

**Haringey** Council

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|--------------------|--|--------------------|--|
| <b>Report for:</b> | Corporate Committee<br>22 January 2013 | <b>Item number</b> |  |
|--------------------|--|--------------------|--|

|               |  |
|---------------|--|
| <b>Title:</b> | Internal Audit Progress Report – 2012/13 Quarter 3 |
|---------------|--|

|                               |   |
|-------------------------------|---|
| <b>Report authorised by :</b> | Director of Corporate Resources<br><i>J Power 14/1/13</i> |
|-------------------------------|---|

|                      |  |
|----------------------|--|
| <b>Lead Officer:</b> | Anne Woods, Head of Audit and Risk Management<br>Tel: 020 8489 5973<br>Email: <a href="mailto:anne.woods@haringey.gov.uk">anne.woods@haringey.gov.uk</a> |
|----------------------|--|

|                              |                                     |
|------------------------------|-------------------------------------|
| <b>Ward(s) affected: ALL</b> | <b>Report for: Non-Key Decision</b> |
|------------------------------|-------------------------------------|

**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 2012/13 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.

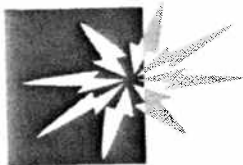
1.2 In addition, the report provides details of the work the Council's Human Resources business unit has undertaken in supporting disciplinary action taken across all departments by respective Council managers.

**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, 2012/13.



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 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 2012 and focuses on:

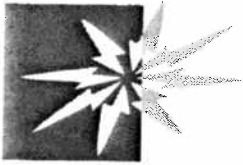
- Progress by Deloitte and Touche on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised;
- Progress in implementing outstanding internal audit recommendations with particular attention given to priority 1 recommendations;
- Details of pro-active and reactive investigative work undertaken relating to fraud and/or irregularities, including those within the remit of the Corporate Anti-Fraud and Housing Benefit Fraud Investigation Teams; 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 framework contract which was awarded to the London Borough of Croydon from 1 April 2012, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget.

6.2 The financial benefits to the Council of the work completed during 2012/13 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. During the third quarter, a further three Council properties were recovered.



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### **7. Legal Implications**

7.1 The Head of Legal Services has been consulted in the preparation of this report, and save to confirm that the Committee does have the Constitutional power to take the action detailed in the recommendation paragraph, advises that there are no specific legal implications arising from 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, improving controls and reducing the opportunity for fraud to take place in the first place, and taking appropriate pro-active action to detect and investigate identified fraud will assist the Council to use its available resources more effectively.

### **11. Use of Appendices**

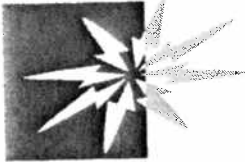
11.1 Appendix A – Deloitte and Touche Progress report  
Appendix B – In-house Team – investigations into financial irregularities  
Appendix C – Council-wide disciplinary information

### **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 2012/13 and gives a breakdown between the quarterly and cumulative performance.

**Table 1**

| <b>PI Ref.</b> | <b>Performance Indicator</b>                        | <b>3<sup>rd</sup> Quarter</b> | <b>Year to date</b> | <b>Target</b> |
|----------------|---|-------------------------------|---------------------|---------------|
| 1              | Audit work – Days Completed vs. Planned programme   | 100%                          | 71%                 | 95%           |
| 2              | Priority 1 recommendations implemented at follow up | 80%                           | 80%                 | 95%           |
| 3              | Benefit fraud cases completed                       | 8                             | 26                  | 30            |



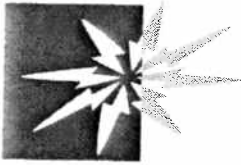
|   |   |        |        |       |
|---|---|--------|--------|-------|
|   | and accepted for prosecution  |        |        |       |
| 4 | Benefit overpayments recovered (including POCA and confiscation awards) | £25.4k | £34.0k | £150k |

**13. Internal Audit work – Deloitte and Touche contract**

- 13.1 The activity of Deloitte and Touche for the third quarter of 2012/13 to date is detailed at Appendix A. Deloitte and Touche planned to deliver 235 days of the 2012/13 annual audit plan (940 days) during the third quarter. Deloitte and Touche actually delivered 242.5 days audit work during the quarter, which is above the level of the planned work and overall the level of completed work is on target to achieve the required output. 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. Four recommendations from prior years remain outstanding, with only one high priority recommendation remaining as 'partly implemented'. Work is ongoing to address the Priority 1 recommendation and Internal Audit are satisfied that the interim controls in place manage the risks adequately; and 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 2011/12 work which have been undertaken is also included in Appendix A. We have followed up on 88 recommendations to date and found that 65 have been implemented, 12 are no longer applicable including 10 relating to establishments that are now closed, nine are in progress, and two have not been implemented. Overall, a compliance rate of 87.5% has been achieved for the second quarter. Three Priority 1 recommendations remain outstanding (1), or in progress (2).

**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



## Haringey Council

individual cases that were completed by the In-house Team in the third quarter of 2012/13 and any which were brought forward from 2011/12, 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, one anonymous staff-related whistle blowing referral was made; the investigation is ongoing in this case.

14.2 Within the third quarter, five new cases were referred to Internal Audit for investigation relating to permanent and temporary employees. Four 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.

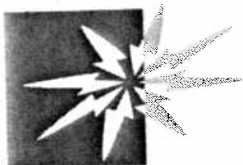
14.3 The section has been continuing to work with Homes for Haringey and the Strategic and Community Housing Service to target and investigate housing and tenancy fraud during 2012/13. The Audit Commission estimate that each fraudulent tenancy costs councils an estimated £18k in temporary accommodation and other associated costs.

14.4 As at 31 December 2012, 101 referrals of suspected tenancy fraud have been received by the team during 2012/13 (108 received in total during 2011/12) and Table 2 below summarises the source of these referrals:

**Table 2**

| <b>Referrals Received From:</b>                | <b>Number</b> |
|--|---------------|
| Tenancy Management Officer                     | 58            |
| Fraudcall (email and freephone telephone)      | 2             |
| Registered Providers                           | 33            |
| Members of the Public                          | 1             |
| Joint investigation with Housing Benefit Fraud | 4             |
| Education Welfare Officers                     | 0             |
| National Fraud Initiative                      | 0             |
| Police   | 0             |
| Other Local Authority                          | 1             |
| Member   | 0             |
| Legal Services                                 | 0             |
| Haringey Staff                                 | 2             |
| Customer Services                              | 0             |
| <b>Total</b>                                   | <b>101</b>    |

14.5 During 2012/13 to date, 29 Haringey properties have been recovered in total, including cessation of four fraudulent succession applications, so the tenancies can be allocated to tenants in accordance with the Council's lettings policy. In addition, three Registered Providers' properties have also been recovered. Advice and recommendations for further action have been made by the



## **Haringey Council**

Corporate Anti-Fraud Team to the Tenancy Management Teams in one further case.

14.6 Investigations are ongoing in 63 cases; and 52 cases which were referred to the team as a potential fraudulent tenancy case resulted in no further action being taken. Feedback on the outcomes of cases is provided to housing and Homes for Haringey staff during regular case conferences and team meetings to show the positive outcomes resulting from their referrals. The total of 29 properties recovered to date includes action taken in 6 cases by housing officers.

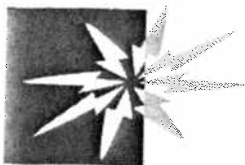
14.7 In addition to the above details relating to tenancy fraud, the Corporate Anti-Fraud Team has also abated two fraudulent 'Right to Buy' applications from proceeding where the maximum discount of £75k was being claimed by the applicants. The Corporate Anti-Fraud Team is also currently taking forward prosecution cases using relevant Housing and Fraud Act legislation against four former tenants that were found to have been sub-letting and one case of a fraudulent Right to Buy application.

### **15. Housing Benefit Fraud Investigation**

15.1 During the third quarter, the HB Fraud team completed investigations on four benefit fraud cases and submitted these for prosecution at crown court via Legal Services. Four cases submitted by the team to the DWP for joint prosecutions in 2011/12 are still to be heard. There are also three cases with outstanding Bench Warrants which the team chase up on a regular basis. The team has an annual target of 30 prosecution cases for 2012/13, and it is expected that this target will be achieved.

15.2 In the third quarter, eight cases were heard at crown court and all eight prosecution cases found in favour of the Council. All cases identified that an overpayment had been fraudulently obtained by the claimants and two custodial sentences were handed down by the courts. The total overpayment identified for the eight cases was £450k, although only £25.4k has been recovered to date. Overpayment plans are in place to recover the remaining amounts and 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.

15.3 The Housing Benefit team has established an information sharing protocol and risk based process with the Housing Benefit processing and housing teams to review cases where Right to Buy applications have been submitted and the applicants have housing and council tax benefit claims in payment. As a result of the review processes, fifteen applicants have withdrawn from the process, nineteen benefit claims have been suspended, and a notice to quit has been issued in one case. The teams will continue to work together to ensure benefit and right to buy processes are applied correctly.



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

- 16.1 Appendix C details the number of disciplinary suspensions and/or action taken in the third quarter of 2012/13. 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 the quarter, the number of disciplinary cases investigated was 39, with 22 remaining 'open' at the end of the quarter. The average length of time taken to resolve disciplinary cases in quarter four was 54 days, which remains at the same level as the previous quarter.





**Internal Audit  
Quarter 3 Internal Audit Report  
2012/2013  
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.  
January 2013

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## Executive Summary

### Introduction

This is our third quarter report to the Corporate Committee for the 2012/13 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 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 Corporate 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 2 2012/13 – Final Reports issued:

#### 2012/13 Internal Audits finalised in the quarter:

- Data Quality;
- Leaving Care Arrangements;
- Smoking Cessation Programme;
- Health Checks Programme;
- Revenues, Benefits and Customer Services Integration;
- The Triangle Children's Centre;
- Traded Services;
- The Ladder Children's Centre;

- Court of Protection and Deputyship;
- Tottenham regeneration programme; and
- Parking Services – Car Pound.

**Delivery of 2012/13 Internal Audit Plan**

As part of the 2012/13 Internal Audit Plan, we have continued our planning work with regards to agreeing the scope and start date for individual audits. Draft reports have been issued for the following audits:

- Commissioning of Services;
- Parking – CE Application Audit;
- Fostering Service;
- Adoption Service; and
- Homelessness Assessment Processes.

**Follow Up of Prior Years' Recommendations**

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

**2009/10**

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

**2010/11**

Two recommendations remain outstanding. The Priority 2 recommendation relating to Accounts Receivable (Debtors) was followed up as part of the 2012/13 Accounts Receivable (Debtors) audit and was found to be partly implemented. The Debt Recovery & Write Off procedure was in draft form at the time of the audit and we were informed that it would be reviewed before being circulated to all relevant officers by the end of December 2012. However, due to the absence of the Head of Income & Debt Management we have been unable to confirm that the remaining actions have been completed. The Priority 1 recommendation relating to Health & Safety is in progress and has a revised deadline of end of March 2013.

**2011/12**

To date we have followed up 88 recommendations raised in 2011/12 and the results of our work are as follows:

- Implemented – 68 (77.3%);
- Partly implemented – 6 (6.8%);
- Not implemented – 2 (2.3%); and
- No longer applicable – 12 (13.6%).

**Audit Progress and Detailed Summaries**

The following table sets out the audits finalised in Quarter One of 2012/13 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 |
| <b>2012/13</b>                                       |                |                      |                 |                     |                                      |   |   |
| Data Quality   | June 2012      | 09/10/12             | Substantial     | ↔                   | 0                                    | 1 | 0 |
| Leaving Care Arrangements                            | June 2012      | 09/10/12             | Substantial     | ↔                   | 0                                    | 1 | 3 |
| Smoking Cessation Programme                          | July 2012      | 15/10/12             | Substantial     | N/A                 | 0                                    | 0 | 0 |
| Health Checks Programme                              | June 2012      | 15/10/12             | Substantial     | N/A                 | 0                                    | 2 | 0 |
| Revenues, Benefits and Customer Services Integration | May 2012       | 16/10/12             | Substantial     | N/A                 | 0                                    | 1 | 0 |
| The Triangle Children's Centre                       | July 2012      | 16/10/12             | Substantial     | N/A                 | 0                                    | 4 | 1 |
| Traded Services                                      | August 2012    | 08/11/12             | Substantial     | N/A                 | 0                                    | 3 | 2 |
| The Ladder Children's Centre                         | September 2012 | 20/11/12             | Substantial     | N/A                 | 0                                    | 6 | 1 |
| Court of Protection and Deputyship                   | September 2012 | 13/12/12             | Substantial     | N/A                 | 0                                    | 2 | 1 |
| Tottenham Regeneration Programme                     | October 2012   | 17/12/12             | Substantial     | N/A                 | 0                                    | 2 | 0 |
| Parking Services – Car Pound                         | October 2012   | 20/12/12             | Substantial     | ↔                   | 0                                    | 1 | 0 |

# DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2012/13

## APPENDIX A

As part of the 2012/13 Internal Audit Plan we have visited the following schools, completed a probity audit and during Quarter 3 issued a final report.

| School                                  | Date of Audit  | Report Date | Assurance Level | Number of Recommendations (Priority) |    |   |
|---|----------------|-------------|-----------------|--------------------------------------|----|---|
|   |                |             |                 | 1                                    | 2  | 3 |
| <b>2012/13</b>                          |                |             |                 |                                      |    |   |
| St. John Vianney Primary School         | July 2012      | 05/10/12    | Substantial     | 1                                    | 4  | 1 |
| St. Aidan's VC Primary School           | September 2012 | 24/10/12    | Limited         | 2                                    | 10 | 1 |
| Seven Sisters Primary School            | August 2012    | 09/11/12    | Nil             | 24                                   | 8  | 0 |
| Riverside Special School                | September 2012 | 21/11/12    | Limited         | 3                                    | 7  | 0 |
| Belmont Junior School                   | October 2012   | 30/11/12    | Substantial     | 1                                    | 8  | 2 |
| Weston Park Primary School              | October 2012   | 04/12/12    | Limited         | 3                                    | 6  | 2 |
| Our Lady of Muswell Hill Primary School | October 2012   | 12/12/12    | Limited         | 4                                    | 8  | 0 |

As part of the 2012/13 Internal Audit plan we have visited the following schools during Quarter 3 and completed a probity audit, for which a draft report has been issued.

- St. Michael's CE Primary School; and
- The Brook on Broadwaters Special School.

## Detailed Progress Report – Outstanding Recommendations 2009/10

| Ref  | Recommendation   | Priority | Original Implementation Deadline | Progress/Status   |
|--|--|----------|----------------------------------|---|
| <b>CORPORATE RESOURCES</b>                           |  |          |                                  |   |
| <b>IT AUDIT - PLANNING &amp; CONTROL APPLICATION</b> |  |          |                                  |   |
| 1  | 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 Receipting interface are reconciled to the Planning Portal application and e-Forms. | 2        | 31 August 2010                   | <p><b>Partly Implemented:</b></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>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>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> <p><i>Management Update 19 April 2012</i></p> <p>The status is as above. Progress is still dependant on prioritisation and cost effectiveness. Deadline date for review 18 July 2012.</p> <p><i>Management Update 21 August 2012</i></p> <p>The status has not changed since the last update. The next review date is expected to be 30 November 2012.</p> <p><i>Management Update 11 January 2013</i></p> <p>The status has not changed since the last update. Implementation is dependent on the development of the new Council wide payment process.</p> |

| 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"> <li>• Changes to system files or fields;</li> <li>• User access to the system; and</li> <li>• Unauthorised access attempts and user lockouts.</li> </ul> | 2        | 31 August 2010                   | <p><i>Internal Audit Comment:</i></p> <p><i>An update will be obtained from the relevant officers in early April 2013.</i></p> <p><b>Partly Implemented:</b></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>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>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> <p><i>Management Update 19 April 2012</i></p> <p>The status is as reported above. Progress is still dependant on prioritisation and cost effectiveness. Review date 18 July 2012.</p> <p><i>Management Update 21 August 2012</i></p> <p>The status has not changed since the last update. The next review date is expected to be 30 November 2012.</p> <p><i>Management Update 11 January 2013</i></p> <p>The status has not changed since the last update. Implementation is dependent on the prioritisation of work by the software supplier Northgate.</p> |



**DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2012/13**

**APPENDIX A**

| Ref | Recommendation | Priority | Original Implementation Deadline | Progress/Status  |
|-----|----------------|----------|----------------------------------|--|
|     |                |          |                                  | <p><i>Internal Audit Comment:</i><br/> <i>An update will be obtained from the relevant officers in early April 2013.</i></p> |

## Detailed Progress Report - Outstanding Recommendations 2010/11

| Ref                                  | Recommendation  | Priority | Original Implementation Deadline | Progress/Status  |
|--------------------------------------|---|----------|----------------------------------|--|
| <b>CORPORATE RESOURCES</b>           |   |          |                                  |  |
| <b>ACCOUNTS RECEIVABLE (DEBTORS)</b> |   |          |                                  |  |
| 1                                    | The formalised debt recovery and write off procedure documents should be reviewed and updated to reflect any changes in processes and practices, and communicated to staff across directorates. The procedure documents should define the responsibility and accountability across the Council within the debt recovery and write off processes. This should be made available on Harinet and updated on a regular basis. | 2        | Sept. 2011                       | <p><b>Partly Implemented</b></p> <p><b>Management Response:</b></p> <p>As stated in the key Statistics &amp; Benchmarking "The Council's Finance Service carried out a restructure, part of which was the centralisation of the debt management process within Corporate Finance." As a result of this restructure all debt collection processes including debt write off have fundamentally changed and will require updating. The procedures relating to the raising of invoices were reviewed when the debt management webpages were reviewed and these are current and do not require amendment.</p> <p><i>Revised deadline: 31 December 2012</i></p> <p><b>Internal Audit Update at 11 January 2013:</b></p> <p>We have followed up on the implementation as part of the 2012/13 Accounts Receivable (Debtors) audit. The procedure was in draft form at the time of the audit and we are advised that the procedures have been finalised and will be available on the Haringey Intranet by Friday 18<sup>th</sup> January 2013</p> |
| <b>HEALTH &amp; SAFETY</b>           |   |          |                                  |  |
| <b>CHIEF EXECUTIVE</b>               |   |          |                                  |  |

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2012/13

APPENDIX A

| Ref | Recommendation  | Priority | Original Implementation Deadline | Progress/Status  |
|-----|---|----------|----------------------------------|--|
| 2   | 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><b>Partly Implemented</b></p> <p><i>Management Update as at June 2011:</i></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 &amp; 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><b>Management Update as at 3 January 2012:</b></p> <p>The Health &amp; 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> <p><b>Management Update as at 19 April 2012:</b></p> <p>Health and Safety advisory functions are being restructured. A summary report has been provided that clarifies changes. Due to the ongoing problematic process of providing service by service performance data, the following approach will be taken:</p> <ul style="list-style-type: none"> <li>At each Corporate Health and Safety Committee the previous quarter's accident statistics will be discussed as a standing item and any specific trends identified for action via individual directorate committees. The Corporate H&amp;S Committee is now chaired by the Head of HR.</li> <li>Directorate H&amp;S Committee will also have the previous quarter's accident stats as a standing item. Trends will be</li> </ul> |

| Ref | Recommendation | Priority | Original Implementation Deadline | Progress/Status  |
|-----|----------------|----------|----------------------------------|--|
|     |                |          |                                  | <p>specified and target action will be agreed and timetabled.</p> <ul style="list-style-type: none"> <li>Each directorate will have a dedicated safety advisor who will discuss appropriate performance reporting in relation to their significant health and safety risks via their Directorate Health and Safety Committees.</li> <li>The intention is for this to take the form of specific service areas undergoing a sampling process carried out between the safety advisor and relevant Service Head in relation to their risk assessments with full involvement by the Directorate Safety Liaison Officer and also areas of concern that may have been highlighted by the directorate accident stats.</li> </ul> <p>This will take time as there are still a number of teething problems with individual directorates in relation to their committees. These issues will now be escalated to the Head of Human Resources where issues are not resolved within acceptable time frames</p> <p><i>Revised deadline: To be confirmed</i></p> <p><b>Management Update as at 21 August 2012:</b></p> <p>The structure outlined above is in place with a Corporate Health &amp; Safety Committee. The timing for the full implementation of the recommendation is to be confirmed.</p> <p><b>The deadline for the implementation of the recommendation has now been confirmed as end of March 2013.</b></p> |

### Follow Up Table – 2011/12 Audit Work

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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 |     |          |             |                              |         |   |   |   |   |
| <b>Corporate Resources</b>   |                 |                 |   |   |       |             |   |   |       |     |          |             |                              |         |   |   |   |   |
| Treasury Management  | Substantial     | 0               | 1 | 1 | 2     | 0           | 1 | 1 | 2     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Creditors  | Substantial     | 0               | 2 | 0 | 2     | 0           | 2 | 0 | 2     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Council Tax (KFS)  | Substantial     | 0               | 0 | 1 | 1     | 0           | 0 | 1 | 1     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Corporate Savings and Efficiency Programme                                 | Substantial     | 0               | 0 | 0 | 0     | 0           | 0 | 0 | 0     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Use of external Counsel  | Substantial     | 0               | 0 | 1 | 1     | 0           | 0 | 1 | 1     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Customer Service Centres   | Substantial     | 0               | 0 | 0 | 0     | 0           | 0 | 0 | 0     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| <b>Corporate Resources – Procurement</b>                                   |                 |                 |   |   |       |             |   |   |       |     |          |             |                              |         |   |   |   |   |
| Contract Standing Orders/ Scheme of Delegation                             | Limited         | 3               | 4 | 0 | 7     | 3           | 4 | 0 | 7     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Homeless Persons Accommodation/Temporary Accommodation – procurement audit | Substantial     | 0               | 0 | 1 | 1     | 0           | 0 | 1 | 1     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Hays Resource Management Contract – procurement audit                      | Limited         | 2               | 4 | 0 | 6     | 1           | 2 | 0 | 3     | 1   | 0        | 2           | 0                            | 0       | 0 | 0 | 0 | 0 |
| <b>Corporate Resources – IT</b>  |                 |                 |   |   |       |             |   |   |       |     |          |             |                              |         |   |   |   |   |
| IT World Disaster Recovery Test  | Substantial     | 0               | 1 | 3 | 4     | 0           | 1 | 3 | 4     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| <b>Place &amp; Sustainability</b>  |                 |                 |   |   |       |             |   |   |       |     |          |             |                              |         |   |   |   |   |
| Public Realm Contract - Contract Management                                | Substantial     | 0               | 0 | 0 | 0     | 0           | 0 | 0 | 0     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Parking Services - Pay and Display   | Limited         | 2               | 5 | 1 | 8     | 2           | 5 | 1 | 8     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Parking Services - Financial   | Limited         | 2               | 2 | 0 | 4     | 1           | 2 | 0 | 3     | 0   | 1        | 0           | 0                            | 0       | 0 | 0 | 0 | 1 |
| Haringey Guarantee   | Substantial     | 0               | 0 | 0 | 0     | 0           | 0 | 0 | 0     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Section 106 income and resources   | Substantial     | 0               | 1 | 0 | 1     | 0           | 1 | 0 | 1     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |
| Leisure Services- income   | Substantial     | 0               | 2 | 1 | 3     | 0           | 2 | 1 | 3     | 0   | 0        | 0           | 0                            | 0       | 0 | 0 | 0 | 0 |

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| AUDIT AREA   | Assurance Level | Recommendations |   |   |       |             |   | Priority 1 Recs. Outstanding |       |     |          |             |         |   |
|--|-----------------|-----------------|---|---|-------|-------------|---|------------------------------|-------|-----|----------|-------------|---------|---|
|  |                 | Category        |   |   |       | Implemented |   |                              |       |     |          |             |         |   |
|  |                 | 1               | 2 | 3 | Total | 1           | 2 | 3                            | Total | N/A | Not Imp. | In Progress | Not due |   |
| Children and Young People's Service                      |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |
| <i>Children's Centres</i>                                |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |
| Noel Park Children's Centre                              | Substantial     | 0               | 2 | 0 | 2     | 0           | 2 | 0                            | 2     | 0   | 0        | 0           | 0       | 0 |
| Stonecroft Children's Centre                             | Substantial     | 1               | 3 | 0 | 4     | 1           | 3 | 0                            | 4     | 0   | 0        | 0           | 0       | 0 |
| South Grove Children's Centre                            | Limited         | 5               | 4 | 0 | 9     | 2           | 3 | 0                            | 5     | 1   | 0        | 3           | 0       | 2 |
| <i>Children and Families Establishments</i>              |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |
| Establishment 1  | Limited         | 2               | 0 | 1 | 3     | 0           | 0 | 0                            | 0     | 3   | 0        | 0           | 0       | 0 |
| Establishment 2  | Limited         | 1               | 6 | 0 | 7     | 0           | 0 | 0                            | 0     | 7   | 0        | 0           | 0       | 0 |
| Use of Petty Cash  | Substantial     | 0               | 2 | 0 | 2     | 0           | 1 | 0                            | 1     | 0   | 0        | 1           | 0       | 0 |
| School Admissions and Place Planning                     | Substantial     | 0               | 1 | 1 | 2     | 0           | 0 | 1                            | 1     | 0   | 1        | 0           | 0       | 0 |
| <i>Adult and Housing Services</i>                        |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |
| Homes for Haringey client-side monitoring                | Substantial     | 0               | 0 | 2 | 2     | 0           | 0 | 2                            | 2     | 0   | 0        | 0           | 0       | 0 |
| Housing Options – private renting scheme                 | Substantial     | 0               | 1 | 0 | 1     | 0           | 1 | 0                            | 1     | 0   | 0        | 0           | 0       | 0 |
| Personalisation Follow-Up                                | N/A             | 0               | 3 | 2 | 5     | 0           | 3 | 2                            | 5     | 0   | 0        | 0           | 0       | 0 |
| Housing in Multiple Occupation – licensing arrangements. | Substantial     | 0               | 0 | 1 | 1     | 0           | 0 | 1                            | 1     | 0   | 0        | 0           | 0       | 0 |
| <i>Establishment Audits – Day Centres</i>                |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |
| The Grange   | Substantial     | 0               | 0 | 2 | 2     | 0           | 0 | 2                            | 2     | 0   | 0        | 0           | 0       | 0 |
| The Haynes   | Substantial     | 0               | 0 | 2 | 2     | 0           | 0 | 2                            | 2     | 0   | 0        | 0           | 0       | 0 |
| The Haven Day Centre                                     | Substantial     | 0               | 0 | 1 | 1     | 0           | 0 | 1                            | 1     | 0   | 0        | 0           | 0       | 0 |
| Chief Executive – People and Organisational Development  |                 |                 |   |   |       |             |   |                              |       |     |          |             |         |   |

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| AUDIT AREA   | Assurance Level | Recommendations |           |           |           |             |           |           |           |                 |          |             |          |          |          | Priority 1 Rees. Outstanding |
|--|-----------------|-----------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------------|----------|-------------|----------|----------|----------|------------------------------|
|  |                 | Category        |           |           |           | Implemented |           |           |           | Not Implemented |          |             |          | Total    |          |                              |
|  |                 | 1               | 2         | 3         | Total     | 1           | 2         | 3         | Total     | N/A             | Not Imp. | In Progress | Not due  |          |          |                              |
| Voluntary Redundancy Programme   | Substantial     | 0               | 1         | 0         | 1         | 0           | 1         | 0         | 1         | 0               | 0        | 0           | 0        | 0        | 0        | 0                            |
| Equalities – Equality Impact Assessments and compliance with Equalities Act 2010 | Substantial     | 0               | 1         | 0         | 1         | 0           | 1         | 0         | 1         | 0               | 0        | 0           | 0        | 0        | 0        | 0                            |
| Framework Agreements – Learning & Development                                    | Limited         | 2               | 1         | 0         | 3         | 2           | 1         | 0         | 3         | 0               | 0        | 0           | 0        | 0        | 0        | 0                            |
| <b>Total</b>   |                 | <b>20</b>       | <b>47</b> | <b>21</b> | <b>88</b> | <b>12</b>   | <b>36</b> | <b>20</b> | <b>68</b> | <b>12</b>       | <b>2</b> | <b>6</b>    | <b>0</b> | <b>0</b> | <b>0</b> | <b>3</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.  
**In Progress** – officers have started implementation of recommendations

## Detailed Progress Report – Outstanding Recommendations 2011/12

| Ref                                      | Recommendation   | Priority | Original Implementation Deadline | Progress/Status  |
|--|--|----------|----------------------------------|--|
| <b>CORPORATE RESOURCES – PROCUREMENT</b> |  |          |                                  |  |
| <b>HAYS Resource Management</b>          |  |          |                                  |  |
| 1  | <p>The HR team should request that HAYS Resources:</p> <ul style="list-style-type: none"> <li>• Disclose the hidden information supporting the graphs within the monthly Headline Report;</li> <li>• Incorporate the job position numbers into the Headline Report; and</li> <li>• Ensure agency release forms are not processed without the job number included.</li> </ul> | 2        | October 2011                     | <p><b>In Progress</b></p> <p><i>Management update as at January 2012</i></p> <p>The new vendor system, Hays 3SS was due to go live on 7 January 2012. Notes and updates on the new system were circulated by the Head of HR Services to managers on 6 January 2012. It was expected that the implementation of the new system would result in the position and job numbers being made mandatory fields and in managers being able to produce their own reports to extract performance data from Hays 3SS.</p> <p>The system was piloted for a period of two weeks from 7-22 January 2012, prior to its expected full release. However, there were issues identified during the piloting stage. A meeting was held between the relevant Council officers and Hays on 20 January 2012 to review progress with the implementation phase and discuss the issues identified.</p> <p>However, subsequent to the meeting a decision was made by management to defer the implementation of the new system until further consideration is given to the issues and until the Council's IT systems are upgraded, as required, and further testing carried out. The decision was taken to continue with the Hays Workflow system until a technical solution is found and implemented with regards to Hays 3SS.</p> <p>Through discussions with management, we had identified</p> |



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| Ref | Recommendation  | Priority | Original Implementation Deadline | Progress/Status   |
|-----|---|----------|----------------------------------|---|
| 2   | The Balance Scorecard and Headline Report provided by HAYS Resources should be aligned to include information provided for management review in the same format. Any variation should be explained. | 2        | November 2011                    | <p>that only one officer within HR had access to the Hays 3SS system, while it was being piloted.</p> <p>The controlled two week pilot revealed technical issues which we cannot overcome at this point in time. In view of this, Hays have rolled us back to the Hays Workflow system. The existing process on Workflow remains unchanged.</p> <p>The timing of further testing and implementation of Hays 3SS will be dependent on the outcome of discussions with Hays and the resolution of technical issues.</p> <p><b>Management update as at March 2012</b></p> <p>Further work has now found that the technical issues impacting on the ability to implement the Hays 3SS system are that the HAYS system requires Internet Explorer 8 for it to work, while the Council is only on Internet Explorer 6. An upgrade is planned to bring the Council up to Internet Explorer 8 by IT Services later in the year, but first there is the testing of all other systems to ensure that they can run on Internet Explorer 8.</p> <p><b>Management update as at August 2012</b></p> <p>Internet Explorer 8 has been implemented but moving to the new system is now on hold as the contract is up for renewal as from April 2013.</p> <p><b>Revised deadline: April 2013.</b></p> <p><b>In Progress</b></p> <p><b>Management update as at January 2012</b></p> <p>The new vendor system, Hays 3SS was due to go live on 07/01/2011, followed by a two week piloting period.</p> |

| Ref | Recommendation | Priority | Original Implementation Deadline | Progress/Status   |
|-----|----------------|----------|----------------------------------|---|
|     |                |          |                                  | <p>However, the implementation of the system has been put on hold pending resolution of the issues identified during the piloting stage.</p> <p>It was expected that under the new system, the management information would not be provided by Hays and the system would enable managers to decide what information they require.</p> <p>We will be in a position to check the required reporting options available to managers once the new system becomes fully operational.</p> <p>As above, Management should ensure that the new system generates the relevant management information.</p> <p><b>Management update as at March 2012</b></p> <p>Further work has now found that the technical issues impacting on the ability to implement the Hays 3SS system are that the HAYS system requires Internet Explorer 8 for it to work, while the Council is only on Internet Explorer 6. An upgrade is planned to bring the Council up to Internet Explorer 8 by IT Services later in the year, but first there is the testing of all other systems to ensure that they can run on Internet Explorer 8.</p> <p><b>Management update as at August 2012</b></p> <p>Internet Explorer 8 has been implemented but moving to the new system is now on hold as the contract is up for renewal as from April 2013.</p> <p><b>Revised deadline: April 2013.</b></p> |

| Ref                                       | Recommendation   | Priority | Original Implementation Deadline | Progress/Status  |
|---|--|----------|----------------------------------|--|
| <b>PLACE &amp; SUSTAINABILITY</b>         |  |          |                                  |  |
| <b>Parking Services - Financial</b>       |  |          |                                  |  |
| 3   | Management should periodically review the Bailiff Monitoring spreadsheet to confirm that it is maintained as an up to date record.   | 1        | Ongoing                          | <p><b>Not Implemented</b></p> <p><i>Management update as at November 2012</i></p> <p>The monitoring spreadsheet was last updated on 23/3/2012. The department migrated from CIVICA PES to CIVICA CE in April 2012.</p> <p>No physical payments have been received. This will be made a priority and the department estimates that this can be done by the end of December 2012.</p> <p><i>Revised deadline: 31 December 2012</i></p> <p><i>Internal Audit Update as at 11 January 2013:</i></p> <p><i>Management have confirmed that the review of the Bailiff Monitoring Spreadsheet is in progress and is expected to be completed by 15 January 2013. We will follow this up and the Corporate Committee will be updated accordingly.</i></p> |
| <b>CHILDREN AND YOUNG PEOPLE SERVICES</b> |  |          |                                  |  |
| <b>South Grove Children's Centre</b>      |  |          |                                  |  |
| 4   | <p>The following documents should be presented to the Children's Centre Committee for review and approval:</p> <ul style="list-style-type: none"> <li>• Revised Internal Scheme of Financial Delegation;</li> <li>• Centre Development Plan for 2011/12; and</li> <li>• Haringey Schools Financial Manual.</li> </ul> <p>The approval should be recorded in the minutes of the relevant Committee meeting.</p> | 1        | July 2012                        | <p><b>Partly Implemented</b></p> <p><i>Internal Audit update as at 16 November 2012</i></p> <p>The Headteacher has developed a spreadsheet which shows all policies requiring review and approval. There is a further sheet which includes when each policy was adopted. Examination of these indicates that the Finance Scheme of Delegation and Committee Terms of Reference were due for review by the Governing Body at its next meeting on 15</p>   |

| Ref | Recommendation   | Priority | Original Implementation Deadline | Progress/Status  |
|-----|--|----------|----------------------------------|--|
|     | <p>The Committee should then formally advise the Governing Body with regards to acceptance of the documents. Governing Body approval should be recorded in the minutes of the relevant meeting.</p> <p>Furthermore, a process should be implemented for the continued relevance of all documents affecting the governance of the Centre to be confirmed by the Children's Centre Committee.</p>  |          |                                  | <p>November 2012. The Centre Development Plan was also due for review and approval by the Governors. Closure of the recommendation will be completed upon review of the meeting minutes when these become available.</p> <p><b>Internal Audit Comment as at 11 January 2013:</b></p> <p><i>This is currently being addressed by the Governing Body, as part of the implementation of the internal audit recommendations relating to Seven Sisters Primary School, to which South Grove Children's Centre is linked. We have arranged a follow up visit at Seven Sisters Primary School in February 2013 and we will confirm the implementation status of this recommendation during the visit.</i></p>   |
| 5   | <p>The Centre's non-staff costs budget should be allocated across all relevant cost centres and budget monitoring reports should be produced to identify the budget performance of individual cost centres to assist with effective budget monitoring.</p> <p>A process should be implemented for the Centre's Quarterly Management Report to be presented to the Finance and Personnel Committee on a regular basis, and for any issues to be reported to the Governing Body. Discussion of the budget at all meetings should be recorded in the meeting minutes.</p> | 1        | September 2012                   | <p><b>Partly Implemented</b></p> <p><b>Internal Audit update as at 16 November 2012</b></p> <p>RM Budget v Actual Report obtained, which confirms non-staff costs accounted under CFR E32 on 14 different budget starting 'CC'.</p> <p>Budget v Actual reports have been produced as part of the month end reports. Non-staff costs have been allocated across relevant cost centres.</p> <p>However, while Quarter 1 Management Return for 2012/13 was on the agenda of the Finance &amp; Personnel Committee meeting on 5 July 2012, examination of the minutes of the meeting found no records to confirm that the return was reviewed and approved by the Committee Members. Therefore there is no indication as to whether any issues have been reported to the Governing Body.</p> <p><b>Revised deadline:</b> <i>To be confirmed (It is to be noted that a new Finance Manager has been appointed and it is</i></p> |

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| Ref                      | Recommendation  | Priority | Original Implementation Deadline | Progress/Status  |
|--------------------------|---|----------|----------------------------------|--|
| 6                        | <p>The results of the asset inventory checks should be reported to either the Children's Centre Committee or the Governing Body for review and further action, where appropriate.</p> <p>Furthermore, all current and future assets should be security marked, as confirmation of the Centre's ownership of the assets.</p> | 2        | July 2012                        | <p><i>expected that the relevant action will be addressed in due course).</i></p> <p><b>Internal Audit Comment as at 11 January 2013:</b></p> <p><i>This is currently being addressed and will be followed up during our visit to Seven Sisters Primary School in February 2013.</i></p> <p><b>Partly Implemented</b></p> <p><b>Internal Audit update as at 16 November 2012</b></p> <p>There is a separate asset inventory for the Children Centre, checked by the Centre Manager on 15 June 2012. This was due to be reported to the Governing Body at its meeting on 15 November 2012.</p> <p>Examination of the inventory found it does not record any security marking number against individual assets. Although the Head Teacher stated that assets are marked by ultra violet pen, we have suggested that more visible security markings should be used, such as Haringey labels.</p> <p><b>Revised deadline: To be confirmed</b></p> <p><b>Internal Audit Comment as at 11 January 2013:</b></p> <p><i>This is currently being addressed and will be followed up during our visit to Seven Sisters Primary School in February 2013.</i></p> |
| <b>Use of Petty Cash</b> |   |          |                                  |  |
| 7                        | <p>Authorised signatory records for all petty cash authorisers should be updated to reflect current limits of authorisation. The records should be updated on a periodic basis.</p> <p>Only delegated authorised signatories should certify petty</p>   | 2        | March 2012                       | <p><b>In Progress</b></p> <p><b>Management update as at 31 August 2012</b></p> <p>The Service has asked for signatory records to be checked</p>  |

| Ref   | Recommendation   | Priority | Original Implementation Deadline | Progress/Status  |
|---|--|----------|----------------------------------|--|
|   | <p>cash claims for processing. Where not substantiated, the claims should be rejected until appropriate authorisation is received.</p> <p>Further, the Scheme of Delegation should be updated to include current petty cash thresholds.</p>                                |          |                                  | <p>and updated and the Scheme of Delegation to be updated. This has been completed and is subject to review.</p> <p><b>Update as at 20 November 2012</b></p> <p>The CYPs Scheme of Delegation has been updated and includes petty cash thresholds. However, no documentary evidence has been made available yet to confirm that the authorised signatory records for all petty cash authorisers have been updated.</p> <p><b>Revised deadline: To be confirmed.</b></p> <p><b>Internal Audit Update as at 11 January 2013:</b></p> <p><i>Management informed us that updating authorised signatory cards was dependent on the Directorate Schemes of Delegation being updated. As the Schemes of Delegation have now been completed, individual officers will be required to provide complete signatory cards. It is planned that this will be completed by the end of March 2013.</i></p> <p><b>Revised deadline: 31 March 2013</b></p> |
| <b>School Admissions and Place Planning</b> |  |          |                                  |  |
| 8   | <p>On completion of the annual upload of the Determined Admission Arrangements criteria, a record of the data input should be taken.</p> <p>The record should be signed by the officer who input the data, then checked and signed off as correct by a second officer.</p> | 2        | Immediate                        | <p><b>Not Implemented</b></p> <p><b>Management Response</b></p> <p>A written recording on this procedure can be made.</p> <p><b>Management update as at 23 August 2012</b></p> <p>The admission arrangements must be determined by the 15 April each year in any given year. The Admissions database should be set up to reflect these arrangements for 1 September in the same year. The admission arrangements for 2013/14 were determined by 15 April 2012. The</p>   |

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| Ref | Recommendation | Priority | Original Implementation Deadline | Progress/Status   |
|-----|----------------|----------|----------------------------------|---|
|     |                |          |                                  | <p>imputed data will be checked and signed off on 31 August 2012.</p> <p>This will be confirmed during the audit of in-year admissions planned to commence in November 2012.</p> <p><i>Management update as at 11 January 2013</i></p> <p>The update of the system for the 2013/14 admission arrangements has not as yet been completed. It is planned that this will be completed by the end of January 2013.</p> <p><i>Revised deadline: 31 January 2013.</i></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 2013

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**APPENDIX B  
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/12 - 31/03/13& B/F FROM 2011/12**

| Directorate                            | Irregularity Type  | No. of cases investigated | No. of cases proven at 31/12/2012 | No. of Officers subject to Disciplinary Investigation | Disciplinary Outcome  | Value (£) (if known) |
|--|--|---------------------------|-----------------------------------|---|-----------------------|----------------------|
| Children's and Young People's Services | Allegation of housing benefit fraud<br>B/F 2011/12                           | 1                         | 1                                 | 1   | Resigned              |                      |
|  | Failed to declare income increase for benefit purposes<br>B/F 2011/12        | 1                         | 1                                 | 1   | Resigned              |                      |
|  | Code of Conduct<br>B/F 2011/12   | 1                         | 0                                 | 0   | Final Written Warning |                      |
|  | Allegation of bringing the Council into disrepute                            | 1                         | 1                                 | 1   | Dismissed             |                      |
|  | Allegation of failure to declare true circumstances for Council Tax purposes | 1                         | 1                                 | 1   | Final Written Warning | £747                 |
| Corporate Resources                    | Allegation that employee is working whilst off sick<br>B/F 2011/12           | 1                         | 1                                 | 1   | Resigned              |                      |
|  | Allegation of gross misconduct   | 1                         | 1                                 | 1   | Resigned              |                      |

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|--------------------------|--|---------------------------|-----------------------------------|---|--|----------------------|
| Adults and Housing       | Allegation of failure to declare income changes for benefit purposes<br>B/F2011/12 | 1                         | 1                                 | 1   | Dismissed<br><br>Appeal Upheld the Decision to Dismiss | 41,758               |
|                          | Allegation of undeclared other employment<br>B/F2011/12                            | 1                         | 0                                 | 0   | Dismissed  |                      |
|                          | Allegation that employee is running a business from their desk                     | 1                         | 1                                 | 1   | Dismissed<br><br>Appeal Lodged                         |                      |
| Place and Sustainability | Allegation that employee abused position of trust                                  | 1                         | 1                                 | 1   | Employee Dismissed                                     |                      |
|                          | Allegation that employee has failed to declare a private interest<br>B/F2011/12    | 1                         | 1                                 | 1   | Warning  |                      |
|                          | Allegation that employee used false driving licence<br>B/F2011/12                  | 1                         | 1                                 | 1   | Employment Contract Ended                              |                      |

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|--------------|---|---------------------------|-----------------------------------|---|------------------------------|----------------------|
|              | Allegation of submission of altered medical certificate B/F 2011/12 | 1                         | 1                                 | 1   | Standard Setting Hearing     |                      |
|              | Allegation of time sheet fraud                                      | 1                         | 1                                 | 1   | Disciplinary Hearing Pending |                      |
|              | Allegation of theft/falsification of records                        | 1                         | 1                                 | 1   | Resigned                     |                      |
| <b>TOTAL</b> |   | 16                        | 14                                | 14  |                              | 42,505               |



## Haringey Council – Corporate Committee

## Disciplinary Case Analysis October to December 2012

**Introduction**

The information in this report is taken from SAP, covering the period **October 2012 – December 2012**.

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.

| Directorate | Cases Open | Cases Closed | No of cases | No of employees |
|-------------|------------|--------------|-------------|-----------------|
| AS          | 6          | 4            | 10          | 9               |
| C           | 3          | 2            | 5           | 5               |
| CE          | 0          | 0            | 0           | 0               |
| CR          | 0          | 2            | 2           | 2               |
| PH          | 0          | 0            | 0           | 0               |
| PS          | 13         | 9            | 22          | 19              |
| Grand Total | 22         | 17           | 39          | 35              |

Please note that the total number of cases is 39, but this only represents 35 employees. The reason being is that one employee can have more than one case in the same period. For example, an employee's dismissal could count as one case and their appeal as another.

- **Place & Sustainability** has the highest percentage of disciplinary cases against its workforce at 2.11% in this quarter
- 22 cases remain 'open' at the end of this period

The following table looks at the stages of Disciplinary cases.

| Stage                   | Cases Open | Cases Closed | Total | %   |
|-------------------------|------------|--------------|-------|-----|
| Invest. - not suspended | 7          | 5            | 12    | 31  |
| Invest. - suspended     | 12         | 11           | 23    | 59  |
| ET                      | 3          | 0            | 3     | 8   |
| Appeal                  | 0          | 1            | 1     | 3   |
| Total                   | 22         | 17           | 39    | 100 |

The following table identifies the outcomes of the 17 cases that were closed in this period.

| Disciplinary Case Outcomes |                               |                        |                     |                 |           |            |
|----------------------------|-------------------------------|------------------------|---------------------|-----------------|-----------|------------|
| Outcome                    | Invest. -<br>not<br>suspended | Invest. -<br>suspended | Invest. -<br>appeal | Invest. -<br>ET | Total     | %          |
| Compromise agreement       | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Appeal Dismissed      | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Appeal Part Upheld    | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Appeal Upheld         | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Appeal Withdrawn      | 0                             | 0                      | 1                   | 0               | 1         | 6          |
| Dis. Dismissal             | 0                             | 4                      | 0                   | 0               | 4         | 24         |
| Dis. ET Dismissed          | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. ET Withdrawn          | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Final Written Warning | 1                             | 1                      | 0                   | 0               | 2         | 12         |
| Dis. No Action             | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Other                 | 1                             | 0                      | 0                   | 0               | 1         | 6          |
| Dis. Relegation/Demotion   | 0                             | 0                      | 0                   | 0               | 0         | 0          |
| Dis. Resigned              | 0                             | 2                      | 0                   | 0               | 2         | 12         |
| Dis. Verbal Warning        | 1                             | 0                      | 0                   | 0               | 1         | 6          |
| Dis. Warning & Sanction    | 0                             | 1                      | 0                   | 0               | 1         | 6          |
| Dis. Written Warning       | 1                             | 0                      | 0                   | 0               | 1         | 6          |
| Escalated to next stage    | 1                             | 0                      | 0                   | 0               | 1         | 6          |
| Suspension Lifted          | 0                             | 3                      | 0                   | 0               | 3         | 18         |
| <b>Total</b>               | <b>5</b>                      | <b>11</b>              | <b>1</b>            | <b>0</b>        | <b>17</b> | <b>100</b> |

This table displays reasons for Disciplinary action against employees.

| Reasons for Disciplinary Cases |            |              |       |    |
|--------------------------------|------------|--------------|-------|----|
| Reason                         | Cases Open | Cases Closed | Total | %  |
| Assault                        | 0          | 1            | 1     | 3  |
| Attendance                     | 1          | 0            | 1     | 3  |
| Behaviour                      | 5          | 6            | 11    | 28 |
| Fraud / Theft                  | 4          | 2            | 6     | 15 |
| Misuse of resources            | 1          | 2            | 3     | 8  |
| Negligence                     | 3          | 3            | 6     | 15 |
| Other                          | 8          | 3            | 11    | 28 |

- The highest cause for disciplinary action was for **Behaviour** at 28% and **Other Reasons** at 28%

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      | 16     | 59  | 11    | 41 | 27    | 77  |
| White        | 1      | 14  | 6     | 86 | 7     | 20  |
| Not Declared | 1      | 100 | 0     | 0  | 1     | 3   |
| Total        | 18     | 51  | 17    | 49 | 35    | 100 |

- 32% of the workforce is male, but the male representation with disciplinary cases is higher at 49%

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       | 33 | 4       | 44 | 1       | 11 | 1       | 11 | 0    | 0  | 9     | 100 |
|     | White        | 0       | 0  | 0       | 0  | 0       | 0  | 0       | 0  | 0    | 0  | 0     | 0   |
|     | Total        | 3       | 33 | 4       | 44 | 1       | 11 | 1       | 11 | 0    | 0  | 9     | 100 |
| C   | B & ME       | 1       | 20 | 0       | 0  | 0       | 0  | 2       | 40 | 0    | 0  | 3     | 60  |
|     | White        | 0       | 0  | 1       | 20 | 0       | 0  | 1       | 20 | 0    | 0  | 2     | 40  |
|     | Total        | 1       | 20 | 1       | 20 | 0       | 0  | 3       | 60 | 0    | 0  | 5     | 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   |
|     | Total        | 0       | 0  | 0       | 0  | 0       | 0  | 0       | 0  | 0    | 0  | 0     | 0   |
| CR  | B & ME       | 0       | 0  | 0       | 0  | 1       | 50 | 0       | 0  | 0    | 0  | 1     | 50  |
|     | White        | 0       | 0  | 0       | 0  | 0       | 0  | 0       | 0  | 1    | 50 | 1     | 50  |
|     | Total        | 0       | 0  | 0       | 0  | 1       | 50 | 0       | 0  | 1    | 50 | 2     | 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   |
|     | Total        | 0       | 0  | 0       | 0  | 0       | 0  | 0       | 0  | 0    | 0  | 0     | 0   |
| PS  | B & ME       | 10      | 56 | 4       | 22 | 0       | 0  | 0       | 0  | 0    | 0  | 14    | 78  |
|     | White        | 3       | 17 | 0       | 0  | 1       | 6  | 0       | 0  | 0    | 0  | 4     | 22  |
|     | Total        | 13      | 72 | 4       | 22 | 1       | 6  | 0       | 0  | 0    | 0  | 18    | 100 |
| HGY | B & ME       | 14      | 41 | 8       | 24 | 2       | 6  | 3       | 9  | 0    | 0  | 27    | 79  |
|     | White        | 3       | 9  | 1       | 3  | 1       | 3  | 1       | 3  | 1    | 3  | 7     | 21  |
|     | Total        | 17      | 50 | 9       | 26 | 3       | 9  | 4       | 12 | 1    | 3  | *34   | 100 |

\* 1 employee in grade band SC1-SC5 did not declare ethnicity



This table shows a summary of suspension cases.

| Case status                         | Total     |
|-------------------------------------|-----------|
| No. of cases heard                  | 9         |
| No. of cases not concluded          | 12        |
| No. of cases not concluded - leaver | 2         |
| <b>Total</b>                        | <b>23</b> |

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

The table below looks at the 23 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.

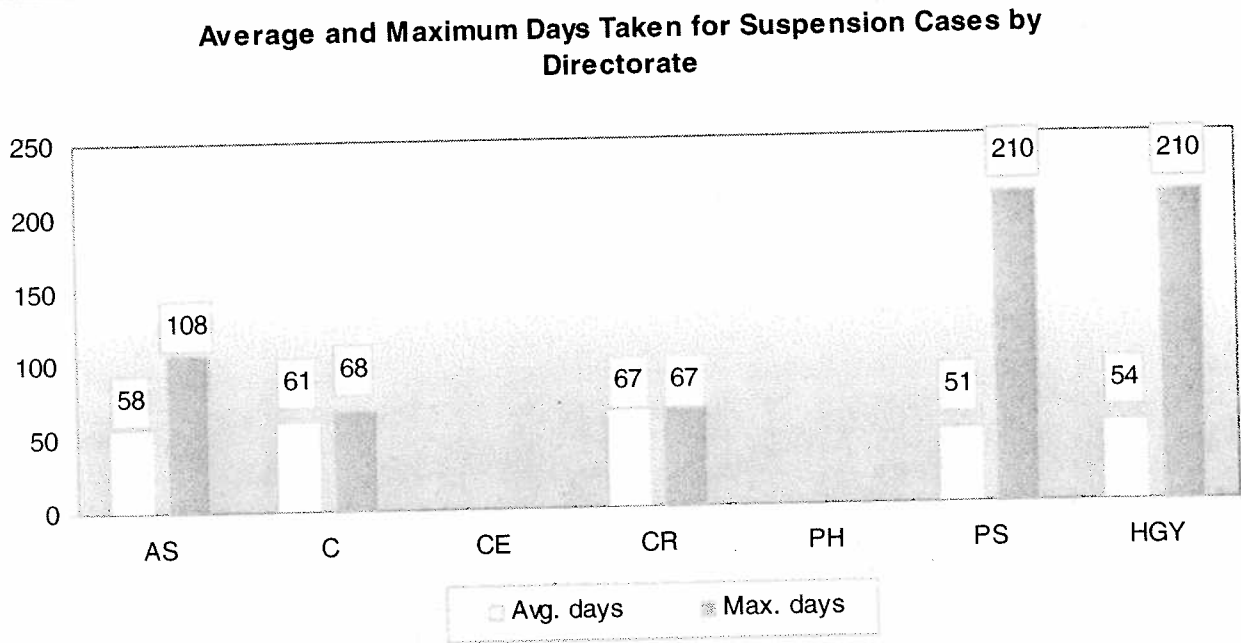
The table also identifies by directorate, the average number of days suspension for all cases, the maximum days for a single case and the number of cases heard within that period.

| 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    | 3      | 0       | 0       | 0    | 7           | 403        | 58                       | 108       | 3                 |
| C                  | 1    | 1      | 0       | 0       | 0    | 2           | 122        | 61                       | 68        | 1                 |
| CE                 | 0    | 0      | 0       | 0       | 0    | 0           | 0          | 0                        | 0         | 0                 |
| CR                 | 0    | 1      | 0       | 0       | 0    | 1           | 67         | 67                       | 67        | 0                 |
| PH                 | 0    | 0      | 0       | 0       | 0    | 0           | 0          | 0                        | 0         | 0                 |
| PS                 | 10   | 1      | 1       | 1       | 0    | 13          | 660        | 51                       | 210       | 5                 |
| HGY                | 15   | 6      | 1       | 1       | 0    | 23          | 1252       | 54                       | 210       | 9                 |
| Total cases closed | 5    | 5      | 1       | 0       | 0    | 11          |            |                          |           |                   |

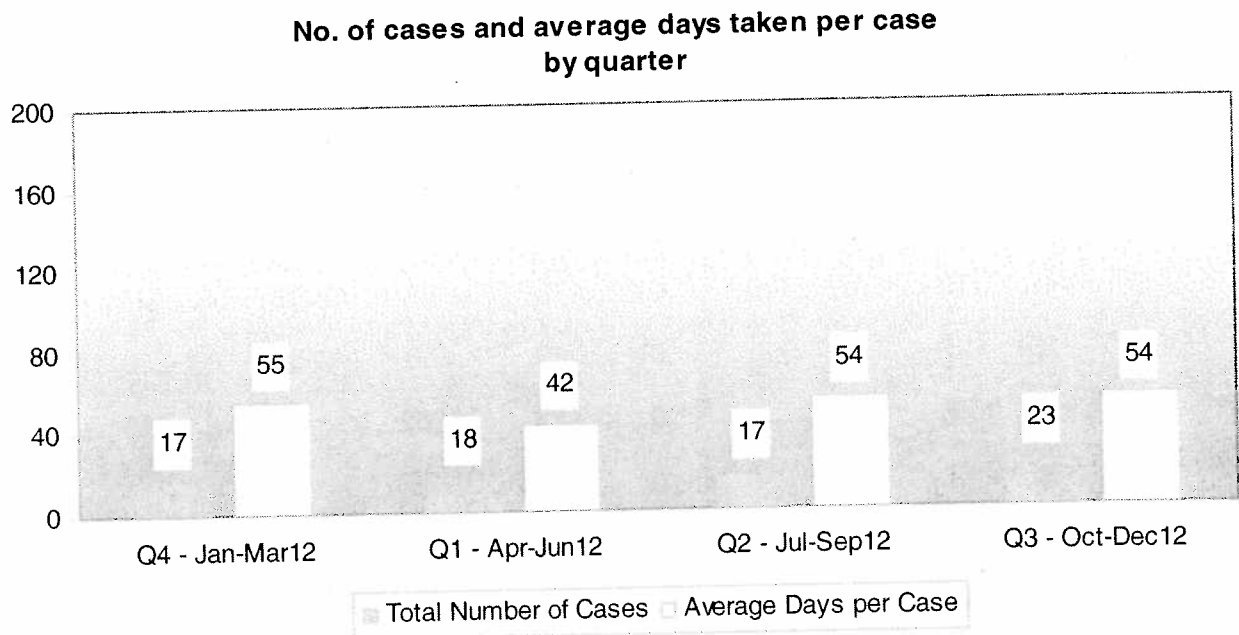
On average, 54 days were spent on each suspension case within the quarter.

Suspensions (continued)

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 quarter was 54 with a total of 23 cases. 11 of these cases remain open at the end of quarter 3.