



Haringey Council

Report for:	Corporate Committee 28 January 2014	Item number	
Title:	Internal Audit Progress Report – 2013/14 Quarter 3		
Report authorised by :	Assistant Director Corporate Governance <i>Beani Afon</i>		
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Ward(s) affected: ALL	Report for: Non-Key Decision		

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 2013/14 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 The report also provides information from the Council's Human Resources (HR) business unit in respect of (a) work undertaken in supporting disciplinary action taken across all departments by respective Council managers; and (b) consultants employed by the Council.

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; and the actions taken during the quarter to



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ensure audit recommendations are implemented and address the outstanding recommendations during the third quarter, 2013/14.

3.2 The Corporate Committee notes the information received from the HR business unit.

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 2013 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;
- Information in respect of disciplinary action taken by managers across all departments of the Council during the quarter; and
- Details of consultants employed by all departments across the Council to the end of December 2013.

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 HR 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 2013/14 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, mainly relating to additional costs for temporary accommodation. During 2013/14 and up to the end of the third quarter, twenty five Council properties were recovered, equivalent to a cost saving to the Council of £450k.



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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
Appendix D – Consultants employed by the Council as at 31/12/13.

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 and gives a breakdown between the quarterly and cumulative performance.

Table 1

PI Ref.	Performance Indicator	3rd Quarter	Year to date	Target
1	Audit work – Days Completed vs. Planned programme	77.3%	67%	95%
2	Priority 1 recommendations implemented at follow up	100%	100%	95%



3	Benefit fraud cases completed and accepted for prosecution	10	27	30
4	Benefit overpayments recovered (including POCA and confiscation awards)	£0.2k	£4.4k	£150k

13. Internal Audit work – Deloitte and Touche contract

- 13.1 The activity of Deloitte and Touche for the third quarter of 2013/14 to date is detailed at Appendix A. Deloitte and Touche planned to deliver 225 days of the 2013/14 annual audit plan (900 days) during the quarter and actually delivered 174 days audit work during the quarter due to staff annual leave commitments. There are no issues identified at this stage to prevent the annual target from being met. 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 to ensure that managers were taking appropriate action to address outstanding recommendations. Four recommendations from 2011/12 remain outstanding, with only one high priority recommendation remaining as 'partly implemented'. Work is ongoing to address the recommendations and Internal Audit are satisfied that managers' actions to date are appropriate and cost effective to manage the 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 audits for 2012/13 work which have been undertaken is also included at Appendix A. We have followed up on 41 recommendations to date and found that 40 have been implemented and 1 is in progress. No Priority 1 recommendations remain outstanding. Overall, a compliance rate of 98% has been achieved for the third quarter.

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 individual cases that were completed by the In-house Team up to the end of the third quarter of 2013/14 relating to Council employees. The listing at



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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 staff-related whistle blowing referral was made.

14.2 Within the third quarter, twelve new cases relating to permanent and temporary employees were referred to Internal Audit. Eight 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. 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 2013, 116 new referrals of suspected tenancy fraud have been received by the team during 2013/14. Together with 57 cases brought forward from 2012/13, this gives a current total of 173 referrals (148 received in total during 2012/13) and Table 2 below summarises the source of these referrals:

Table 2

Referrals Received From:	Number
Brought forward 2012/13	57
Tenancy Management Officer	71
Fraudcall (email and freephone telephone)	25
Members of the Public	3
National Fraud Initiative	1
Other Local Authority	2
Haringey Staff	13
Home Office	1
Total	173

14.5 During 2013/14 and up to the end of the third quarter, twenty five Haringey properties have been recovered in total, plus seven applications for Succession, or Grant of Tenancy, refused on evidence of ineligibility, so the tenancies can be allocated to tenants in accordance with the Council's lettings policy. Sixty five cases have been closed where no fraud has been identified and there are 76 ongoing investigations.

14.6 The section also works closely with the Council's key Registered Providers to target and investigate housing and tenancy fraud in joint working with Registered Provider staff. As at 31 December 2013, 37 new referrals of suspected tenancy fraud have been received and together with 29 cases brought forward from 2012/13, this gives a current total of 66 referrals to date.



14.7 As a result of the joint working, sixteen Registered Providers' properties have been recovered in the year to date. Investigations have been closed in five cases with no fraud identified and are ongoing in 45 cases.

14.8 In December 2013, the team recruited two temporary members of staff to assist with the investigation and recovery of fraudulent and ineligible tenancies. These staff are both internal secondments to the corporate anti-fraud team and are being funded from the specific central government grant provided to support the tenancy fraud work.

15. Housing Benefit Fraud Investigation

15.1 During the third quarter, the HB Fraud team completed investigations on seven new benefit fraud cases and submitted these for prosecution at crown court via Legal Services, giving a total of twenty seven cases submitted in the year to date. Four cases submitted by the team to the DWP for joint prosecutions in 2011/12 are still to be heard. There are also seven cases with outstanding warrants which the team chase up on a regular basis.

15.2 The team achieved ten successful prosecutions during the quarter and eleven to date, with a total overpayment value of £271.2k, although only £4.4k has been recovered to date. The team has an annual target of 30 prosecution cases for 2013/14, and this target is expected to be achieved.

16. Council-wide disciplinary statistics

16.1 Appendix C details the number of disciplinary suspensions and/or action taken in the third quarter of 2013/14. The data is taken from SAP and the information has been provided by the HR business unit in line with Council statistics reported elsewhere.

16.2 During the quarter, the number of disciplinary cases investigated was 31, with 14 remaining 'open' at the end of the quarter. The average length of time taken to resolve disciplinary cases in the quarter was 58 days, which is a decrease of 20 days on the previous quarter's average. Internal Audit has not completed any further verification on the information provided by HR for this appendix.

17. Consultants information

17.1 Appendix D details the consultants employed by the Council during the third quarter. The data is taken from SAP and the information has been provided by the HR business unit. Internal Audit has not completed any further verification on the information provided by HR for this appendix.

**Internal Audit
Quarter 3 Internal Audit Report
2013/14
London Borough of Haringey**

**Deloitte & Touche Public Sector Internal Audit Ltd.
January 2014**

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Executive Summary

Introduction

This is our third quarter report to the Corporate Committee for the 2013/14 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 Corporate Committee.

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

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

Key Highlights/Summary of Quarter 3 2013/14 – Final Reports issued:

2013/14 Internal Audits finalised in the quarter:

- Pan-London (Major) Equipment Service;
- Pan-London Prescription (Minor Equipment) Service;
- Temporary Accommodation Procurement Processes;
- Housing Benefits Cap;
- Data Quality;
- 14-19 Provision; and
- Commercial Property.

Delivery of 2013/14 Internal Audit Plan

As part of the delivery of the 2013/14 Internal Audit Plan, we have also issued draft reports for the following audits:

- Active Directory User Security;
- Parking Services – Residents Permits and Visitors Vouchers;
- Children remanded into Custody and Care;
- Housing in Multiple Occupation – Licensing Arrangements; and
- Social Fund.

Follow Up of Prior Years' Recommendations

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

2011/12

Three recommendations remain outstanding; work is ongoing to address these.

2012/13

To date we have followed up 41 recommendations raised in 2012/13 and the results of our work are as follows:

- Implemented – 40 (97.5%);
- In Progress or partly implemented – 1 (2.5%);

As part of the 2013/14 Internal Audit Plan, we will continue to complete a follow-up of the 2012/13 recommendations throughout the financial year. The findings will be reported in our quarterly report to the Corporate Committee.

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2013/14

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Audit Progress and Detailed Summaries

The following table sets out the audits finalised in Quarter 3 of 2013/14 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
2013/14							
Pan-London (Major) Equipment Service	August 2013	11/10/13	Substantial	N/A	1	2	0
Pan-London Prescription (Minor Equipment) Service	August 2013	11/10/13	Substantial	N/A	0	3	0
Temporary Accommodation Procurement Processes	Sept. 2013	05/11/13	Substantial	N/A	0	2	0
Housing Benefits Cap	Sept. 2013	21/11/13	Substantial	N/A	0	1	0
Data Quality	August 2013	11/12/13	Substantial	↔	0	1	1
14-19 Provision	September 2013	11/12/13	Limited	N/A	4	4	0
Commercial Property	October 2013	11/12/13	Substantial	N/A	1	3	1

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As part of the 2013/14 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
2013/14						
Stroud Green Primary School	June 2013	05/11/13	Limited	5	14	2
Earlham Primary School	June 2013	05/11/13	Nil	13	17	0
Ferry Lane Primary School	June 2013	05/11/13	Limited	5	11	0
Stamford Hill Primary School	June 2013	07/11/13	Limited	4	10	4
Alexandra Primary School	September 2013	21/11/13	Substantial	0	7	1
Northumberland Park Community School	September 2013	11/12/13	Limited	6	6	1
Hornsey School for Girls	November 2013	20/12/13	Substantial	1	5	1

As part of the 2013/14 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.

- Lancasterian Primary School.

Audit area	Scope	Status/key findings	Assurance
<p>14-19 Provision 2013/14</p>	<p>CHILDREN & YOUNG PEOPLE'S SERVICE</p> <p>Audit work was undertaken to cover the following areas:</p> <ul style="list-style-type: none"> • Governance; • Compliance with statutory and local requirements; • Duty of the service to secure adequate and suitable education and training opportunities; • Information management and data sharing arrangements; • Formal arrangements with providers; • Income and expenditure; and • Monitoring and reporting review. 	<p>Weaknesses in the system of internal controls are such as to put the client's objectives at risk.</p> <p>The key findings are as follows:</p> <ul style="list-style-type: none"> • As at 9 September 2013, a structure for the Raising the Participation Age (RPA) Team had not been agreed by the Project Management Group, although the Project Initiation Document (PID) specifies its completion by September 2013. • The PID for the RPA dated 30 May 2013 details the Council's responsibilities in relation to the Education and Skills Act 2008. Although the Project Manager forwarded the PID to the Project Sponsor and the Assistant Director of CYPS, neither the PID nor other guidance explaining the Council's responsibilities arising from the Act had been circulated amongst the Project Management Group (PMG) and proposed RPA Team. • The PMG and Project Group meetings are not formally minuted. • In six of the ten cases of post-16 young people sampled, there were no supporting documents or audit trails on the IYSS Client Caseload Information System (CCIS) to reflect their current activities. In three of these instances, the users were employed by the Council. • For a sample of ten post-16 young people sampled, the information recorded on the IYSS Client Caseload Information System (CCIS) did not reflect their current activities, destinations and/or guarantees. For nine of these cases, a review date had not been recorded and in the remaining case the review date was recorded at the end of a destination for which they did not have a guarantee. Furthermore, in all ten instances the records were not classified as 'not known'. • Welfare Call collects data on behalf of the Council via their 'Client follow up, Support Programme Data Protection Agreement'. However, a signed copy by the parties could not be provided for examination. We also established that the Agreement referred to 2002, with no formal extensions having been agreed. Furthermore, examination of the Agreement template established that it did not 	<p>Limited</p>

Audit area	Scope	Status/key findings	Assurance
		<p>specify:</p> <ul style="list-style-type: none"> o itemised costs for the service; o performance indicators; o penalties and incentives in accordance with the actual performance achieved; and o the requirement for them to use the Haringey Youth Community and Participation Service Script which we were informed is expected. <ul style="list-style-type: none"> • We were informed that the Council had informally agreed to partner and share information with various providers of post-16 education, employment and training; however, none had been executed by way of formal partnership and information sharing agreements. Furthermore, we were informed that providers of education for under-16s were in no way obliged to share information regarding the activities of young people. • We established that reports of progress against the RPA Strategic Plan had not been produced. <p>As a result of our audit work we have raised four Priority 1 and four Priority 2 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"> • The current activity review dates of young peoples' records on the CCIS system should be assigned in accordance with the Department for Education's 'Management Information Requirement from the Client Caseload Information System' guidance. • The agreement between the Council and Welfare Call should be executed in accordance with the expected service provision. This should include itemised costs and performance indicators together with any penalties or incentives that would act to deter poor quality services. • Partnership and information sharing agreements should be proposed to all known providers of education, employment and training. Any existing informal agreements to partner and share information should 	

Audit area	Scope	Status/key findings	Assurance
		<p>be executed formally.</p> <ul style="list-style-type: none"> • Reports of progress against the RPA Strategic Plan should be produced and presented to the Project Management Group, Project Group and RPA Team for review and further action, where appropriate. <p>The Priority 2 recommendations are as follows:</p> <ul style="list-style-type: none"> • The RPA Team structure should be formally agreed and presented to the Project Management Group for review and approval. Evidence of this should be documented in the relevant meeting minutes. • The PID for the RPA or other guidance regarding the Council's responsibilities in relation to the Education and Skills Act 2008 should be circulated amongst the Project Management Group and the proposed/agreed RPA Team. • Meetings held by the Project Management and Project Groups should be formally minuted with actions agreed and assigned to relevant owners. The minutes should be agreed and signed off at the subsequent meeting and progress on agreed actions should be continuously monitored until completion. • Haringey Team Leaders and Practitioners should be required to detail and, where possible, evidence the source of the information that they use to record the activities and destinations of young people in the CCIS. 	

Detailed Progress Report – Outstanding Recommendations 2011/12

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
CORPORATE RESOURCES – KEY FINANCIAL SYSTEMS				
Accounts Receivable (Sundry Debtors)				
1	<p>The Debt Recovery procedure should be reviewed and amended, where required. The review should include an assessment of required timescales within the debt recovery process.</p> <p>Following the review, the Debt Recovery procedure should be formalised and implemented and should include KPIs for the Debt Recovery process.</p> <p>Periodic sample checks should be completed to confirm compliance with the procedure and the KPIs.</p> <p>This recommendation incorporates and re-raises the 2010/11 recommendation.</p>	2	September 2011	<p>Partly Implemented <i>Management Update March 2013:</i> The draft procedures were published to reflect the move to a Corporate Debt Management (CDM) structure and described the proactive collections activity being undertaken to achieve collection.</p> <p>In terms of the SAP dunning process, which includes the 30 day timescales, the “as is” position was adopted into the revised procedures as this requires amendments to the SAP system. Given the current restrictions in place on SAP development this will be addressed as part of the OneSAP project.</p> <p><i>Revised Deadline:</i> 31 December 2013</p> <p><i>Management Update 8 January 2014:</i> ‘We have identified a problem with the Dunning process which is an integral part of the Debt Recovery process. Following discussion we will amend the Debt Recovery process to reflect best practice and commission work to get the Dunning process to reflect the Debt Recovery process.’ We will complete an amended process by end of March 2014’.</p>

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
PROCUREMENT AUDIT				
HAYS Resource Management				
2	<p>The HR team should request that HAYS Resources:</p> <ul style="list-style-type: none"> • Disclose the hidden information supporting the graphs within the monthly Headline Report; • Incorporate the job position numbers into the Headline Report; and • Ensure agency release forms are not processed without the job number included. 	2	October 2011	<p>In Progress</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 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</p>

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Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
				<p>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>Human Resources Update August 2013</p> <p>The contract has been awarded to Hays. Discussions are scheduled to start mid September to plan the implementation of the Hays 3SS system. Revised deadline: September 2013</p> <p>HR Update October 2013:</p> <p>The Hays 3SS system is in the process of being implemented and is expected to go live on 18 November 2013. We will need to wait until the system is running before starting to address the issues raised in the recommendation, including inclusion of the relevant information in the reports. We plan to meet with Internal Audit in Mid January 2014 to discuss this and we will then provide an indication of the timescale for the full implementation of the recommendation.</p>
3	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>In Progress</p> <p>HR Update October 2013</p> <p>As above</p>

Follow Up Table – 2012/13 Audit Work

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					
Corporate Resources – Key Financial Systems																		
Accounts Receivable	Substantial	0	2	0	2	0	2	0	2	0	2	0	2	0	0	0	0	0
Revenues, Benefits & Customer services Integration	Substantial	0	1	0	1	0	1	0	1	0	1	0	1	0	0	0	0	0
Corporate Resources – Procurement																		
Contract Monitoring Procedures	Substantial	0	3	0	3	0	3	0	3	0	3	0	3	0	0	0	0	0
Use of 'Compete For' Portal & Quotation Process	Substantial	0	2	1	3	0	2	1	3	0	2	1	3	0	0	0	0	0
Place & Sustainability																		
Haringey Public Mortuary	Limited	3	5	1	9	3	5	1	9	0	3	5	1	9	0	0	0	0
Parking Services: Car Pound	Substantial	0	1	0	1	0	1	0	1	0	1	0	1	0	0	0	0	0
Illegal Money Lending	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adult and Housing Services																		
Homelessness Assessment Processes	Substantial	0	1	1	2	0	1	1	2	0	1	1	2	0	0	0	0	0
Decent Homes Programme	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adult & Housing Risk Register Testing	Full	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Therapy Service	Substantial	0	1	0	1	0	1	0	1	0	1	0	1	0	0	0	0	0
Court of Protection and Deputyship	Substantial	0	2	1	3	0	2	1	3	0	2	1	3	0	0	0	0	0
Chief Executive – People and Organisational Development																		
Declarations of Interest	Limited	1	2	0	3	1	2	0	3	0	1	2	0	3	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		
Gifts and Hospitality	Limited	1	2	1	4	1	2	1	4	0	0	0	0	0	0
Data Quality	Substantial	0	1	0	1	0	0	0	0	0	0	1	0	0	0
Health & Safety	Limited	3	3	0	6	3	3	0	6	0	0	0	0	0	0
Public Health															
Smoking Cessation Programme	Substantial	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health Checks Programme	Substantial	0	2	0	2	0	2	0	2	0	0	0	0	0	0
Total		8	28	5	41	8	27	5	40	0	0	1	0	0	0

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 2012/13

Ref	Recommendation	Priority	Original Implementation Deadline	Progress/Status
CHIEF EXECUTIVE				
Data Quality				
1	The Data Quality Policy should be reviewed annually, updated where necessary and made available to staff. Evidence of this should be retained e.g. through the use of version control.	2	7 September 2012	<p>In Progress</p> <p>The Performance Manager has confirmed that while work has been undertaken to review the Data Quality Policy, this has not yet been completed due to the service waiting on the results of the Government consultation on transparency which it expected to incorporate within policy, and the requirement to complete Children Service statutory returns by the end of July 2013. The results of the Government review are expected to be produced soon, and following this, it is anticipated that the policy will be updated by the end of September 2013. Revised deadline 30 September 2013.</p> <p>Management Update October 2013:</p> <p>The Data Quality policy has been updated to take account of changes since 2012. It references that following publication of the Government Consultation by CLG expected sometime in the Autumn that our approach to data transparency will be outlined in a Data Transparency Policy statement. The DQ Policy has been scheduled to go to the next Information Governance Board for approval but in the meantime will be published on Harinet and made available to staff. The dates of review and approval of the Policy will be recorded and updated on the latest version of the Policy before publication. Timescale: Policy updated by 17/10/2013, to be approved by Information Governance Board at their next meeting and published on Harinet by 31/10/2013.</p> <p>Management Update 7/1/2014:</p> <p>The updated policy is now expected to be approved on 24/1/2014.</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 2014

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APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/03/13- 31/03/14 & B/F FROM 2012/13

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/2013	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Assistant Chief Executive	Allegation of running a private business in work time	1	1	1	Dismissed	
Children and Young People's Service	Allegation of Benefit Fraud	5	5	5	2 x Final Written Warning 2 x Dismissal 1 x Pending Disciplinary Action Employee Resigned	£108,160
	Allegation that right to remain in the UK has expired	1	1	1		
Adults and Housing	Allegation of contribution to irregular benefit claim	1	1	1	Dismissed Appeal Lodged	
	Allegation of Irregular Time Keeping	1	1	1	Standard Setting to be undertaken	
	Allegation of running a private business in work time	1	1	1	Disciplinary Action Pending	

APPENDIX B

IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/03/13- 31/03/14 & B/F FROM 2012/13

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 31/12/2013	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Place and Sustainability	Allegation that right to remain in the UK has expired	3	1	1	Dismissed	
	Allegation of use of irregular parking permits	3	3	3	Dismissal upheld at appeal 1 x Employee Resigned 2 x Disciplinary Action Pending	
Strategy and Performance	Allegation that employee submitted irregular timesheet	1	1	1	Employee resigned	
TOTAL		17	15	15		£108,160

Haringey Council – Corporate Committee

Disciplinary Case Analysis October 2013 to December 2013

Introduction

The information in this report is taken from SAP, covering the period October 2013 – December 2013.

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
Strategy & Performance	SP
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 September 2012*)

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	4	9	8
C	4	5	9	6
CE	0	1	1	1
CR	0	0	0	0
PH	0	0	0	0
PS	5	6	11	10
SP	0	1	1	1
Total	14	17	31	26

Please note that the total number of cases is **31**, but this only represents **26** 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.

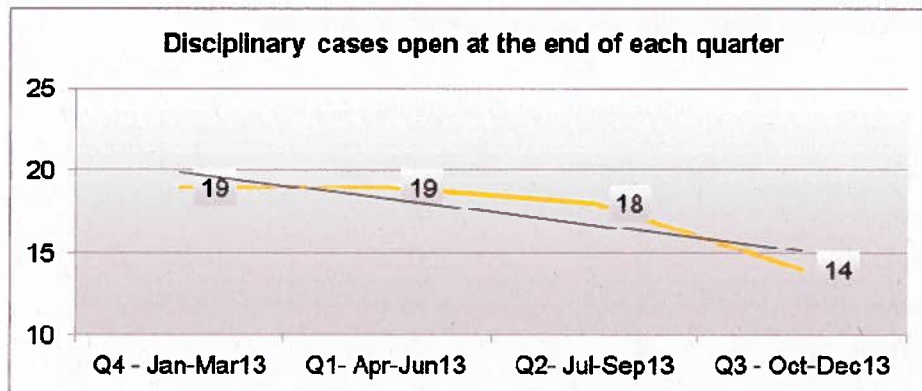
- **Adults & Housing** has the highest percentage of disciplinary cases against its workforce at **1.2%** in this quarter

The following table looks at the stages of Disciplinary cases.

Stages of Disciplinary Cases				
Stage	Cases Open	Cases Closed	Total	%
Invest. - not suspended	2	2	4	13
Invest. - suspended	8	10	18	58
ET	1	0	1	3
Appeal	3	5	8	26
Total	14	17	31	100

- **14** cases remain 'open' at the end of this quarter compared to **18** cases in the previous quarter

The following graph looks at the number of disciplinary cases open each quarter.



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

Disciplinary Case Outcomes						
Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Compromise agreement	0	0	0	0	0	0
Dis. Appeal Dismissed	0	0	2	0	2	12
Dis. Appeal Part Upheld	0	0	1	0	1	6
Dis. Appeal Upheld	0	0	2	0	2	12
Dis. Appeal Withdrawn	0	0	0	0	0	0
Dis. Dismissal	0	2	0	0	2	12
Dis. ET Dismissed	0	0	0	0	0	0
Dis. ET Withdrawn	0	0	0	0	0	0
Dis. Final Written Warning	0	1	0	0	1	6
Dis. No Action	1	2	0	0	3	18
Dis. Other	0	0	0	0	0	0
Dis. Relegation/Demotion	0	0	0	0	0	0
Dis. Resigned	0	3	0	0	3	18
Dis. Verbal Warning	0	0	0	0	0	0
Dis. Warning & Sanction	0	1	0	0	1	6
Dis. Written Warning	1	0	0	0	1	6
Escalated to next stage	0	0	0	0	0	0
Suspension Lifted	0	1	0	0	1	6
Total	2	10	5	0	17	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	0	0	0	0
Behaviour	2	10	12	39
Fraud / Theft	4	3	7	23
Misuse of resources	1	0	1	3
Negligence	3	2	5	16
Other	3	2	5	16
Total	14	17	31	100

- The highest cause for disciplinary action was for **Behaviour** at **39%** and **Fraud/Theft** at **23%**

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

Disciplinary Case employee representation by Ethnicity and Gender						
Ethnic Class	Female		Male		All	
	Total	%	Total	%	Total	%
B A M E	10	48	11	52	21	81
White	2	50	2	50	4	15
Not Declared	1	100	0	0	1	4
Total	13	50	13	50	26	100

- **32%** of the workforce is male, but the male representation with disciplinary cases is higher at **52%**
- **37.8%** of the workforce is female BAME, but the female BAME representation with disciplinary cases is at **48%**

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

Disciplinary Case employee representation by Ethnicity and Grade Band (T = Total no. in grade band, WF = % of total disciplined employees)													
HGY	Ethnic Group	SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
	B A M E	9	36	5	20	5	20	2	8	0	0	21	84
	White	3	12	1	4	0	0	0	0	0	0	4	16
	Total	12	48	6	24	5	20	2	8	0	0	25	100

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

Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases	
Case status	Total
No. of cases heard	10
No. of cases not concluded	8
No. of cases not concluded - leaver	0
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.

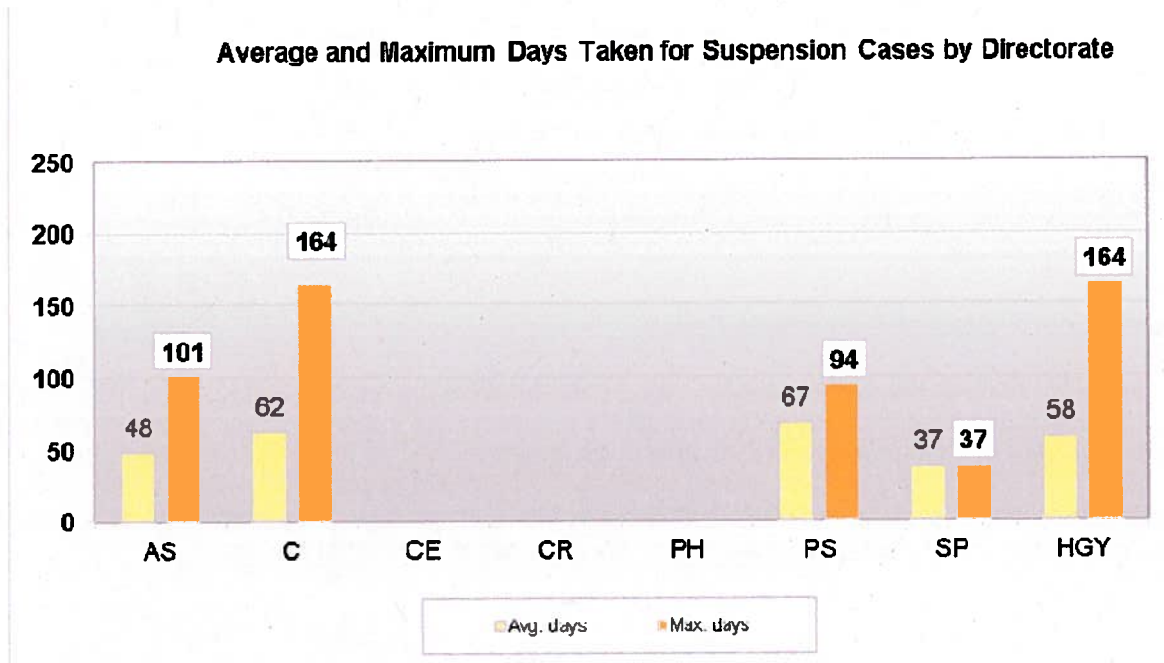
The table also identifies by directorate, the average number of days suspension for all cases, the maximum days for a single case and the number of cases heard within that period.

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	1	0	0	0	5	239	48	101	2
C	5	1	1	0	0	7	432	62	164	5
CE	0	0	0	0	0	0	0	0	0	2
CR	0	0	0	0	0	0	0	0	0	0
PH	0	0	0	0	0	0	0	0	0	0
PS	2	3	0	0	0	5	333	67	94	2
SP	1	0	0	0	0	1	37	37	37	1
HGY	12	5	1	0	0	18	1041	58	164	10
Total cases closed	7	2	1	0	0	10				

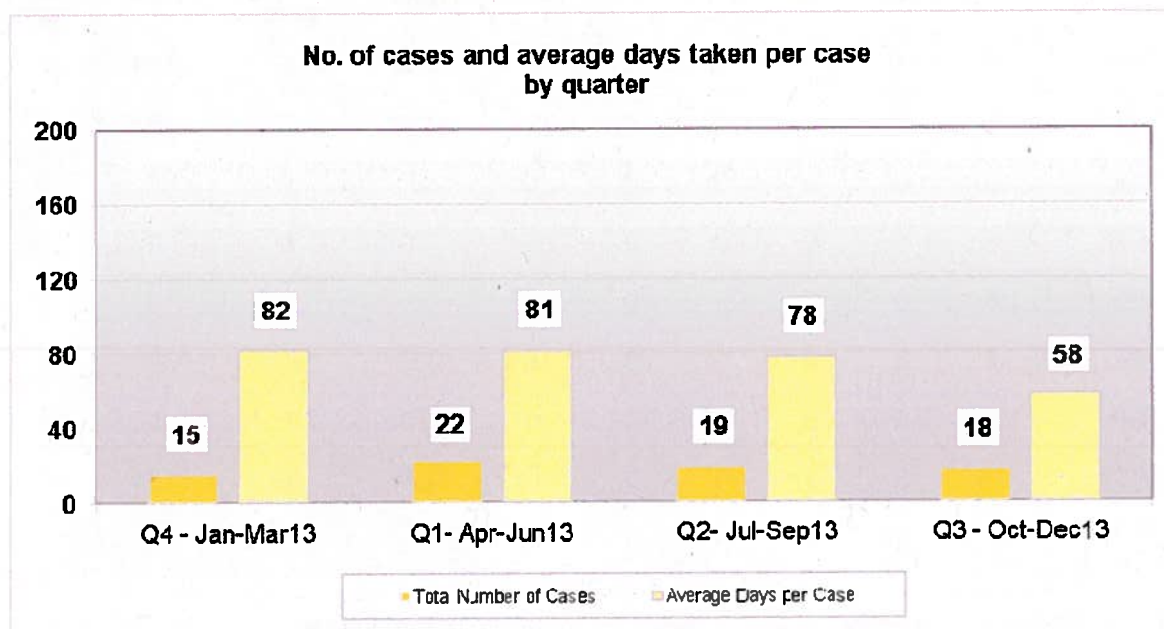
On average, 58 days were spent on each suspension case within the quarter.

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 58 with a total of 18 cases. 8 of these cases remain open at the end of Quarter 3.

Dir	Business unit	Status	Start date	Original End Date	Revised End date	Actual End Date	Leaver Y/N	name of consultancy / agency or if applicable mark 'Self Employed'	Daily Rate	Days per week	Funding from Revenue, Capital, or Grant	Reason for engagement & benefits
CYPS	PEI	Consultant	31/05/2012	30/03/2013	31/03/2014			Self Employed	£350 +£20.00 travel	2	Revenue	2012-13 developed places for 2 Year Old programme from 2013 -14 leads on improving quality for 2 year olds places
CYPS	PEI	Consultant	21/02/2013	30/08/2013	28/02/2014			Amso Recruitment Agency	£630	2 to 4	Revenue	Assist with preparing Youth, YOS and Alternative Provision to move to a commissioning approach.
CYPS	PEI	Consultant	03/07/2013	27/09/2013	31/03/2014			Amso Recruitment Agency	£595	2	Capital	To review the YOS and prepare them for the regulatory inspection. Extended to end March 2014 to provide additional support pending recruitment.
CYPS	PEI	Interim	01/07/2013	04/10/2013	31/03/2014			Self Employed	£460	5	Revenue	Head of Youth and Community Participation
CYPS	PEI	Consultant	01/09/2013	31/07/2014				Self Employed	£32,000 in total	5	Revenue	Manage and run the Unity Radio project
CYPS	School Standards & Inclusion -	Interim	01/07/2013	31/12/2013	31/03/2014			Penna Recruitment Agency	£600	5	Revenue	Interim head of Schools HR
CYPS	Children & Families	Interim	01/09/2011	31/03/2014				Self Employed	£500	5	Revenue	School Improvement Advisor
CYPS	Children & Families	Interim	29/04/2013	31/03/2014				Sanctuary Personnel Ltd	£518	5	Revenue	Interim cover for HoS Commissioning & Placements (Adoption & Fostering)
CYPS	Children & Families	Consultant	27/08/2013	26/11/2013	31/03/2014			Self Employed - Wardell Associate Ltd	£250	2.5	Revenue	LCSB Policy Officer - additional resource required to complete work within deadlines.
CYPS	Children & Families	Consultant	01/06/2011	31/12/2013		waiting for confirmation of new end date		Self Employed	£245	1 to 2	Revenue	Independent assessor supporting Adoption team in the assessment of relatives and foster carers as Special Guardians and prospective adopters
CYPS	Children & Families	Consultant	01/06/2011	31/12/2013		waiting for confirmation of new end date		Self Employed	£245	1 to 2	Revenue	Independent assessor supporting Adoption team in the assessment of relatives and foster carers as Special Guardians and prospective adopters
CYPS	Children & Families	Consultant	19/09/2013	30/01/2014	30/03/2014			Agency - iPeople	£650 - £850 wef 01/01/2014	5	Revenue	Capacity - to work on Orsted Readiness. Interim QA AD wef 01/01/2014
CYPS	Children & Families	Consultant	04/11/2013	30/04/2014				Agency - Hamptons	£664	5	Revenue	Interim DD Early Years, Early Help
CYPS	Children & Families	Consultant	11/12/2013	30/05/2014				Agency - iPeople	£750	5	Revenue	Capacity - to work on Orsted Readiness following transfer of ER to Interim QA AD
CYPS	Children & Families	Consultant	19/11/2013	30/05/2014				Agency - iPeople	£484	5	Revenue	Capacity - to work on Quality Assurance.
CE	BLT	Consultant	01/12/2011	30/11/2013	31/10/2014 - New contract in process of being drawn up.			Self Employed	£432	as & when	Revenue	Works on an occasional basis only. Monitors our HB Subsidy claim and advises on areas where we can further increase our income through subsidy.
CE	BLT	Consultant	01/09/2012	31/03/2014				Indigo Edge Management Consultancy Agency	£500	2	Revenue/Grant	Project Manage the Welfare Reform Programme
CE	BLT	Consultant	01/09/2012	31/03/2014				Indigo Edge Management Consultancy Agency	£500	2	Revenue/Grant	Project Manage the Welfare Reform Programme
CE	HR	Interim	05/08/2013	31/05/2014				Penna Recruitment Agency	£730	5	Revenue	Interim Head of HR
CE	HR	Consultant	30/09/2013	30/06/2014				Penna Recruitment Agency	£560	5	Revenue	Policy review Case management Change and Restructure of HR/OD Gaps in strategic HR capability
CR	Corporate Finance	Interim	01/03/2012	29/02/2014				CIPFA	£595	4	Revenue	Interim Head of Corporate Finance - covering vacancy
CR	Corporate Finance	Interim	12/12/2012	04/10/2013	28/02/2014			Allan Lana Interim Recruitment Agency	£300	5	Revenue	Senior Capital Accountant

Dir	Business unit	Status	Start date	Original End Date	Revised End date	Actual End Date	Leaver Y/N	name of consultancy/ agency or if applicable mark 'Self Employed'	Daily Rate	Days per week	Funding from Revenue, Capital, or Grant	Reason for engagement & benefits
CR	Corporate Finance	Interim	05/11/2012	31/01/2014				CIPFA	£495	4.5	Revenue	Interim Head of Finance (CYP) - covering vacancy
P&S	Director	Consultant	27/05/2013	31/12/2013	31/03/2014			Penna Recruitment Agency	£800	4	Revenue	Overseeing economic growth strategy for borough. Review HALS: Help develop Council's approach to housing investment & renewal
P&S	Director	Consultant	27/05/2013	27/06/2014				Gatenby Sanderson Recruitment Agency	£855	4	Revenue	To develop a strategy to set out Haringey's housing regeneration approach
P&S	Corporate Property Services	Consultant	01/11/2008	30/09/2013	new contract being drawn up wtd 4/01/2014 to 30/09/2014			Self Employed: Property Design & Consultancy Ltd	£450	2	Capital	Specialist property skills, advice and support related to Spurs project and 639 High road
P&S	Corporate Property Services	Consultant	01/10/2011	30/09/2013	new contract being drawn up wtd 4/01/2014 to 31/12/2014			Self Employed: Simon Consultancy	£380	3	Revenue	Assist with priority work streams of the Haringey Property review and provide strategic advice.
P&S	Single Frontline Services	Consultant	05/05/2007	31/03/2014				Penna Recruitment Agency	£290	3	Revenue	Provides specialist advice and support for software (Confirm), building asset database, IT solution for NAT and training team. Mobilisation of Highways contract and mobile working support.
P&S	Single Frontline Services	Interim	13/08/2012	30/09/2014				Gatenby Sanderson Recruitment Agency	£600	5	Revenue	Provide strategic lead for Community Safety within Haringey and establish a revised structure. Advert out for post interviews planned for end of September- Head of Community Safety post 59214075
P&S	Single Frontline Services	Interim	07/05/2013	30/04/2014				Ogden Interim Recruitment Agency	£600	5	Revenue	Backfill parts of AD SFL post: Traffic Management, Neighbourhood Action Team, Regulatory Services post 50011230
P&S	Single Frontline Services	Consultant	24/06/2013	31/12/2013	contract in process of being extended to 31/03/2014			Gatenby Sanderson Recruitment Agency	£380	5	Revenue	As part of the Community Safety Review this area of work was identified as a significant gap and it is intended to create a role as part of the proposed revised Community Safety Structure. This is planned to be consulted on during Aug / Sept with planned implementation in October, permanent filling of the role will depend on availability of successful candidate.
P&S	Planning, Regeneration & Economy	Consultant	15/01/2009	31/03/2014				Penna Recruitment Agency	£675	2 to 3	Revenue	To supply Planning and Regeneration Services
CE	Resources	Interim	02/12/2013	02/10/2014				Penna Recruitment Agency	£1,050	5	Revenue	Interim Chief Operating Officer.
P&S	Economic Development	Consultant	04/11/2013	31/03/2014				Penna Recruitment Agency	£618	3	Revenue	The Economic Development services is being reviewed for restructuring and developing a new approach. The service also needs to develop a new innovative employment programme for 2014/15. Due to workloads there is no capacity to undertake this review with current resource.