



Haringey Council

Report for:	Corporate Committee 23 January 2012	Item number	
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Title:	Internal Audit Progress Report – 2011/12 Quarter 3
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Report authorised by :	Director of Corporate Resources <i>J. Parker 12/1/12.</i>
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Lead Officer:	Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk
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Ward(s) affected: ALL	Report for: Non-Key Decision
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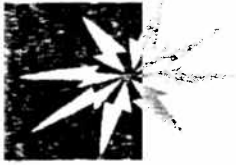
1. Describe the issue under consideration

1.1 The Corporate 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 Corporate Committee on the work undertaken by the Internal Audit Service in completing the 2011/12 annual audit plan, together with the responsive pro-active fraud investigation work, and housing benefit fraud investigation work. Where further action is required or recommended, this is highlighted in the report and appendices and included in the recommendations for the Corporate Committee.

1.2 In addition, the report provides details of the work the Council's Human Resources business unit has undertaken in supporting disciplinary action taken across all departments by respective Council managers.

2. Cabinet Member Introduction

2.1 Not applicable



3. Recommendations

- 3.1 The Corporate Committee is recommended to note the audit coverage and counter-fraud work completed during the third quarter, 2011/12.
- 3.2 That the Corporate Committee reviews the management responses received for those audit recommendations not fully implemented; and confirms that the managers' actions taken during the third quarter to address the outstanding recommendations are appropriate.

4. Other options considered

- 4.1 Not applicable.

5. Background information

5.1 The internal audit service and counter-fraud teams make a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council. This report looks at the work undertaken in the quarter ending 31 December 2011 and focuses on:

- Progress by Deloitte and Touche 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 particular attention given to priority 1 recommendations;
- Details of pro-active and reactive investigative work undertaken relating to fraud and/or irregularities, including those within the remit of the Housing Benefit Fraud Investigation Team; and
- Information in respect of disciplinary action taken by managers across all departments of the Council during the quarter.

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

6. Comments of the Chief Financial Officer and Financial Implications

- 6.1 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.
- 6.2 The annual recovery target for benefit overpayments for the HB Fraud Team is £250k. At the end of the third quarter, the benefit overpayments



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recovered is 92% of the overall annual target and no issues are currently identified which will prevent the annual recovery target of overpaid benefits from being achieved.

6.3 The financial benefits to the Council of the work completed during the third quarter as part of the ongoing tenancy fraud project will be realised as properties are recovered and returned to the Council's portfolio. The Audit Commission estimate that the costs of fraudulent tenancies and unauthorised sub-letting equate to £18k per annum per property, therefore it is pleasing to note that outcomes from the project are beginning to happen with three properties already recovered in 2011/12.

7. Legal Implications

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

8. Equalities and Community Cohesion Comments

8.1 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. The report also contains details of how fraud investigation work is undertaken and pro-active fraud projects are managed. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

9. Head of Procurement Comments

9.1 Not applicable.

10. Policy Implications

10.1 There are no direct implications for the Council's existing policies, priorities and strategies. However, reducing the opportunity for fraud to take place in the first place, and taking appropriate action to detect and investigate identified fraud will assist the Council to use its available resources more effectively.

11. Use of Appendices

11.1 Appendix A – Deloitte and Touche Progress report
Appendix B – In-house Team – investigations into financial irregularities
Appendix C – Council-wide disciplinary information
Appendix D – Personalisation audit follow up report



12. Performance Management Information

12.1 Although there are no national or Best Value Performance Indicators, key 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 key area monitored in 2011/12 and gives a breakdown between the quarterly and cumulative performance.

Table 1

PI Ref.	Performance Indicator	3 rd Quarter	Year to date	Target
1	Audit work – Days Completed vs. Planned programme	92%	64%	95%
2	Priority 1 recommendations implemented at follow up	100%	92%	95%
3	Benefit fraud cases completed and accepted for prosecution	10	26	50
4	Benefit overpayments recovered (including POCA and confiscation awards)	£136k	£230.3k	£250k

13. Internal Audit work – Deloitte and Touche contract

13.1 The activity of Deloitte and Touche for the third quarter of 2011/12 to date is detailed at Appendix A. Deloitte and Touche planned to deliver 250 days of the 2011/12 annual audit plan (1000 days) during the third quarter. Deloitte and Touche actually delivered 229 days audit work during the quarter, which is 92% of the planned work. To date, 64% (642 days) of the annual planned programme of 1000 days has been completed as at 31 December 2011. This is slightly below the planned target of 75%, but Deloitte and Touche are only paid on the completion of each project and it is expected that the annual target of 95% will be achieved. Ongoing monthly contract monitoring reviews ensure that performance levels are kept under review.

13.2 Members of the Corporate 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 considered 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 the findings and recommendations of those reports which received a 'limited' assurance rating.

13.3 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 the previous Audit Committee meetings to ensure that managers were taking appropriate action to address outstanding recommendations. Only three recommendations from prior years remain outstanding, all are priority two



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recommendations and no high priority recommendations remain outstanding: 2005/06 – one Priority 2 recommendation remains partly implemented; 2009/10 – two Priority 2 recommendations remain partly implemented. Work is ongoing to address these and internal audit is satisfied that managers' actions are appropriate to manage these lower priority risks facing the Council. Internal Audit will continue to monitor implementation of recommendations to ensure appropriate actions are taken to mitigate identified risks.

- 13.4 A summary of all follow up audit projects for 2010/11 work which have been undertaken is also included in Appendix A (pages 20-21). We have followed up on 108 recommendations to date and found that 94 have been implemented, 6 are no longer applicable, three are in progress, and five recommendations had not reached their due date. Overall, a compliance rate of 97% has been achieved for the third quarter and 100% in relation to Priority 1 recommendations. One Priority 1 recommendation followed up to date, where the deadline for implementation has passed, remained partly implemented and details of this are contained in Appendix A (page 22).
- 13.5 In agreement with the Director of Corporate Resources and Grant Thornton, internal audit will include recommendations made as part of external audit's work in the follow up review process to ensure that all audit recommendations made are implemented appropriately. During 2011/12, external audit completed a review of the systems and processes in respect of personalisation in adult social care and issued their final report in October 2011 which included 12 recommendations for management action, although there were no high priority recommendations made.
- 13.6 As this is an area which deals with vulnerable clients, we agreed with Adult Services that an early follow up audit would be appropriate. The follow up audit work was completed in December 2011 and the results show that good progress has been made to address the original 12 recommendations: seven have been fully implemented; one has been partly implemented; and four are in progress. The full report, together with the management comments where further action is required and ongoing, is contained at Appendix D. Internal Audit are satisfied with the progress already made and the actions taken and in place by service managers to address the remaining recommendations.
- 13.7 Internal audit will continue to liaise with Grant Thornton and departments to ensure that follow ups of future external audit work is incorporated into the internal audit planning process. This will ensure that regular progress reports are provided to members on all audit work.

14. In-house Team – Fraud investigation/Pro-active work

- 14.1 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 Council's Information Security Policy. Appendix B details the



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individual cases that were completed by the In-house Team to date in 2011/12 and any which were brought forward from 2010/11, relating to Council employees. 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 whistle blowing referrals were made.

14.2 Within the third quarter, nine cases were referred to Internal Audit for investigation relating to permanent and temporary employees. Two cases were completed during the quarter involving Council employees. Internal Audit work closely with officers from personnel and the service involved to ensure that the investigation is completed as quickly as possible.

14.3 The section has been working with Homes for Haringey and the Strategic and Community Housing Service to develop an approach to target and investigate housing and tenancy fraud during 2011/12. The Audit Commission estimate that each fraudulent tenancy costs councils an estimated £18k in temporary accommodation and other associated costs. Since April 2011, the team has completed fraud awareness training for Council and Homes for Haringey staff and put an agreed referral and investigation process in place. This has also been extended to six of the Council's key Registered Providers of social housing.

14.4 As at 31 December 2011, 68 referrals of suspected tenancy fraud have been received and Table 2 below summarises the source of these referrals:

Table 2

Tenancy Management Officers	33
Fraudcall (the Council's email and free phone telephone reporting facility)	8
Registered Providers	6
Education Welfare Service	4
Joint with Housing Benefit Fraud Officers	4
National Fraud Initiative (data matching)	3
Other Local Authority	3
Another Haringey Service	3
Police	2
Anonymous, public	2
	68

14.5 Three properties have been recovered and the keys returned, so the tenancies can be allocated to tenants in accordance with the Council's lettings policy. One further case is awaiting a court hearing date. Re-possession action is being taken in 9 cases, with Notices Seeking Possession either served or prepared for serving, and one case has been referred to Legal Services. Interviews Under Caution have been completed in seven further cases with a view to re-possession and prosecution, if the evidence supports this. Interviews



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Under Caution are planned in a further five cases, together with a joint case conference in one case.

14.6 Investigations are ongoing in 35 cases; and only six cases (9%) which have been referred to the team to date in 2011/12 resulted in no further action being taken. Feedback on the outcomes of cases is provided to housing and Homes for Haringey staff to show the positive outcomes resulting from their referrals.

15. Housing Benefit Fraud Investigation

15.1 During the third quarter, the HB Fraud team completed investigations on ten benefit fraud cases and submitted these for prosecution at crown court. Four of these were submitted via Legal Services and six were submitted as joint prosecutions with the DWP. In the year to date, there are a further 19 cases which the HB Fraud team have completed and for prosecution which are awaiting court dates, relating to joint prosecutions with the DWP. Together with the ongoing work, it is expected that the annual target of 50 prosecution cases will be achieved.

15.2 In the third quarter, ten cases were heard at crown court, including five prosecuted via Legal Services. All ten prosecution cases found in favour of the Council. All ten cases identified that an overpayment had been fraudulently obtained by the claimants. The total overpayment identified for the ten cases was £374.7k, of which £78.4k (21%) has already been recovered.

15.3 Overpayment plans are in place to recover the remaining amounts and to date £230.3k of overpaid benefits have been recovered, which represents 34% of the total amount of fraud (£684.9k) identified in the prosecution cases. The team will be working with the HB recovery team and Legal Services going forward to ensure that all options for recovery are considered when fraud has been proven.

16. Council-wide disciplinary statistics

16.1 Appendix C details the number of disciplinary suspensions and/or action taken in the second quarter of 2011/12. 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.

16.2 During quarter three, the number of disciplinary cases investigated was 35, with 21 remaining 'open' at the end of the quarter. The average length of time taken to resolve disciplinary cases in quarter two was 62 days, which represents a decrease of 18 days compared to the second quarter of 2011/12, and is the lowest average over the previous four quarters.

**Internal Audit
Quarter 3 Internal Audit Report
2011/2012
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.
January 2012

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Executive Summary

Introduction

This is our third quarter report to the Corporate Committee for the 2011/12 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 our internal audits. 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 Corporate 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.

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 2011/12 – Final Reports issued:

- Carbon Reduction Commitment (CRC): Energy Efficiency Scheme 2010/11;
- Project Management Assurance: Heartlands 2010/11;
- Project Management Assurance: Local Development Framework 2010/11;
- Implementation of IFRS and Asset Management 2010/11;
- Haven Day Centre 2011/12;
- Haynes Day Centre 2011/12;
- The Grange Day Centre 2011/12;

- Haslemere Road Centre 2011/12;
- Use of Mobile Phones 2011/12
- Remote Working 2011/12;
- ICT Change management 2011/12;
- Coppett's Road Childrens Home 2011/12;
- Haringey Park Childrens Home 2011/12;
- Facilities Management – Response & Repairs 2011/12; and
- Parking Services – Residents and Other Parking Permits 2011/12; and
- Homeless Persons and Temporary Accommodation (Procurement) 2011/12.

Delivery of 2011/12 Internal Audit Plan

As part of the 2011/12 Internal Audit Plan, we have started our planning work with regards to agreeing the scope and start date for individual audits. Draft reports have been issued for the following audits:

- Treasury Management;
- Accounts Payable (Creditors);
- HMO Licensing Arrangements;
- School Admissions and Place Planning;
- CYPs - Use of Petty Cash; and
- Noel Park Children's Centre.

The above list does not include schools which have been visited in Quarter 3.

Follow Up of Prior Years' Recommendations

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

2005/06

One Priority 2 recommendation remains outstanding; work is ongoing to address this.

2009/10

Two Priority 2 recommendations remain outstanding; work is ongoing to address these.

2010/11

To date we have followed up 108 recommendations raised in 2010/11 and the results of our work are as follows:

- Implemented – 94 (87.0 %);
- Partly implemented – 3 (2.8%);
- Not due for completion – 5 (4.6%);
- No longer applicable – 6 (5.6%); and
- Not implemented – 0.

Follow Up of External Audit Recommendations

Grant Thornton produced a report ‘Personalisation in Adult Social Care’ in October 2011 as a result of a review to assess the progress made by Haringey Council towards Personal Budgets and whether plans were implemented at the required pace to achieve the 30% milestone as set by “Putting People First”. We have completed a follow-up on the 12 recommendations raised in the report and we have issued a follow-up report to management .

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

- Seven recommendations (five Priority M and two Priority L) have been fully implemented;
- Four recommendations (two Priority M and two Priority L) are in progress; and
- One recommendation (Priority M) has been partly implemented.

Where recommendations have not been fully implemented, we have identified further action required by management, where appropriate, to fully address the issues raised by Grant Thornton.

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

APPENDIX A

Audit Progress and Detailed Summaries

The following table sets out the audits finalised in Quarter Three of 2011/12, of which four relate to the 2010/11 financial year, 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 Corporate 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)		
					1	2	3
2010/11							
CRC Energy Efficiency Scheme	July 2011	03/10/11	Limited	N/A	1	7	14
Project Management Assurance: Heartlands	August 2010	12/12/11	Substantial	N/A	1	0	0
Project Management Assurance: LDF	August 2010	12/12/11	Substantial	N/A	0	1	0
Implementation of IFRS and Asset Management	June 2010	12/12/11	Substantial	N/A	0	1	0
2011/12							
SPOCC Application Audit – Supporting People	August 2011	20/10/11	Substantial	N/A	0	1	1
The Haynes Day Centre	September 2011	20/10/11	Substantial	N/A	0	0	2
The Haven Day Centre	September 2011	20/10/11	Substantial	N/A	0	0	1
The Grange Day Centre	September 2011	20/10/11	Substantial	N/A	0	0	2
Haslemere Road Centre	July 2011	04/11/11	Substantial	N/A	0	4	1
Use of Mobile Phones	September 2011	16/11/11	Substantial	N/A	0	3	0
Remote Working	November 2011	23/11/11	Substantial	N/A	0	3	1
ICT Change Management	September 2011	29/11/11	Substantial	N/A	0	1	0
Coppett's Road Childrens Home	July 2011	29/11/11	Limited	N/A	2	0	1

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

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Audit Title	Date of audit	Date of Final Report	Assurance Level	Direction of Travel	Number of Recommendations (Priority)		
					1	2	3
Haringey Park Children's Home	July 2011	29/11/11	Limited	N/A	1	6	0
Facilities Management – Responsive Repairs	October 2011	02/12/11	Substantial	N/A	1	0	0
Parking Services – Residents and Other Parking Permits	July 2011	02/12/11	Substantial	N/A	0	3	2
Homeless Persons and Temporary Accommodation (Procurement)	October 2011	07/12/11	Substantial	N/A	0	0	1

As part of the 2011/12 Internal Audit plan we have visited the following schools in Quarter 3 and completed a probity audit, for which a final report has been issued.

School	Audit	Report Date	Assurance Level	Number of Recommendations (Priority)		
				1	2	3
Coleraine Park Primary School	July 2011	10/10/11	Limited	5	5	0
John Loughborough V/A School	July 2011	25/10/11	Limited	8	3	0
Lea Valley Primary School	October 2011	28/11/11	Substantial	2	7	2
Belmont Infant School	November 2011	29/11/11	Substantial	0	5	2
St Paul's Catholic Primary School	October 2011	30/11/11	Substantial	2	7	0
Rowland Hill Nursery School and Children Centre	October 2011	07/12/11	Limited	1	13	0

Final Reports Issued during Quarter 3 with Limited Assurance

Audit area	Scope	Status/key findings	Assurance
PROJECT MANAGEMENT ASSURANCE (2010/11)			
<p>Carbon Reduction Commitment (CRC) Energy Efficiency Scheme 2010/11</p>	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> • Review processes for identification of Haringey Council (HC)'s commercial property to be accounted for in the CRC; • Review process in place to establish and gather information in relation to residual supplies; • Review process in place to manage and resolve building queries from energy suppliers; • Review the processes in place to obtain data from the educational portfolio; and • Review any mechanism in place to recharge CRC costs to schools. 	<p>Weaknesses in the system of internal controls are such as to put the client's objectives at risk.</p> <p>Some of the key findings are detailed below:</p> <ul style="list-style-type: none"> • There is a lack of clear definition in relation to the 'off-contract' commercial property units, which are those which are not on HC's main energy contract. Where properties are off-contract, payment of energy bills is administered by the Finance Co-ordinator (Property Services); • The Energy Manager confirmed that a dialogue has been established with the schools via Head Teachers Association and Schools Forum, to explain that there will be an additional cost to them next year for CRC allowances. A leaflet on the CRC scheme has been sent to schools, however this relates to the old design of the Scheme when revenue recycling was a feature; • A paper proposing the method of CRC cost recharge to schools was written and approved in May 2011. This recommends that the total cost of schools' allowances are deducted in one payment from the Dedicated Schools Grant and means HC will not have to invoice every single school. However, this removes an incentive for schools to address energy efficiency issues. • The Manhattan database is used to generate the list of commercial properties which HC is responsible for in the CRC scheme. There is an issue in that the data stored on Manhattan lacks consistency and there is also a reliance 	<p>Limited</p>

Audit area	Scope	Status/key findings	Assurance
		<p>on this database to be regularly updated. However, this issue is being addressed in relation to details required for CRC reporting whereby incomplete property details are being reconciled by the Energy Administration Officer.</p> <ul style="list-style-type: none"> • The vacant property list generated does not include all of the meter numbers in place at each property. Initially this list was used to retrieve the energy invoices from the Finance Co-ordinator (Property Services) for all of the vacant properties HC is responsible for in order to identify the meter numbers. HC confirmed that it would not be feasible to automate this process; • HC's 'CRC toolkit' spreadsheet, which is used to record the energy supply details for CRC reporting, does not include a complete record of all of the meter numbers for the commercial properties. The Energy Manager confirmed this would form part of the inventory they prepare for the commercial property portfolio; • The issue of CRC cost re-charge to tenants has not yet been fully considered, although it is believed that the overall costs are not likely to be significant; <p>As a result of our audit work we have raised one priority 1, seven priority 2 and 14 priority 3 recommendations which should assist in improving the control environment.</p> <p>The Priority 1 recommendation is as follows:</p> <ul style="list-style-type: none"> • The process for the information requirements from the Finance Co-ordinator (Property Services) should be agreed and documented. At least one other person on the Finance Co-ordinator's team, together with the Finance Co-ordinator, should be briefed on the Council's CRC reporting requirements. <p>The Priority 2 recommendations are as follows:</p>	

Audit area	Scope	Status/key findings	Assurance
		<ul style="list-style-type: none"> • There should be a documented procedure relating to the assumption made in relation to the commercial properties list and this should be referenced and documented in The Council's CRC evidence pack. In relation to future CRC compliance years, a snapshot of the portfolio as at 1 April, the start of CRC compliance years, should be obtained each year; • Although the initial ad hoc nature of this reporting should now have been addressed, as a measure of good practice the process of quarterly updates of the vacant properties list should be documented and referenced in the CRC evidence pack; • The Energy Manager should maintain an off-contract list to ensure all relevant properties are accounted for in the CRC; • The relevant gas supplies should be reviewed and the type of source classified as either core or residual. This should be relatively straightforward as it will be based upon the 73,200kWh p.a. consumption threshold; • Information regarding current queries relating to energy supply to the commercial properties which are off-contract need to be communicated to the Energy Manager's team on a regular basis – the process needs to be defined and documented; • The process for schools taking meter readings requires formalisation and documentation in the evidence pack. All meter read log sheets for schools should be made accessible via the evidence pack; and • Now that the CRC cost re-charge method has been agreed, the Council should communicate the proposals as soon as possible and highlight that this will now be a 	

Audit area	Scope	Status/key findings	Assurance
		<p>direct cost, with no revenue recycling.</p> <p>The Priority 3 recommendations are as follows:</p> <ul style="list-style-type: none"> • Haringey Council should ensure that any gaps on the Manhattan database in relation to the commercial properties are reconciled prior to submission of its CRC reports. There should be a documented procedure relating to updating of the Manhattan database to ensure this is done on a regular basis and incorporates CRC reporting requirements; • The process for collating the updates in relation to property transactions is ad hoc and requires formalisation and documentation. The Energy Manager's team should review the updates in the Energy Inbox for the first CRC compliance year and ensure any changes are accurately reflected in the Council's CRC reports; • The meter numbers should be checked by management when the Council undertakes the commercial property inventory before submission of its CRC reports; • The process of dealing with meter and energy supply issues for vacant properties requires documentation and communication to ensure all relevant energy supplies are accounted for during each CRC reporting year; • Meter reading log sheets for each property HC is responsible for in the CRC need to be accessible in its evidence pack. Haringey Council's meter reading process also needs to be documented in its evidence pack; • The meter numbers should be verified when the Council undertakes the commercial property inventory before submission of its CRC reports; • Haringey Council should resolve this issue with the 	

Audit area	Scope	Status/key findings	Assurance
		<p>TEAM consultants as soon as possible;</p> <ul style="list-style-type: none"> • Haringey Council should review the significance of the size of the bills it is paying in relation to the common parts of the commercial property portfolio. The issue could also be discussed with the Council's legal team, with particular reference to new leases agreed as there may be an opportunity to pass on CRC costs to tenants; • A sample should be checked to corroborate the energy bills for the oil supplies against the supplier statements; • The process of confirming residual fuel supplies in relation to the commercial property portfolio requires formal documentation and communication on an ongoing basis; • A Residual Fuels List should be generated once the complete dataset regarding to the Council's energy consumption is obtained; • The process of reviewing the energy supply account queries and assessing which ones are relevant to each CRC reporting year requires definition and documentation. A specific request could be made for TEAM and their database to highlight any meter/supply issues that are relevant to the Council's CRC reporting; • The Energy Manager's team should corroborate the list provided on 9 June with the energy supply data it has collated for the educational properties so far, to ensure all relevant properties are accounted for in its CRC reports. A process should be established and documented to ensure the Energy Manager's team is updated event of any changes to the educational properties list; and • The proposed method for recharging CRC costs to schools within HC's educational portfolio should be 	

Audit area	Scope	Status/key findings	Assurance
		<p>communicated to the schools as soon as possible. This communication should also point out the ongoing benefit to schools from reducing their energy use (in terms of absolute cost reduction).</p>	
CHILDREN & YOUNG PEOPLE'S SERVICE			
<p>Coppett's Road Children's Home 2011/12</p>	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> • Management Organisation; • OFSTED & Other Inspections; • Budgetary Control; • Staffing; • Disbursement Accounting Records; • Inventory; • Data Protection; and • Health and Safety. 	<p>Weaknesses in the system of internal controls are such as to put the client's objectives at risk.</p> <p>Coppett's Road Children's Home is a short-term residential home providing therapeutically led assessments for children of mixed gender aged 12 to 16</p> <p>There were six children in residence as at June 2011.</p> <p>The last OFSTED report January 2011 assessed the overall quality rating for the Centre as 'Inadequate'. An action plan was developed by the Centre with responsibilities and implementation deadlines of March and April 2011. The Centre Manager confirmed that all actions have been completed. It should be noted that our audit was limited to checking that an action plan is in place which includes corrective actions and that these are being monitored. We did not complete any testing to confirm that the actions have effectively been completed.</p> <p>Some of the key findings are detailed below:</p> <ul style="list-style-type: none"> • A Statement of Purpose has been produced by the Centre and was reviewed and updated in January 2011; • A guide has been produced for the benefit of service users at the Centre; • Operational procedures covering Children's Homes are available on the Local Authority's intranet for use by the Centre's staff; • A detailed asset register has not been developed to include all relevant details for individual assets; and 	Limited

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Audit area	Scope	Status/key findings	Assurance
<p>Haringey Park Children's Home 2011/12</p>	<p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> • Management Organisation; 	<ul style="list-style-type: none"> • The last Health and Safety inspection was completed in January 2010. <p>As a result of our audit work we have raised two priority 1 and one priority 3 recommendations which should assist in improving the control environment.</p> <p>The priority 1 recommendations are as follows:</p> <ul style="list-style-type: none"> • A detailed asset register should be developed which records the following details against all assets included in the register: <ul style="list-style-type: none"> ○ Description of asset; ○ Quantity; ○ Date of Purchase; ○ Cost; ○ Supplier; ○ Make and Model; and ○ Serial number, where applicable. • The Centre should arrange for a Health & Safety inspection to be undertaken annually, as part of its responsibility, under Standard 10 of the Children's Homes: National Minimum Standards, to provide a healthy and safe environment for resident children. The inspection should include a follow up on the required actions identified from the last inspection. <p>The Priority 3 recommendation is as follows:</p> <ul style="list-style-type: none"> • The Centre Manager should consult with the Local Authority with regards to an effective method for the security marking of the Centre's assets, where relevant. 	<p style="text-align: center;">Limited</p>
		<p>Weaknesses in the system of internal controls are such as to put the client's objectives at risk.</p> <p>Haringey Park Children's Home is a mixed Children's Home with an age range of 13 to 17.</p> <p>The Children's Home achieved an overall grade of</p>	

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

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Audit area	Scope	Status/key findings	Assurance
	<ul style="list-style-type: none"> • OFSTED & Other Inspections; • Budgetary Control; • Staffing; • Disbursement Accounting Records; • Inventory; • Data Protection; and • Health and Safety. 	<p>“Inadequate” in the OFSTED report completed in February 2011.</p> <p>Some of the key findings are detailed below:</p> <ul style="list-style-type: none"> • A Statement of Purpose has been established by the Children’s Home, which has been reviewed and updated within the last 12 months; • There was no evidence to confirm that the Children’s Guide was reviewed and formally approved within the last year; • Issues raised in the OFSTED report published in March 2011 were not reviewed in the April 2011 Regulation 33 visit; • Supporting documentation could not be located for three of the five sickness absences examined; • A fully completed asset register was not in place, and assets examined were not security marked; • Evidence of an annual inventory check was not available for examination; • Supporting documentation could not be located for three of the 10 payments examined ; and • A copy of the Health and Safety Policy or the latest Health and Safety report could not be obtained. <p>As a result of our audit work we have raised one priority 1 and six priority 2 recommendations which should assist in improving the control environment.</p> <p>The priority 1 recommendation is as follows:</p> <ul style="list-style-type: none"> • The scope of Regulation 33 Visits should consider key findings from OFSTED inspections. Where specific items are highlighted to justify an “inadequate” rating these should be reviewed each month until inspectors are satisfied that such issues have been fully addressed by the children’s home. 	

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

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Audit area	Scope	Status/key findings	Assurance
		<p>The priority 2 recommendations are as follows:</p> <ul style="list-style-type: none"> • The Children’s Guide should be reviewed and approved on an annual basis. Evidence of review and approval should be recorded; • The Home’s Manager should consider raising staff awareness in team meetings of the requirement of submitting absence documentation for all sickness absence. A senior officer should be delegated responsibility to monitor staff absences and documentation on a periodic basis; • Management should investigate these payments and ensure all future records of payments can be presented in a timely manner upon request; • The asset register maintained should be updated to include all assets owned by the Children’s Home. The record should include: <ul style="list-style-type: none"> ○ Description of asset; ○ Quantity; ○ Date of Purchase; ○ Cost; ○ Supplier; ○ Model; ○ Make; and ○ Serial number. • All assets on the asset register should be security marked. • An annual inventory check should be completed of all assets owned by the Children’s Home. The person performing the check should sign and date the record to confirm when the check was completed and by whom. This should be reviewed by an independent officer and evidenced as such; and • Management should ensure that a copy of the Health and 	

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Audit area	Scope	Status/key findings	Assurance
		<p>Safety Policy is available and understood by all relevant members of staff. Additionally, Health and Safety inspection reports should be made readily available and issues arising in such reports monitored for timely implementation.</p>	

Detailed Progress Report – Implementation of Recommendations 2005/06

Ref	Recommendation	Priority	Original Deadline	Progress/Status
ADULTS, CULTURE & COMMUNITY SERVICES (Now Place & Sustainability)				
Torex Leisure Management System				
1	Management should contact the software suppliers with a view to investigating whether and how 'failed logon attempts' can be included in the existing Audit Trail logging, as are successful logons and logouts currently.	2	Ongoing	<p>Partly Implemented</p> <p>Management Update 4 April 2011:</p> <p>Version 9.6 of the software has now been released on the market. A project has been set up within the Council to implement it. It is planned that it will be implemented within the next 3-6 months.</p> <p>Management Update 5 October 2011</p> <p>The status is as before, the project has been delayed and progress is expected within the next few months. Corporate IT are seeking to prioritise resourcing delivery of the scheme before Dec 2011. If this is not feasible, the issue will be picked up in the Leisure Transfer process with the new operator. Related current residual risk is low.</p> <p>Management Update 3 January 2012</p> <p>This is still in progress and the status is as before. The Leisure Transfer process with the new operator is expected to address the issue highlighted in the recommendation.</p>

Detailed Progress Report – Outstanding Recommendations 2009/10

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
CORPORATE RESOURCES				
IT AUDIT - PLANNING & CONTROL APPLICATION				
1	<p>A procedure should be established to reconcile payments received from the Planning Portal and iPlan as well as e-Forms on the Haringey website and iBuild application via the Haringey e-Payments system. This should ensure that all payments received via the Cash Receiving interface are reconciled to the Planning Portal application and e-Forms.</p>	2	31 August 2010	<p>Partly Implemented:</p> <p>Implementation date is unclear at present due to costs involved, however, in the interim a workaround has been developed whereby before applications are formally completed, SAP is checked for payments received.</p> <p><i>Management Update 5/10/2011</i></p> <p>The status is as reported above. The issue has been reported to the supplier but progress is dependent on the prioritisation by the supplier and this would depend on demand from all their customers, unless the Council was to commission the work specifically.</p> <p><i>Management Update 3 Jan 2012</i></p> <p>The status is as reported above. The Applications Solutions Manager confirmed that this has not been treated as high priority by the supplier and it would not be cost effective for the Council to commission the work independently.</p>

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2011/12

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
2	<p>The current audit trail in place on the iPlan and iBuild application should be reviewed to ensure audit trail functionality specifies the tables required for auditing. This should be completed with management to help ensure that all system activity is recorded for the following areas:</p> <ul style="list-style-type: none"> • Changes to system files or fields; • User access to the system; and • Unauthorised access attempts and user lockouts. 	2	31 August 2010	<p>Partly Implemented:</p> <p>It has been agreed that this recommendation is not going to be implemented at this time due to the way that the i-LAP is configured. However, as with the input controls above, an enhancement request based upon the recommendation will be submitted.</p> <p>Management Update 5/10/2011</p> <p>The status is as reported above. The issue has been reported to the supplier but progress is dependent on the prioritisation by the supplier and this would depend on demand from all their customers, unless the Council was to commission the work specifically.</p> <p>Management Update 03/01/2012</p> <p>The status is as reported above. The Applications Solutions Manager confirmed that this has not been treated as high priority by the supplier and it would not be cost effective for the Council to commission the work independently.</p>

Follow Up Table – 2010/11 Audit Work

AUDIT AREA	Assurance Level	Recommendations													Priority 1 Recs. Outstanding			
		Category			Implemented						Not Implemented							
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress	Not due					
Corporate Resources																		
Use of Consultants (Procurement audit)	Limited	3	1	0	4	3	1	0	4	0	0	0	0	0	0	0	0	0
Management of Out of Hours Telephone Contact Service	Substantial	1	5	0	6	1	5	0	6	0	0	0	0	0	0	0	0	0
BLT risk register – testing of key controls	Substantial	0	4	1	5	0	4	1	5	0	0	0	0	0	0	0	0	0
Disposals/ sales of properties (Risk Register CR05)	Substantial	0	3	1	4	0	3	1	4	0	0	0	0	0	0	0	0	0
Use of corporate purchase/ credit cards	Substantial	1	3	2	6	1	3	2	6	0	0	0	0	0	0	0	0	0
Use of waivers	Substantial	1	4	1	6	1	3	1	5	1	0	0	0	0	0	0	0	0
Accounts Payable (Creditors)	Substantial	1	0	1	2	1	0	1	2	0	0	0	0	0	0	0	0	0
National Non Domestic Rates	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0
Corporate Resources - IT																		
Framework-i to SAP Payments Interface	Substantial	0	5	2	7	0	2	1	3	0	0	0	0	0	0	4	0	0
Children & Young People's Service																		
Catering Services	Substantial	0	7	2	9	0	5	2	7	2	0	0	0	0	0	0	0	0
BSD risk register – testing of key controls	Substantial	2	0	0	2	2	0	0	2	0	0	0	0	0	0	0	0	0
Transport Services – Compliance with Financial Regulations	Substantial	1	5	0	6	1	5	0	6	0	0	0	0	0	0	0	0	0
Leaving Care Services – Cash handling procedures	Substantial	0	6	1	7	0	6	1	7	0	0	0	0	0	0	0	0	0

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AUDIT AREA	Assurance Level	Recommendations														Priority 1 Recs. Outstanding
		Category				Implemented				N/A	Not Imp.	In Progress	Not due			
		1	2	3	Total	1	2	3	Total							
Commissioning and Placements (No recourse to public funds service – cash handling)	Substantial	0	3	1	4	0	3	1	4	0	0	0	0	0	0	
Adult & Housing Services																
Strategic & Community Housing Services (Risk Register UE06)	Substantial	0	3	0	3	0	2	0	2	0	0	0	0	1	0	
Framework 1 Disaster Recovery Exercise	Substantial	0	1	0	1	0	1	0	1	0	0	0	0	0	0	
Day Centre Transport	Substantial	0	4	2	6	0	4	2	6	0	0	0	0	0	0	
Safeguarding Adult Services	Substantial	1	2	0	3	1	2	0	3	0	0	0	0	0	0	
Domiciliary Care Contracts	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0	0	
Chief Executives																
Health & Safety	Substantial	1	2	1	4	0	2	1	3	0	0	0	1	0	1	
Data Quality – National Performance Indicators	Substantial	0	1	1	2	0	1	0	1	1	0	0	0	0	0	
Employee Expenses (including temporary/ agency staff)	Substantial	0	2	0	2	0	1	0	1	1	0	0	0	0	0	
Translation and Independent Services	Substantial	1	5	0	6	1	5	0	6	0	0	0	0	0	0	
Urban Environment																
Certificates of Lawfulness	Substantial	0	6	0	6	0	4	0	4	0	0	0	2	0	0	
CCTV Community Safety Management and Operation (Risk Register UE08)	Substantial	0	1	0	1	0	1	0	0	0	0	0	0	0	0	
Compliance with corporate procedures – Absence Management	Substantial	0	2	0	2	0	1	0	1	1	0	0	0	0	0	
Total		13	79	16	108	12	68	14	94	6	0	3	5	1		

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 Recommendations 2010/11

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
CHIEF EXECUTIVE				
HEALTH & SAFETY				
1	A formal process should be put in place for each Directorate to submit, within a specified deadline, their Quarterly Health & Safety Directorate Service Reports. The process should include following up on Directorates that have not submitted their reports, and taking appropriate action to address any issues.	1	31.12.10	<p>Partly Implemented</p> <p>Management Update June 2011:</p> <p>It has been difficult to implement this recommendation for all Directorates due to current resource constraints across the Council. However, this issue has been cascaded to the Health & Safety officers within each Directorate and progress will be monitored at directorate Health and Safety forum meetings.</p> <p><i>Revised deadline: 31 December 2011</i></p> <p><i>Management Update 03/01/2012</i></p> <p>The Health & Safety Manager has confirmed that discussions with all Directorates are ongoing. As a result of the forthcoming restructure in the next financial year, it is expected that a greater level of advisory support will be available at Directorate level at the start of the 2012/13 financial year.</p> <p><i>Revised deadline: 1 April 2012</i></p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
URBAN ENVIRONMENT (Now Place & Sustainability)				
CERTIFICATES OF LAWFULNESS				
2	Following the loading of relevant documentation onto the web, this should be reviewed by an independent officer to confirm that the upload process is complete and accurate.	2	Immediate	<p>Partly Implemented <i>Management Update June 2011:</i> Due to restructuring the deadline for this recommendation has been amended. <i>Revised deadline: 30 September 2011</i></p> <p><i>Management Update 3 January 2012</i> This is now currently undertaken by the Development Management Support Team Leader. However, there is no audit trail on the system to provide documented evidence of the review of the uploaded documents. The planning team identified that they will consider the feasibility of documenting the review of the uploads on the current system. If this is not possible, the service provider will have to be contacted to consider how to address the issue. Revised deadline: To be confirmed (dependent on whether this will have to be referred to the supplier)</p>
5	Six months after the rejection of an existing certificate application, all such applications should be monitored and the action taken by the applicant should be reviewed to identify whether applications have been either re-submitted or a referral made to the Enforcement Team.	2	Immediate	<p>Partly Implemented <i>Management Update June 2011:</i> Due to restructuring the deadline for this recommendation has been amended. <i>Revised deadline: 30 September 2011</i></p>

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	<p>Further, six months after approval of a proposed certificate application, all such applications should be monitored and followed up to confirm that any development is in accordance with the approved certificate.</p>			<p>Management Update 03/01/2012 Quarterly reports are due to be produced to monitor the progress of rejected applications. These reports are due to be in use and circulated by the end of January 2012. Revised deadline: 31 January 2012</p>
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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 2012

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APPENDIX B
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/11 - 31/03/12 & B/F FROM 2010/11

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/2011	No. of officers subject to disciplinary investigation	Disciplinary Outcome	Value (£) (if known)
Adults & Housing Services	Allegation of identity fraud	1	0	0	N/A	
Assistant Chief Executive	Allegation of Irregular canvassing	1	1	1	Dismissed	
Children & Young People's Services	Allegation of misuse of purchasing account	1	1	1	Resigned	
	Allegation of theft of parking income	1	1	1	Dismissed	
	Allegation that employee failed to declare second employment	1	1	1	Dismissal Upheld at Appeal Warning	
	Allegation of tenancy fraud	1	0	0	N/A	
	Alleged misuse of Companion Badge	1	1	1	Pending	
	Alleged theft of materials	1	0	0	N/A	

APPENDIX B
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/11 - 31/03/12 & B/F FROM 2010/11

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/2011	No. of officers subject to disciplinary investigation	Disciplinary Outcome	Value (£) (if known)
	Allegation of bringing the Council into disrepute	1	1	1	Warning	
Corporate Resources	Allegation of second employment	2	0	0	N/A	
	B/F 2010/11					
	Allegation of theft of monies	1	1	0	Resigned	
Place and Sustainability	Allegation that employee absent without leave	1	1	1	Dismissed	
	B/F 2010/11					
	Allegation of bringing Council into Disrepute	1	0	0	N/A	
	Allegation of theft of fines Income	1	1	0	Resigned	
	Allegation of submission of altered medical certificate	1	1	1	Standard Setting Hearing	
TOTAL		16	10	8		

Haringey Council – Corporate Committee

Disciplinary Case Analysis October to December 2011

Introduction

The information in this report is taken from SAP, covering the period 01 October 2011 – 31 December 2011.

The data is based on Haringey Council employees who

- hold Permanent, Temporary or Fixed Term Contracts

Note that this data excludes:

- Casual or Sessional Workers
- Schools
- Agency Workers

Legend	
Adults & Housing	AS
The Children & Young People's Service	C
Chief Executive	CE
Corporate Resources	CR
Public Health	PH
Place & Sustainability	PS
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.

Disciplinary Cases by Directorate

Directorate	Cases Open	Cases Closed	No of cases	No of employees
AS	5	3	8	6
C	8	5	13	11
CE	0	0	0	0
CR	0	3	3	3
PH	0	0	0	0
PS	8	3	11	11
Grand Total	21	14	35	31

Please note that the total number of cases is 35, but this only represents 31 employees. The reason being is 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 1.68% in this quarter
- 21 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	7	3	10	29
Invest. - suspended	10	8	18	51
ET	2	1	3	9
Appeal	2	2	4	11
Total	21	14	35	100

The following table identifies the outcomes of the 14 cases that were closed in this period.

Disciplinary Case Outcomes						
Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Compromised agreement	0	0	0	0	0	0
Dis. Appeal Dismissed	0	0	1	0	1	7
Dis. Appeal Part Upheld	0	0	0	0	0	0
Dis. Appeal Upheld	0	0	1	0	1	7
Dis. Appeal Withdrawn	0	0	0	0	0	0
Dis. Dismissal	1	1	0	0	2	14
Dis. ET Dismissed	0	0	0	1	1	7
Dis. ET Withdrawn	0	0	0	0	0	0
Dis. Final Written Warning	0	2	0	0	2	14
Dis. No Action	0	1	0	0	1	7
Dis. Other	0	0	0	0	0	0
Dis. Relegation/Demotion	0	0	0	0	0	0
Dis. Resigned	0	1	0	0	1	7
Dis. Verbal Warning	1	0	0	0	1	7
Dis. Warning & Sanction	0	0	0	0	0	0
Dis. Written Warning	0	1	0	0	1	7
Escalated to next stage	1	0	0	0	1	7
Suspension Lifted	0	2	0	0	2	14
Total	3	8	2	1	14	100

This table displays reasons for Disciplinary action against employees.

Reasons for Disciplinary Cases				
Reason	Cases Open	Cases Closed	Total	%
Assault	1	0	1	3
Attendance	2	1	3	9
Behaviour	8	6	14	40
Fraud / Theft	3	3	6	17
Misuse of resources	0	0	0	0
Negligence	3	2	5	14
Other	4	2	6	17
Total	21	14	35	100

- The highest cause for disciplinary action was for **Behaviour** at 40%

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

Ethnic Class	Female		Male		All	
	Total	%	Total	%	Total	%
B A M E	15	63	9	38	24	77
White	2	29	5	71	7	23
Not Declared	0	0	0	0	0	0
Total	17	55	14	45	31	100

- 31% of the workforce is male, but the male representation with disciplinary cases is higher at 45%

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

Dir	Ethnic Group	SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
AS	B & ME	3	50	2	33	0	0	1	17	0	0	6	100
	White	0	0	0	0	0	0	0	0	0	0	0	0
	Total	3	50	2	33	0	0	1	17	0	0	6	100
C	B & ME	1	9	3	27	2	18	3	27	0	0	9	82
	White	1	9	0	0	0	0	1	9	0	0	2	18
	Total	2	18	3	27	2	18	4	36	0	0	11	100
CE	B & ME	0	0	0	0	0	0	0	0	0	0	0	0
	White	0	0	0	0	0	0	0	0	0	0	0	0
CR	B & ME	0	0	2	67	0	0	0	0	0	0	2	67
	White	0	0	0	0	0	0	1	33	0	0	1	33
	Total	0	0	2	67	0	0	1	33	0	0	3	100
PH	B & ME	0	0	0	0	0	0	0	0	0	0	0	0
	White	0	0	0	0	0	0	0	0	0	0	0	0
PS	Total	0	0	0	0	0	0	0	0	0	0	0	0
	B & ME	6	55	0	0	1	9	0	0	0	0	7	64
	White	1	9	1	9	1	9	1	9	0	0	4	36
HGY	Total	8	73	1	9	2	18	1	9	0	0	11	100
	B & ME	10	32	7	23	3	10	4	13	0	0	24	77
	White	2	6	1	3	1	3	3	10	0	0	7	23
Total	12	39	8	26	4	13	7	23	0	0	31	100	

Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases	
Case status	Total
No. of cases heard	7
No. of cases not concluded	10
No. of cases not concluded - leaver	1
Total	18

Timescales (no of days) of Suspension Cases

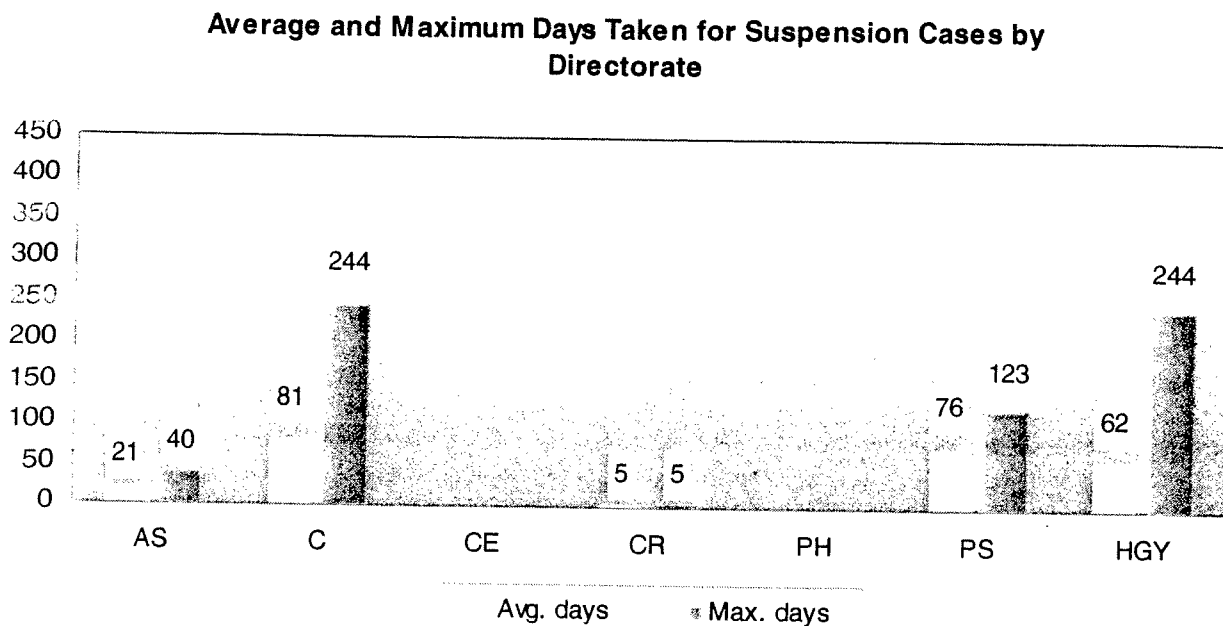
The table below looks at the 18 suspension cases and identifies the no. of working days each case has taken. If a case has not concluded by the end of the quarter, the number of working days is calculated from the start date of the suspension to the end of the quarter.

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

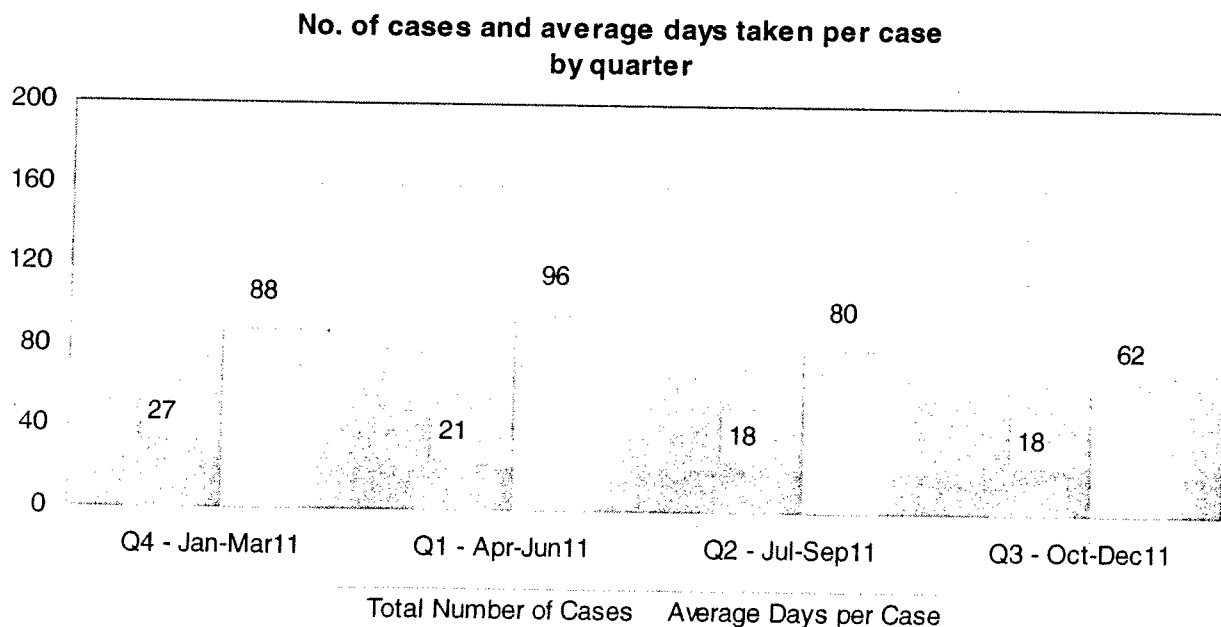
Timescales (no of days) of Suspension Cases										
Directorate	1-60	61-120	121-180	181-240	240+	Total cases	Total days	Avg days of total cases	Max. Days	Total cases heard
AS	4	0	0	0	0	4	84	21	40	2
C	3	3	0	0	1	7	569	81	244	4
CE	0	0	0	0	0	0	0	0	0	0
CR	1	0	0	0	0	1	5	5	5	0
PH	0	0	0	0	0	0	0	0	0	0
PS	3	1	2	0	0	6	456	76	123	1
HGY	11	4	2	0	1	18	1114	62	244	7
Total cases closed	5	2	0	0	1	8				

On average, 62 days were spent on each suspension case within the quarter.

The chart below illustrates the average and maximum number of days taken for a suspension case by Directorate for the quarter.



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



The average number of days suspended for the last quarter was 62, this has reduced again compared to the last quarter and this is the lowest it has been compared to the last 3 quarters.

Internal Audit Report 2011/12

London Borough of Haringey

Personalisation Follow-Up

January 2012

This report has been prepared on the basis of the limitations set out on page 12

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Introduction

A Personal Budget (PB) is an allocation of money for an individual to spend on a support plan. Personal Budgets build on the concept of Direct Payments, through which it is expected that most Personal Budgets will be provided. It is intended that individuals who need social care will have a clear idea of the resources at their disposal. With this information the person is enabled to make their own choice about how best to use the money allocated to them to design the support they want.

In 2007 the government, through 'Putting People First', made PBs one of the cornerstones of personalising social care. The Department of Health expected that by April 2011 30% of eligible social care users or carer should have a PB.

Grant Thornton (Haringey Council's external auditors) produced a report in October 2011 as a result of a review to assess the progress made by Haringey Council towards PBs and whether plans were implemented at the required pace to achieve the 30% milestone as set by "Putting People First". Twelve recommendations were raised in the report.

At the request of the Council, we have completed a follow-up on the recommendations raised in the Grant Thornton report. This report sets out our findings with regards to the implementation status of the twelve recommendations raised by Grant Thornton, and identifies further action to be completed by management, where appropriate.

Key Findings

The results of our follow-up work are detailed out in Appendix A of this report.

The follow-up of the twelve (eight Priority M and four Priority L) recommendations revealed the following:

- Seven recommendations (five Priority M and two Priority L) have been fully implemented;
- Four recommendations (two Priority M and two Priority L) are in progress; and
- One recommendation (Priority M) has been partly implemented.

Where recommendations have not been fully implemented, we have identified further action required by management, where appropriate, to address the issues raised by Grant Thornton.

Acknowledgement

We would like to thank the management and staff of Adult Services for their time and co-operation during the course of the internal audit.

Appendix A – Follow-Up Findings

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further Action Required	Management Response/Deadline
1	<p>The Council should ensure that users sign up to notifying the Council of any changes to their circumstances as soon as possible. This will ensure appropriate services are provided.</p> <p>Priority: M</p>	<p>The Assessment process ensures that residents are fully conversant with their responsibility to notify the authority of any changes in their circumstances.</p>	<p>Standard practice</p>	<p>Implemented</p> <p>The SV Manager Physical Disabilities & OT Service confirmed that service users are informed of the requirement to advise the Council of changes in their personal circumstances at the assessment stage by social workers, although this is not documented.</p> <p>Management believe that this requirement is explicit within the signed agreements with service users. Management have confirmed that this will be monitored through the process of social work review and assessment. It should be noted that the standard Direct Payments agreement outlines the Council's right to make changes to payments where there are changes in personal circumstances and to recover any overpayments and large surpluses that may have accrued in the service user's bank account.</p>	<p>No</p>	<p>N/A</p>
2	<p>The Council should document the progress made with personalisation on an annual basis in order to be able to measure progress against desired outcomes. This summary should incorporate, for example, results of user surveys,</p>	<p>The Council is required to produce an annual Local Account which addresses this recommendation.</p>	<p>Annual with effect from December 2011</p>	<p>Implemented</p> <p>The Adult Social Care Local Account for 2010/11 has been finalised and is published on Haringey Council's website. The document includes the good progress achieved in respect of the personalisation programme.</p> <p>The Account also includes the results</p>	<p>No</p>	<p>N/A</p>

Ref	Original Recommendation	Management Response	Responsibility/ Deadline	Findings	Further action Required	Management Response/ Deadline
	<p>feedback from user forums and details of any complaints received during the year. <i>Priority: M</i></p>			<p>of the National Personal Budget Survey conducted by Lancaster University, which was published in May 2011. The survey looked at the experiences of those receiving personal budgets and their carers. Haringey Council took part in the survey with nine other local authorities. The survey was completed by 110 service users and 68 carers in Haringey.</p>		
3	<p>The Council should periodically benchmark its own management costs in relation to PBs against other authorities. <i>Priority: L</i></p>	<p>The first benchmarking exercise will occur in March 2012.</p>	<p>In Progress March 2012</p>	<p>The SV Manager Physical Disabilities & OT Service confirmed that it has been suggested that Corporate Finance undertake the benchmarking exercise through the Association of Directors of Adult Social Services Network, and that this will be proposed at the 23 January 2012 Corporate Committee meeting. There is a new Head of Finance in place within Adult & Housing Services who will oversee the completion of the exercise. Management have indicated that completion of the benchmarking exercise is dependent on the availability of data from other comparable local authorities.</p>	<p>Yes As per recommendation</p>	<p>This is still in progress March 2012</p>

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further action Required	Management Response/Deadline
4	<p>When the Learning Panels cease, the Council will need to ensure that risk management is adequately embedded and there is a forum available to discuss innovative aspects of Support Plans, especially if there is no national guidance available.</p> <p>Priority: L</p>	<p>Panels will continue to exist to support practitioners with positive risk taking for people with complex needs. The Personal Budget Support Team will, over time, become experts in the development and delivery of innovative support plans.</p>	Standard practice	<p>Implemented</p> <p>Notes are currently maintained for cases assigned to the Learning Panel. A 'Risk Assessment and Management - Adults' form has been developed for use by the Service, which allows for the inclusion of risks relating to Medical Condition & Physical Health, Taking Medication, Mental Health & Emotional Well Being, Mobility & Transfer, Cognitive Impairment, Physical/Home Environment and Health & Safety, Food & Diet, Housing Situation/ Finance & Debt, Risk of Abuse, Carer Stress, and any other identified problems/ needs/ conditions.</p> <p>The Personal Budgets Services Support Team meets on a regular and at least monthly basis to discuss the support plans. Notes are kept of the meetings.</p>	No	N/A
5	<p>To provide further assurance around the performance data being reported to management, the Council should ask Internal Audit to carry out a Data Quality audit of NI 130.</p> <p>Priority: M</p>	<p>Agreed – will scope in next year's annual audit plan.</p>	<p>2012/13</p> <p>Head of Personalisation</p>	<p>Implemented</p> <p>As part of our follow up work, we looked at the system in place for recording data relating to NI 130 'Social care clients and receiving self directed support (direct payments and individual budgets)'. The Council's Performance & Analysis Officer runs detailed reports of all</p>	No	N/A

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further Action Required	Management Response/Deadline
6	As part of its overall review of risk registers, the Council should update its A&CS Risk Register to reflect the risk of external fraud associated with personal budgets. <i>Priority: M</i>	Internal Audit are developing a Corporate Fraud Risk Register	November 2011 Head of Personalisation	clients on costed service. The reports include a count of users and carers receiving different types of services including Older People, Physical Disabilities, Learning Disabilities, Mental Health and Substance Abuse. Parameters are set within the reports to generate the data required. A function is run through the reports to identify and eliminate any duplication. The data from the reports is included in a summary report for review by DMT and inclusion in the Dashboard report. We sampled the year to date reports as at 31 October 2011 and agreed the various data to the summary report and the Dashboard report for that period. On a monthly basis the Performance & Analysis Officer holds a performance data call-over meeting to discuss any data issues.	No	N/A

Ref	Original Recommendation	Management Response	Responsibility/ Deadline	Findings	Further action Required	Management Response/ Deadline
7	<p>The Council should issue its 'Personal Budget Audit Policy' by the end of the Calendar year after the necessary consultation to comply with Equality Impact Assessment requirements, so that there is an agreed process for reconciling proof of expenditure against support plans. <i>Priority: M</i></p>	<p>Policy has been finalised and is now out for consultation.</p>	<p>November/ December 2011 Head of Personalisation</p>	<p>the Personalisation Agenda (where individuals do not spend their budget in a manner that meets the expected outcomes or where the budget is spent in an inappropriate way). Further actions are in place and are in progress to address this risk. The updated risk register also includes a risk relating to Direct Payments fraud (where there is an increased risk of misuse of funds as a result of the move towards personalisation of care provision and where there are potential duplicate claims for services received by linked individuals).</p>	<p>Yes The Personal Budget Audit Policy should be finalised, signed off at the appropriate level, and issued, in line with the recommendation</p>	<p>The consultation process finished at the end of December 2011 and the consultation feedback will be analysed. It is expected that Member sign-off will take place in January 2012, after which the document will be made available. January 2012</p>

Ref	Original Recommendation	Management Response	Responsibility/ Deadline	Findings	Further action Required	Management Response/ Deadline
8	<p>The Council should further consider arranging access to users' dedicated bank account statements or introducing purchase cards, provided an adequate assessment is made that the administrative charges involved provide value for money in the context of the risk being mitigated.</p> <p><i>Priority: M</i></p>	<p>The Council does not consider it necessary to have direct access to people's bank accounts; rather, the council expects residents to comply with terms and conditions of the scheme. The Council has agreed to introduce Purchase Cards to support residents to choose DPs as the method of receiving services from the council and to support them in managing their affairs.</p>	<p>December 2011</p> <p>Head of Personalisation</p>	<p>In Progress</p> <p>The Council have made arrangements with Allpay Limited (Allpay) for the use of purchase cards. There have been detailed discussions with Allpay regarding the operation of the card. Allpay have submitted to the Council a formal proposal setting out the commercial arrangements for the use of the Prepaid Cards for Direct Payments. A sample 'welcome letter' and draft user guide for potential recipients have also been submitted to the Council for approval, together with a project plan for the introduction of the purchase cards. Management have considered the charges associated with the introduction of the cards.</p> <p>The contract between the Council and Allpay had not been signed by the Corporate Finance at the time of the audit fieldwork. However, management expect the agreement to be formalised and signed, in time for the system to go live in February 2012.</p>	<p>Yes</p> <p>If appropriate, the contract between the Council and Allpay relating to the operation of the purchase cards system should be finalised and signed by both parties. The use of the cards should be introduced as a priority.</p>	<p>The card to be used has been sent to the internal design team to work on as this needs to be a Haringey branded card. The card will then be sent to allpay.</p> <p>Mobilisation training has been arranged for staff on 11 January 2012. We expect the cards to be issued in February 2012, when the system will go live.</p> <p>February 2012</p>
9	<p>People are more likely to experience better outcomes if the PBs process keeps them fully</p>	<p>The service is currently reviewing the assessment process in light of feedback from residents in</p>	<p>November 2011</p> <p>Head of</p>	<p>In Progress</p> <p>Enquiry with the SV Manager Physical Disabilities & OT Service has</p>	<p>Yes</p> <p>The database should be</p>	<p>The database is already live and is being updated. It is expected that</p>

Ref	Original Recommendation	Management Response	Responsibility/ Deadline	Findings	Further Action Required	Management Response/ Deadline
	<p>informed. The Council should look to improve how it communicates the details of managed service users' personal budgets. <i>Priority: L</i></p>	<p>order to shorten the time taken from first contact to enable them to use their personal budgets. In November 2011 an upgrade of the Adult Social Care database will enable the service to supply regular updates on the deployment of individual residents' PB.</p>	<p>Personalisation</p>	<p>confirmed that the database went live on 14 December 2011 and is being updated. Whilst it is possible to produce statements for the benefit of individuals, this will be presented to the Personal Budgets Users Forum for discussion. The SV Manager Physical Disabilities & OT Service confirmed that it is envisaged that full implementation of the functionality will be completed by the end of Quarter 1 in the 2012/13 financial year.</p>	<p>updated and the reporting functionality should be used as soon as possible to generate the required reports to address the recommendation</p>	<p>reporting functionality will be completed by the end of Quarter 1 in 2012/13. June 2012</p>
10	<p>The Council should continue to focus on developing social networks as local networks create social capital that is key to the long term aims of personalisation and the Big Society. <i>Priority: L</i></p>	<p>The Council is continuing to work with Third Sector to further develop the social media agenda. Ageing Well Project commenced 11/11/11.</p>	<p>Ongoing Head of Personalisation</p>	<p>Implemented There is evidence of the Council working with Third Sector organisations, through the Ageing Well Haringey project, which will explore ways of improving services for older people through greater collaboration between the relevant agencies and sectors, and greater involvement of local communities (including the use of social media). A scoping meeting for the Ageing Well Haringey project was held on 21 October 2011, for which formal scoping notes were prepared. The notes summarises the discussions at the meeting, which suggest a primary task for the assignment and scope a work programme for the proposed</p>	<p>No</p>	<p>N/A</p>

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further action Required	Management Response/Deadline
11	<p>The Council will need to continue to nurture its relationship with the local NHS for progress to be made with the rollout of mental health PBs, the introduction of Personal Health budgets and the wider personalisation agenda across Haringey.</p> <p><i>Priority: M</i></p>	<p>The Council is working in partnership to develop personal health budgets, particularly for those individuals in receipt of DPs who have subsequently become eligible for NHS continuing care funding. The service is working with the MH Trust to improve the roll out of PBs for people with MH issues.</p>	<p>Current Head of Personalisation</p>	<p>Place-Based Approach to Ageing Well assignment in Haringey.</p> <p>The inception meeting for the Ageing Well Haringey project was held on 11 November, for which a formal agenda was developed, which included confirmation of the core task and locality/neighbourhood, confirmation of work programme, and beginning of the mapping for the project.</p> <p>Implemented</p> <p>The Deputy Director Adult & Community Services has confirmed that Haringey's Adult Social Care (social work assessment and commissioning) and the NHS Commissioning team are working very closely to further implement Personal Budgets and Personal Health Budgets with particular regard to people with a mental health issue who are eligible for a personal budget.</p> <p>A list of the actions taken so far by the Council to address this recommendation was provided by the Deputy Director Adult & Community Services. These actions include the establishment of a personal budget clinic at the Clarendon Mental Health Day Service, appointment of an NHS Commissioner with lead responsibility</p>	<p>Ongoing</p>	<p>Noted under Findings Ongoing</p>

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further Action Required	Management Response/Deadline	
12	<p>The Council should monitor whether the reduction in back office staff is having a detrimental impact on the personalisation agenda.</p> <p><i>Priority: M</i></p>	<p>Reduction in back office staff (namely the payments service) will invariably have an impact on how we deliver our services.</p>	<p>Ongoing</p> <p>Head of Personalisation</p>	<p>for personal health budgets, setting up of user forums and signing up of volunteers for consideration for inclusion on the Personal Health Budget pilot.</p> <p>Evidence was also seen by Audit of a meeting invitation to relevant officers for 10 January 2012 to meet with two social workers to review people using Mental Health Day Service and personal budget, and to exchange ideas.</p>	<p>In Progress</p> <p>Management believe that it is too early to assess any impact of staff cuts on the personalisation agenda. Management have stated that there have been minimal efficiencies to front-line services and the support function continues to deliver expected outcomes, and statutory requirements are met.</p> <p>Management have also stated that there is constant monitoring of the service and the Council seeks to identify opportunities to put in bids for further revenue. Management are also considering increased automation as a means of minimising manual tasks.</p> <p>Management also confirmed that this</p>	<p>Yes</p> <p>Management should liaise with Corporate Finance to ensure that any impact of the reduction in back office staff is assessed and reported to senior management for further action, where appropriate.</p>	<p>Noted under Findings</p> <p>Ongoing</p>

Ref	Original Recommendation	Management Response	Responsibility/Deadline	Findings	Further action Required	Management Response/Deadline
				<p>recommendation will be discussed at corporate level as it was felt that any review of the impact of staff restructure on various services should be the responsibility of Corporate Finance.</p>		

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 2012

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