleet.  <b>Revised Deadline: November 2009</b></p> <p><b>Update 23.12.09</b></p> <p>The procedures have been documented and dated but are yet to be reviewed and approved.  <b>Revised Deadline: March 2010</b></p>

Decent Homes Standards - Implementation of Recommendations 2009/10

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
<b>CORPORATE RESOURCES - PROCUREMENT</b>				
<b>DECENT HOMES STANDARDS</b>				
1	The Council should make a formal decision over the additional funds requested and amendment to original schedule works claims by Homes for Haringey.	1	October 2009	<b>Partly Implemented</b>  The decision regarding additional funds cannot be made until a Government decision has been made on how much will be granted. The decision is expected to be made in early 2010. Following this, a formal decision will be made and the amendment made to the original schedule works claims.  <b>Revised Deadline: March 2010</b>
2	Upon approval of work packages by the Council's Procurement Committee, the proposal forms submitted by Homes for Haringey are amended to include any changes and the final approved specifications. The forms should then be subsequently signed off by both a Council and a Homes for Haringey officer as acknowledgement of the final works specifications in order for the works to be initiated.	2	Immediately	<b>Implemented</b>  A new format has been adopted to include any changes. The most recent signed off Procurement committee document has been made available. The meetings are held every 2 months. Report obtained is from October and is signed off by the Chair and the Lead Member for Housing.
3	The Council should review the governance arrangements regarding the management of the Decent Homes Programme. Further, the Council should establish a set of formal communication protocols between the ALMO, the ALMO Client Monitoring Team and the Council. The review should include but not limited to:  ● The establishment of a dedicated panel to	1	Immediately	<b>Implemented</b>  The governance arrangements regarding the management of the Decent Homes Programme have been reviewed. The Decent Homes Programme Board has been established and a set of formal communication protocols between the ALMO, the ALMO Client Monitoring Team and the Council has been implemented. The minutes of the first three

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
	<p>oversee the Decent Homes Programme at strategic level;</p> <ul style="list-style-type: none"> <li>● Overall governance structure of the programme;</li> <li>● Formal reporting lines in communicating required changes in strategic and operational objectives or works required;</li> <li>● How poor/under performance is identified, formally reported on and communicated; and</li> <li>● Communication with the Procurement Committee and how changes to works packages are undertaken and whether changes need to be made to ongoing projects as standard.</li> </ul>			<p>meetings of the Programme Board have been made available to Audit.</p> <p>The Aims of the Decent Homes Programme Board are as follows:</p> <ul style="list-style-type: none"> <li>● To set clear expectations and requirements for the overall Homes for Haringey Capital Programme, including the Decent Homes Programme, and ensure that these are owned by all stakeholders.</li> <li>● To oversee the delivery of the Decent Homes programme in terms of budget monitoring and progress against timescales.</li> <li>● To ensure that members and officers are aware of the implications of the implementation of all Decent Homes policy decisions, with particular reference to budgets and timescales.</li> <li>● To work effectively with the existing governance streams.</li> </ul> <p>Members include:</p> <ul style="list-style-type: none"> <li>● Leader of the Council</li> <li>● Cabinet Member for Housing Services</li> <li>● Cabinet Member for Corporate Resources</li> <li>● Chair of Board, Homes for Haringey</li> <li>● Director of Urban Environment</li> <li>● Assistant Director for Strategic and Community Housing Services</li> <li>● Chief Financial Officer</li> </ul>



Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
4	<p>Management should measure the progress of the Decent Homes project against the initial strategic objectives agreed at the project outset.</p> <p>Furthermore, to aid the measurement of progress, management should set key milestones along the critical path of the project in order to gauge how the ALMO is achieving these strategic objectives. This should be undertaken in line with the Council's Project Management Framework in order to achieve continuity.</p>	1	Ongoing	<p><b>Partly Implemented</b></p> <p>The Decent Homes Programme Board has been established, as per recommendation 3. The progress of the Decent Homes project will be measured against the strategic objectives as set out in the Asset Management Directors Final report to the Board expected 21<sup>st</sup> January 2010. The Project baseline will then be plotted by the Client Team.</p> <p>Currently, there is monitoring against the targets for decency and returns are made to the DCLG quarterly. The first two quarterly returns including the quarter 2 finance return have been provided to Audit. This is in line with the Performance Framework.</p>
5	<p>Management within the Council should maintain a formal Strategic Risk Register that is aligned with the Risk Register maintained by the ALMO, where appropriate.</p> <p>Strategic risks identified should be included within the monthly project highlight reports for the attention of senior management.</p>	1	Immediately	<p><b>Revised Deadline: February 2010</b></p> <p><b>Implemented</b></p> <p>Formal strategic Risk Registers are maintained. The registers are updated on a monthly basis and there is a separate register for each of the four project areas; Wood Green; North Tottenham; South Tottenham and Hornsey. The registers are updated on the 18<sup>th</sup> of each month.</p> <p>The registers are produced by the ALMO who also maintain the system. A sample of the registers from September for all four project areas were made available to Audit. Audit also evidenced the existence of registers from October and November for the four areas.</p> <p>The registers are included in the Monthly project highlight reports.</p>
6	The Council should maintain its Strategic Issues Log in compliance with the Council's Project Management Framework.	1	Immediately	<p><b>Implemented</b></p> <p>The issues log is a working tool. Issues are logged</p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
	Issues reflected within the log should be reported on in the Project Highlight Report.			on the system which is used to manage issues. The log is in line with the Council's Project Management Framework. Please refer to WP06.01 for a screen print of the issues log management system. The December Project Highlight Report was made available to Audit.
7	Management should define a formal remit and document a Terms of Reference for the ALMO Client Monitoring Team.	2	Implemented	<b>Implemented</b> This is included in the Draft Performance Protocol, which sets out the Terms of Reference as well as the liaison arrangements for monitoring performance.
8	All meetings held between the ALMO and ALMO Client Team should be documented.	3	Immediately	<b>Implemented</b> Meetings between the ALMO and the ALMO Client Team are now documented. There are monthly meetings between the Executive directors and the Directors to discuss operational issues. The minutes of the last three months were made available to Audit. There are also quarterly meetings between Executive Directors and the Leader of the Council. The last two quarters' meeting minutes were provided to Audit.

# Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

**Deloitte & Touche Public Sector Internal Audit Limited**

**London**

**January 2010**

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**APPENDIX B**

**IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09**

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
<b>Adult, Culture &amp; Community Services</b>	Allegation that employee running own business in work time	1	1	1	Pending  Employee Resigned	
<b>Children &amp; Young Persons Service</b>	Alleged failure to disclose motoring convictions/Irregular expense claims (B/F)	1	1	1	Disciplinary Pending Employee Dismissed Dismissal Upheld at Appeal ET Lodged	
	Allegation that employee running business whilst off sick (B/F)	1	1	1	Pending  Disciplinary Pending Employee Dismissed	
	Alleged Irregular use of contractor	1	0	0		
	Allegation of working whilst off sick	1	0	0		

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**IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09**

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of Theft and Irregular overtime	1	0	0		
	Allegation of Irregular overtime and allowance claims	1	0	0		
<b>Chief Executive Service</b>	Allegation that employee failed to disclose other employment	1	1	1	Employee Resigned	
	Allegation that employee has failed to declare other employment whilst off sick	1	1	1	Disciplinary Pending	

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**IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09**

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of irregular travel arrangements	1	1	1	Employee Resigned	
<b>Corporate Resources</b>	Misuse of Resources (BF)	1	1	1	Dismissed Re-instated at Appeal Final Written Warning	
	Allegation of irregular land sale	1	1	1	Disciplinary Pending	
	Allegation of Irregular Timesheets and Mileage Claims	1	1	1	Disciplinary Pending	
	Alleged Misuse of Council Vehicle	1	1	1	Disciplinary Pending	
<b>Urban Environment</b>	Allegation of irregular involvement with supplier (B/F)	4	0	0		

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**IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/09 - 31/12/09 & B/F FROM 2008/09**

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/09	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of irregular housing allocation	1	1	1	Disciplinary Pending	
<b>Non-specific</b>	LBH cheques claims of non-receipt	1	N/A	N/A	N/A	£300
<b>Total</b>		20	11	11		£300



Disciplinary Case Analysis October 2009 to December 2009

Introduction

The information in this report is taken from SAP, covering the period **01 October 2009 – 31 December 2009**.

The data is based on Haringey Council employees who

- hold Permanent, Temporary or Fixed Term Contracts
- are considered as Supernumerary (employees that have been on a Temporary Contract for more than 52 weeks)

Note that this data excludes:

- Casual or Sessional Workers
- Schools
- Agency Workers

Legend	
Adults, Culture & Community Services	AS
The Children & Young People's Service	C
Corporate Resources	CR
People & Organisational Development	PO
Policy, Performance, Partnership & Comms	PP
Urban Environment	UE
Haringey Council	HGY

The Council's Disciplinary Procedure is considered as a tool to assist in good management and not solely as a means of imposing sanctions or setting out procedures leading to dismissal.

The procedure aims to:

- Allow managers to address issues of unsatisfactory conduct and seek improvements in behaviour
- Ensure that employees covered by the procedure are treated fairly and consistently
- Ensure that proper and adequate procedures are observed before any disciplinary decisions are taken
- Help and encourage all employees to achieve and maintain standards of conduct, attendance and job performance
- Maintain discipline essential to the delivery of high quality services
- Protect the health, safety and well being of staff, service users and members of the public
- Safeguard the integrity and good reputation of the Council  
(*Disciplinary Procedure July 2005*)

## Disciplinary Cases

This section looks at the number of formal actions taken against employees under the disciplinary procedure based on data retrieved from SAP.

### Disciplinary Cases by Directorate

Directorate	Cases Open	Cases Closed	No of cases	No of employees
AS	8	12	20	17
C	15	5	20	20
CR	7	1	8	8
PO	1	1	2	2
PP	1	1	2	1
UE	10	0	10	10
HGY	42	20	62	58

Please, note that the total number of cases is **62**, but this only represents **58** employees. The reason being, that one employee can have more than one case running concurrently. For example, an employee's dismissal could count as one case and their appeal as another.

- **Children's** has the highest percentage of disciplinary cases against its workforce at **2.17%** in this quarter
- **42** cases remain 'open' at the end of this period.

The following table looks at the stages of Disciplinary cases.

### Stages of Disciplinary Cases

Stage	Cases Open	Cases Closed	Total	%
Invest. - not suspended	10	7	17	27
Invest. - suspended	25	11	36	58
ET	1	0	1	2
Appeal	6	2	8	13
Total	42	20	62	100

The following table identifies the outcomes of the 20 cases that were concluded.

### Disciplinary Case Outcomes

Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Appeal dismissed	0	0	1	0	1	5
Appeal upheld	0	0	1	0	1	5
Dismissal	0	1	0	0	1	5
No action	1	1	0	0	2	10
Other	2	0	0	0	2	10
Part upheld	0	0	0	0	0	0
Verbal warning	2	0	0	0	2	10
Written warning	2	0	0	0	2	10
Final writ warning	0	1	0	0	1	5
Resigned	0	5	0	0	5	25
Suspension lifted	0	2	0	0	2	10
Relegation/Demotion	0	1	0	0	1	5
Compromise Agreement	0	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>20</b>	<b>100</b>

- 25% of cases resulted in **Resignation**

This table displays reasons for Disciplinary action against employees.

### Reasons for Disciplinary Cases

Reason	Cases Open	Cases Closed	Total	%
Assault	3	0	3	5
Attendance	1	0	1	2
Behaviour	12	7	19	31
Fraud / Theft	5	1	6	10
Misuse of resources	5	0	5	8
Negligence	10	7	17	27
Other	6	5	11	18
<b>Total</b>	<b>42</b>	<b>20</b>	<b>62</b>	<b>100</b>

- The highest cause for disciplinary action was for **Behaviour** at 31%

This table looks at the ethnic breakdown and gender split for Disciplinary cases

**Disciplinary Case employee representation  
by Ethnicity and Gender**

Ethnic Class	Female		Male		All	
	Total	%	Total	%	Total	%
B & M E	21	64	12	36	33	21
White	12	48	13	52	25	12
Not Declared	0	0	0	0	0	0
<b>Total</b>	<b>33</b>	<b>57</b>	<b>25</b>	<b>43</b>	<b>58</b>	<b>33</b>

- **33%** of the workforce is male, but the male representation with disciplinary cases is significantly higher at **43%**

The following table looks at the ethnic breakdown per Directorate and across grade bands.

**Disciplinary Case employee representation by  
Ethnicity and Grade Band**

(T = Total no. in grade band, WF = % of total disciplined employees in Directorate)

Dir	Ethnic Group	MANUAL		SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
AS	B & ME	1	5.9	6	35.3	2	11.8	0	0.0	1	5.9	0	0.0	10	58.8
	White	0	0.0	7	41.2	0	0.0	0	0.0	0	0.0	0	0.0	7	41.2
	<b>Total</b>	<b>1</b>	<b>5.9</b>	<b>13</b>	<b>76.5</b>	<b>2</b>	<b>11.8</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>5.9</b>	<b>0</b>	<b>0.0</b>	<b>17</b>	<b>100</b>
C	B & ME	0	0.0	2	10.0	4	20.0	5	25.0	2	10.0	0	0.0	13	65.0
	White	0	0.0	1	5.0	2	10.0	0	0.0	2	10.0	2	10.0	7	35.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>3</b>	<b>15.0</b>	<b>6</b>	<b>30.0</b>	<b>5</b>	<b>25.0</b>	<b>4</b>	<b>20.0</b>	<b>2</b>	<b>10.0</b>	<b>20</b>	<b>100</b>
CR	B & ME	0	0.0	0	0.0	2	25.0	1	12.5	0	0.0	0	0.0	3	37.5
	White	0	0.0	0	0.0	3	37.5	1	12.5	0	0.0	1	12.5	5	62.5
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>5</b>	<b>62.5</b>	<b>2</b>	<b>25.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>12.5</b>	<b>8</b>	<b>100</b>
PO	B & ME	0	0.0	0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	50.0
	White	0	0.0	0	0.0	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>50.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>50.0</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>100</b>
PP	B & ME	0	0.0	0	0.0	0	0.0	0	0.0	1	100	0	0.0	1	100
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100</b>
UE	B & ME	0	0.0	2	20.0	2	20.0	0	0.0	1	10.0	0	0.0	5	50.0
	White	0	0.0	2	20.0	0	0.0	2	20.0	1	10.0	0	0.0	5	50.0
	<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>4</b>	<b>40.0</b>	<b>2</b>	<b>20.0</b>	<b>2</b>	<b>20.0</b>	<b>2</b>	<b>20.0</b>	<b>0</b>	<b>0.0</b>	<b>10</b>	<b>100</b>
HGY	B & ME	1	1.7	10	17.2	11	19.0	6	10.3	5	8.6	0	0.0	33	56.9
	White	0	0.0	10	17.2	5	8.6	3	5.2	4	6.9	3	5.2	25	43.1
	<b>Total</b>	<b>1</b>	<b>1.7</b>	<b>20</b>	<b>34.5</b>	<b>16</b>	<b>27.6</b>	<b>9</b>	<b>15.5</b>	<b>9</b>	<b>15.5</b>	<b>3</b>	<b>5.2</b>	<b>58</b>	<b>100</b>

## Suspensions

This table shows a summary of suspension cases.

### Summary of Suspension Cases

Case status	Total
No. of cases heard	6
No. of cases not concluded	25
No. of cases not concluded - leaver	5
<b>Total</b>	<b>36</b>

### Timescales (no of days) of Suspension Cases

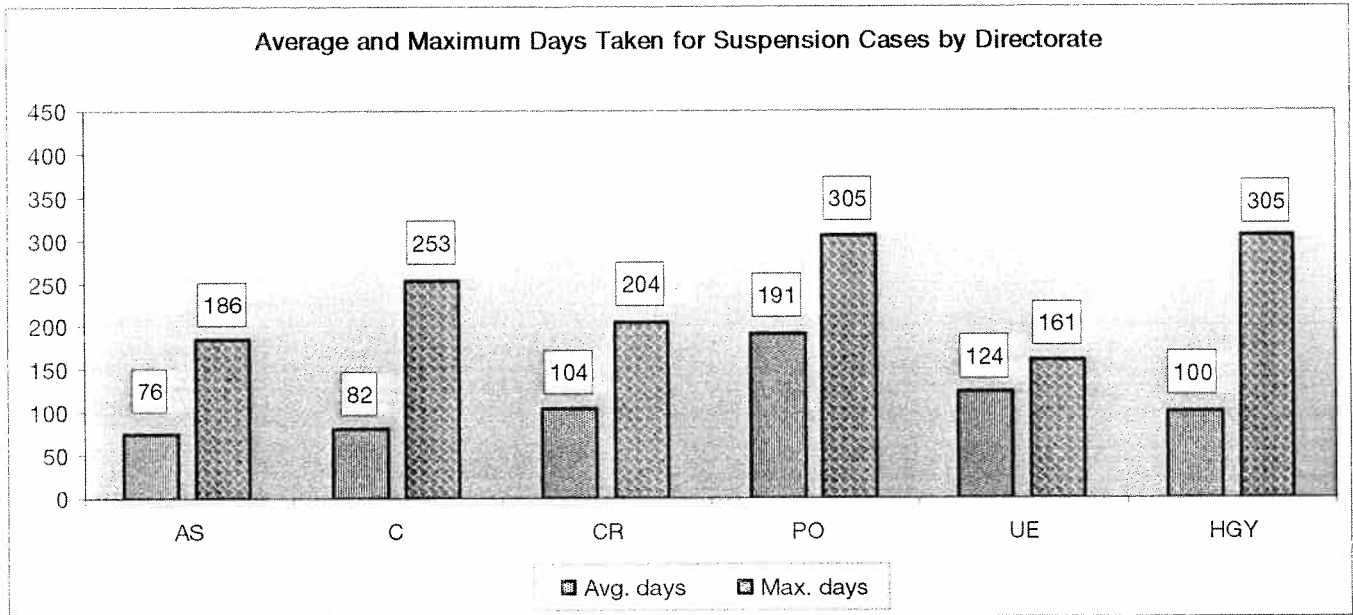
The table below looks at the 36 suspension cases and identifies the no. of working days each case has taken. If the case has not concluded by the end of the period, the number of working days is calculated from the start date of the current disciplinary stage to the end of the quarter.

The table also identifies, by directorate, the average number of days suspension for all cases, the maximum days for a single case and average days suspension for cases heard within that period.

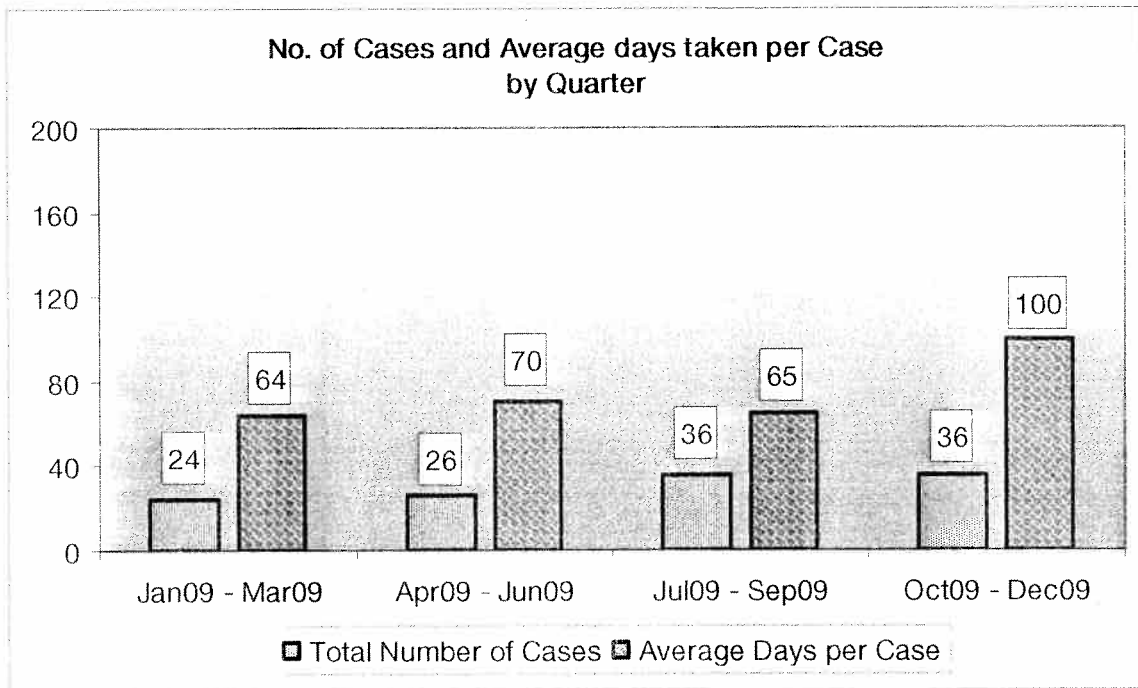
### Timescales (no of days) of Suspension Cases

Directorate	1-60	61-120	121-180	181-240	240+	Total cases	Total days	Avg days of total cases	Max. Days	Total cases heard	Avg days of cases heard
AS	5	1	1	1	0	8	607	76	186	3	112
C	5	5	1	0	1	12	982	82	253	3	90
CR	2	2	0	2	0	6	624	104	204	0	0
PO	0	1	0	0	1	2	382	191	305	0	0
PP	0	0	0	0	0	0	0	0	0	0	0
UE	1	2	5	0	0	8	989	124	161	0	0
HGY	13	11	7	3	2	36	3584	100	305	6	101
<b>Total cases heard</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>					

On average, 100 days were spent on each suspension case within the quarter.



The chart below looks at the number of suspension cases per quarter and highlights Haringey Council's average number of days per case.



There are a number of difficult and complicated suspension cases (12) that are still under investigation. As a result of these cases, the number of average days have increased since the last quarter monitoring report.