



Haringey Council

Agenda item:

[No.]

Audit Committee

On 22 July 2008

Report Title: **Internal Audit Progress Report - 2008/09 Quarter 1**

Forward Plan reference number (if applicable): **N/A**

Report of: **Head of Audit and Risk Management**

Wards(s) affected: **All**

Report for: Non-key decision

1. Purpose

1.1 To inform the Audit Committee of the work undertaken by the Internal Audit Service for the first quarter 2008/09 and reports outstanding from 2007/08,

2. Recommendations

2.1 That the Audit Committee notes the audit coverage and progress during the first quarter 2008/09 and on the reports outstanding from 2007/08.

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

2.3 That the Audit Committee considers whether any further action is necessary to address outstanding priority 1 recommendations.

Report Authorised by: **Chief Financial Officer**

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

Tel: 020 8489 5973

Email: anne.woods@haringey.gov.uk

3. Local Government (Access to Information) Act 1985

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

4. Background

- 4.1 The purpose of this report is to advise the Audit Committee of the audit activity for the first quarter of 2008/09. In addition, the report updates the position on those reports from 2007/08 which remained outstanding at 31st March 2007.
- 4.2 This is the first report presented in the new format which was agreed at the Audit Committee on 24 June 2008. The aim of the revised report is to provide:
- An overall summary of completed reports, providing details of the date when the audit was undertaken; the date of the final report; the assurance level; the direction of travel (providing a comparison against previous years); the number of recommendations made in each of the priority areas; and any further comments;
 - Where a 'limited' or 'no' audit assurance level is indicated, a more detailed summary is included;
 - An overall summary of work completed as part of the work on the Financial Management Standard in Schools (FMSiS);
 - An overall report on the outcome of audit follow up work; and
 - A more detailed summary of progress in management's implementation of the Priority 1 recommendations made.

5. Performance Management Information

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

PI Ref.	Performance Indicator	1 st Quarter	Year to date	Target
A1	Audits completed vs. Planned programme	14%	14%	95%
A2	User satisfaction (1 = low, 5 = high)	3.6	3.6	3.75
A3	Time taken to complete investigations (2007/08 referrals)	16 weeks	16 weeks	12 weeks
A4	Priority 1 recommendations implemented at follow up (2007/08 follow up)	67%	67%	95%

6. Deloitte and Touche

- 6.1 The activity of Deloitte and Touche for the first quarter of 2008/09 to date is detailed at Appendix A. This also includes details of all reports outstanding from 2007/08, which are separately identified. For 2008/09, a total of 14 projects was planned for the first quarter, including school visits. To date, 2 projects have been completed and issued as final reports. A further 4 projects have been completed and draft reports have been issued.

- 6.2 The programme of planned follow up audits is also reported at Appendix A. For follow up work in relation to 2007/08 audits, a total of 20 recommendations have been subject to follow up. Of these, 8 have been implemented including 6 out of 9 priority 1 recommendations. A further 5 are in progress and being implemented and 4 recommendations are no longer applicable. In total, a 50% compliance rate has been achieved, which is higher than previous years.
- 6.3 The work of internal audit and the new reporting requirements to both the Audit Committee and Cabinet, which receive details of all outstanding Priority 1 recommendations as part of the 2008/09 corporate performance reporting arrangements have ensured that managers take greater responsibility for implementing recommendations. The percentage of outstanding priority 1 recommendations from 2006/07 remains high and internal audit will continue to work with managers to ensure these are addressed.
- 6.4 At the previous Audit Committee, further details of all outstanding recommendations reported when the follow up work was undertaken were provided. Since July 2007, work has been ongoing, in conjunction with the Chief Financial Officer, to ensure that Directors were aware of the required actions necessary. As a result, Appendix A also contains a detailed explanation of the status of all priority 1 recommendations from 2004/05 and 2005/06 which were reported as 'not implemented' when the original follow up work was completed.
- 6.5 At the end of 2007/08, there were a total of 8 priority 1 recommendations which had not been implemented from previous years. Of these, which have been agreed by managers, one had now been implemented and the remaining recommendations were in the process of being implemented and a revised deadline for completion has been provided. Directors have been kept informed of progress at all stages and Internal Audit are satisfied that managers are taking appropriate action to address the issues raised in the original recommendations.

7. In-house Team – Fraud investigation/Irregularities

- 7.1 In accordance with the Council's Constitution, Internal Audit investigates all cases that fall outside the remit of the Housing Benefit Fraud Investigation Team and the Information Security Policy. Appendix B details the individual cases that were completed by the In-house Team during the first quarter 2008/09 and brought forward from 2007/08.
- 7.2 Within the first quarter, four new cases were referred to Internal Audit for investigation, and one case was completed during the quarter involving Council employees. The cases investigated during the first quarter covered a number of allegations from fraudulent misuse of grant money and fraudulent overtime claims. During 2008/09, the average length of time taken to investigate all allegations was 16 weeks.
- 7.3 The council has a dedicated email address and telephone number, which is advertised on the Council website, by which members of the public can report instances of suspected fraud or irregularity. The In-house Team manage and monitor these referrals. During 2008/09 to date, two referrals in relation to new allegations were made

via the council's email reporting facility. A further five emails were received. Of these, two related to previous investigations and three were in relation to housing benefit/council tax issues and were referred to the Housing Benefit Fraud Investigation Team. No referrals were made via the telephone reporting facility.

7.4 The In-house Team also investigates claims of non-receipt of Council cheques. In 2008/09 to date, there was one referral for investigation. Improvements in procedures, including the introduction of 'positive pay' whereby the council's banking team receives information on cheques before they are cleared, and new cheque security measures have substantially reduced the level of fraudulent activity in this area. The council has not lost any money, as the fraud was detected and the cheque was not cashed.

7.5 Appendix C details the number of disciplinary suspensions and/or action taken in the first quarter of 2008/09. The data is taken from SAP and the information has been provided in line with council statistics reported elsewhere. In addition, better management information is now available to assist in monitoring and reviewing outstanding cases in order to improve processes across all directorates.

8. In-house Team – other work

8.1 In addition to the investigation of allegations of fraud and financial irregularity, the In-house Team has completed work to provide assurance and an audit certificate on three corporate grant claims: Supporting People; LAA grant; and the GAF grant. Central government and Government Office for London required that each grant was supported by an internal audit certification that the grant monies, which were in excess of £40 million, had been used in accordance with the grant terms and conditions.

8.2 In all cases, internal audit were able to provide the required assurance to the funding bodies. Some control weaknesses were identified, although these were not significant and did not impact on internal audit's overall opinion. Where control weaknesses were identified, action plans have been put in place to ensure that the recommendations made are addressed. In addition, internal audit have been working with service departments and corporate finance to update and re-issue the guidance for managers responsible for grant expenditure.

9. Risk Management

9.1 Members requested that the Audit Committee receive regular information on risk management and progress on implementing the Council's updated risk management strategy. It is proposed that the updates are provided on a quarterly basis as part of the regular progress reporting and that a separate report on risk management work is provided on an annual basis. The annual report on risk management work will include the submission of the corporate risk register for Member review.

9.2 During the first quarter, business units and directorates have been updating their risk registers to reflect the agreed objectives and priorities for the 2008/09 business plans. Appendix D shows the latest position for all Business Units and Directorates as at June 2008. All Business Units have provided copies of the latest version of their risk registers and the directorate risk registers are currently being agreed by the respective management teams. When this is complete, the corporate risk register will be updated and reviewed by CEMB.

**Internal Audit
Quarter 1 Internal Audit Report
2008/2009
London Borough of Haringey**

Deloitte & Touche Public Sector Internal Audit Ltd.
July 2008

Contents

	Page
Executive Summary.....	1
Audit Progress: Quarter 1 - 2008/09.....	2
Audit Progress Report: 2007/08	3
Financial Management Standard in Schools – Assessments and Summary.....	9
Follow-up Tables – 2006/07.....	10
Follow Up Table – 2007/08.....	12
Follow-up of Priority 1 Recommendations - 2004/05 and 2005/06	14
Statement of Responsibility.....	15

Executive Summary

Introduction

This is our first quarter report to the Audit Committee for the 2008/09 financial year including details of all reports which are now at final stage. The report provides information on those areas which have achieved full or substantial assurance and gives an indication of the direction of travel for key systems work which will provide Members with information on how risks are being managed over time. The format of this report is also designed to highlight the key risks facing individual departments and the Council which have been identified during the course of internal audit reviews. A more detailed summary of the limited assurance audit findings is included for information. The report draws together the summary information which is provided on a monthly basis to Members of the Audit Committee. Members of the Committee will also be provided with full copies of our audit reports upon request.

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

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

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

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

Key Highlights/ Summary of Quarter 1 2008/09:

- **Insurance Arrangement Audit**
- **Social Services Establishment Audits**
- **Start of FMSIS audits for second wave of Primary Schools**

APPENDIX A

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

[illegible]

Audit Progress Summary – 2007/08:

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

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

Audit Title	Date of Audit	Date of Final Report	Assurance level	Direction of Travel	Number of Recommendations (Priority)			Comments
					1	2	3	
Payroll & Expenses	Nov 07	02.07.08	Substantial	Strengthened	1	6	0	
Environmental Enforcement System - IT	March 08	02.05.08	Limited	N/A	0	10	2	
SAP BASIS HR & Payroll	March 08	01.07.08	Substantial	N/A	1	10	6	
Fostering	Feb 08	26.06.08	Substantial	N/A	0	3	1	
Children with Disabilities	Feb 08	26.06.08	Substantial	N/A	0	9	0	
Parking Control & Enforcement	Oct 08	04.07.08	Limited	Weakened	0	9	6	

Detailed summaries:

Audit area	Scope	Status/key findings	Assurance
IT SYSTEMS			
Environmental Enforcement System	Audit work was undertaken to cover the following areas and control objectives: • User access structure; • Logical access controls and security configuration of the system; • Input, output and processing controls; • Interfaces; • Audit trail; • Backup procedures; and • Business continuity / disaster recovery arrangements.	Weaknesses in the system are such as to put the system objectives at risk. A number of controls were observed to be operating satisfactorily, some of which are listed below: • A system administrator had been appointed and had received training on the M3PP application; • A unique username and password was required prior to gaining access to the application; • Default passwords were force changed upon first entry and the user was not able to change the new password back to the default password, therefore forcing the user to chose another password known only to themselves; • Users were locked out of the system after three unsuccessful login attempts and required the system administrator to unlock the account before another three login attempts could be obtained; and • With the exception of the issues raised in recommendation 6, the data input controls were found to be operating effectively. Within the system there are weaknesses which put the system objectives at risk. Some of the areas where weaknesses were found are: • Passwords were not a minimum of six characters and did not require a combination of alpha and numeric;	Limited

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2008/09

APPENDIX A

Audit area	Scope	Status/key findings	Assurance
		• There was no ongoing monitoring of unsuccessful logon attempts undertaken; • There were at least 14 generic and 12 Administrator user accounts that had been set up for use within the application; • There were no formal procedures in place for the setting up of user accounts, account maintenance and deactivation of existing users. There were at least three leavers identified that still had active user accounts on the system; • Procedures were not yet in place to ensure that all changes to master data were valid, authorised and checked by a second officer once input to the system; • Data was not always input in a timely manner and as a result data within the application was not always accurate and-up-to date; • Except for one module, it was not possible to run audit trail reports of user actions and therefore Administrator actions were not monitored; and • A draft Disaster Recovery Plan produced in September 2006 had not been finalised and signed off by senior management (although we note that the system is defined as 'not mission critical'). As a result of our internal audit work in this area we have raised ten priority 2 and two priority 3 recommendations which should help to improve the control environment.	
URBAN ENVIRONMENT			
Parking Control & Enforcement	Audit work was undertaken to cover the following areas and control objectives: • Issue of Penalty Charge Notices; • Unregistered Vehicles;	Weaknesses in the system are such as to put the system objectives at risk. A number of controls were observed to be operating satisfactorily, some of which are listed below:	Limited

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2008/09

APPENDIX A

Audit area	Scope	Status/key findings	Assurance
	• Identification of Income Due; • Income Recovery; • On Street Income Collection; • Appeals; • Residents Parking Permits; • Accounting for Income; • Write-Offs; and • Follow up.	• All roads within controlled parking zones were covered in routes set out by Parking Supervisors; • Parking offences were recorded onto hand-held 'HUSKY' devices; • CIVICA system, used for parking enforcement, was checked to hand-held devices once the downloads are complete; • Outstanding debts were appropriately escalated from PCNs, to Notice to Owner after 28 days, to Charge Certificate after a further 14 days, after which a warrant was obtained from Court in order to pass the debt onto the bailiffs; • Complaints were recorded adequately; and • Write-offs were appropriately authorised. Within the system there are weaknesses which put some of the system objectives at risk. The areas where weaknesses were found include: • There was a lack of supervisory monitoring of Parking Attendants; • There were no manual PCN forms for back-up in case of HUSKY device failure; • Records of voided PCNs were incomplete; • Parking Assistants were not aware of persistent evaders as these were not recorded on HUSKY devices; and • There was no regular management review of suspended cases. As a result of our audit work we have raised nine priority 2 recommendations and six priority 3 recommendations which will help improve controls in the area.	

FMSIS Assessments and Summary:

Our work during 2008/09 will involve on checking compliance with the requirements of the Financial Management Standard in Schools (FMSiS).

All Primary, Infants, Junior and Special Schools are to be assessed as to whether they meet the requirements of the standard by 31st March 2010. To achieve this it is planned that these schools will be assessed over the three years as follows:

- 40% of schools by the 31st March 2008;
- 40% of schools by the 31st March 2009; and
- 20% of schools by the 31st March 2010.

Our schedule of visits to Primary Schools in 2008/09 covers 29 schools (43%). Of these, five schools have already been visited. One report has been issued and the school has been assessed as meeting the standard. A report will be issued in July for the other four schools and visits are scheduled to further schools in July and following months. Where schools are assessed as not meeting the standard, in accordance with FMSiS guidance, further time is being allowed to enable schools to provide the required evidence which would ensure that they achieve the standard. We are liaising with relevant Secondary and Primary Schools that have not yet met the Standard to ensure that key recommendations are implemented as soon as possible.

The table below sets out the Primary Schools visited in Quarter 1, where a final report has been issued, and the current status with regards to compliance with the Standard (which is reported as either pass or fail):

Primary School	Date of Assessment	Date of Final Report	Outcome (Pass/Fail)	Comments
The Vale Special School	16.06.08	10.07.08	Pass	

Follow Up 2006/07

AUDIT AREA	Assurance Level	Recommendations												Comments
		Category				Implemented				N/A	Not Imp.	In Progress		
		1	2	3	Total	1	2	3	Total					
Chief Executives.														
Contract and Document Management	Substantial	1	4	1	6	0	1	0	1	0	1	0	1	4
Programme Budget & Budget Control Reporting Independent Challenge	Substantial	1	6	0	7	0	4	0	4	0	3	0	0	0
Equalities	Substantial	0	6	0	6	0	1	0	1	0	1	1	1	3
Partnership Arrangements	Substantial	0	6	0	6	0	4	0	4	0	0	0	0	2
Finance														
Debtors	Substantial	1	5	0	6	0	1	0	1	0	0	4	1	1
Cash Receipting	Substantial	0	5	0	5	0	4	0	4	0	0	1	0	0
Creditors	Substantial	0	4	1	5	0	3	1	4			1	0	0
Treasury Management	Substantial	0	3	0	3	0	2	0	2	0	0	1	0	0
Strategic FM & Budgetary Control	Substantial	0	1	2	3	0	1	1	2	0	0	0	1	1
Payroll & Expenses	Limited	0	9	2	11	0	4	1	5	0	6	0	0	0
Council Tax	Substantial	0	1	1	2	0	1	1	2	0	0	0	0	0
Accounting & General Ledger	Substantial	0	3	0	3	0	3	0	3	0	0	0	0	0
NNDR	Substantial	2	2	0	4	1	2	0	3	0	0	0	1	1
Housing & Council Tax Benefits	Substantial	0	4	3	7	0	3	3	6	0	0	0	1	1
Social Services														
Haringey Integrated Community Equipment Services (HICES)	Limited	4	9	1	14	2	2	0	4	2	5	3	3	3
Temporary Housing Repairs	Substantial	2	5	0	7	0	1	0	1	0	1	3	2	2
Housing Association Leasing Scheme	Limited	6	3	1	10	0	2	1	3	0	0	0	7	7

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2008/09

APPENDIX A

AUDIT AREA	Assurance Level	Recommendations													Comments
		Category				Implemented				N/A	Not Imp.	In Progress			
		1	2	3	Total	1	2	3	Total						
Environment															
Waste Management	Limited	7	7	0	14	5	3	0	8		0	4	2		
Health and Safety-Environmental Services	Limited	3	3	0	6	0	0	0	0		0	1	5		
Parking Control and Enforcement	Substantial	1	4	0	5	0	3	0	3		0	0	2		
Children's Services															
Sure Start: Early Years	Substantial	2	4	2	8	0	1	0	1		2	4	1		
Financial Monitoring of Schools	Substantial	0	3	1	4	0	2	0	2		1	0	1		
Building Schools for the Future – Project Management	Substantial	0	3	1	4	0	2	0	2		1	0	1		
IT Audits															
Email Usage	Substantial	0	3	1	4	0	2	0	2		0	2	0		
Request work															
New Deal for Communities	N/A	6	5	0	11	5	4	0	9		0	0	2		
Total		36	105	17	158	13	53	8	74	11	34	39			

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

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

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

Partly implemented – officers have started implementation of recommendations

APPENDIX A

Follow Up 2007/08

AUDIT AREA	Assurance Level	Recommendations													Comments
		Category					Implemented								
		1	2	3	Total	1	2	3	Total	N/A	Not Imp.	In Progress			
Environment															
Compliance with Procurement Procedures - Streetscene	Substantial	1	5	0	6	0	2	0	2			4	0	0	
CCTV Systems	Substantial	2	2	1	5	1	0	0	1			0	2	2	
Pro-active Anti-fraud – Blue Badges	Limited	6	3	0	9	5	0	0	5			0	1	3	

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

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

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

Partly implemented – officers have started implementation of recommendations

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2008/09

APPENDIX A

Detailed Progress Report - Implementation of Priority 1 Recommendations

Audit Area	Number of Priority 1 Recommendations	Original Implementation Deadline	Progress/Status	Comments/Update
2004/05				
Payroll & Expenses	1	31.03.06	An online process is being developed for Payroll to manage expense claims payments. <i>Deadline: 2008/09</i>	In Progress Representatives of Personnel have already met with Finance staff to begin a review of the expenses being claimed and paid through petty cash. It has highlighted that there are distinct types of expense; a) genuine employee expenses for Travel and Subsistence, b) other business expense (where an employee has purchased something on behalf of the Authority and is re-claiming the cost), c) Agency Workers claiming expenses. The HR Support Team is in the process of preparing new claim forms, one for each of the types mentioned above. At the same time Personnel will be preparing guidance to issue to Managers and employees on the situations and levels of expenses that can be claimed. This will also confirm the need for all claims to be covered by receipts. Following a review of the Resources required there will also be a move towards payment of the Travel and Subsistence type of claim through the payroll and a drive to get Managers to use the Procurement process and P Cards to reduce the need for employees to incur individual expenses.
2005/06				
Sustainability	4	2006	1. Corporate Procurement Strategy and Procurement Policy 2. Sustainable Procurement Procedures <i>Deadline: End December 2008</i> 3. Sample check of environmental checklists completed by Project Managers <i>Deadline: End December 2008</i>	Implemented In Progress A Procurement manual is currently being developed and will be finalised by end of December 2008. In Progress This process will be implemented in line with the Procurement manual currently being developed.

DELOITTE INTERNAL AUDIT - QUARTERLY AUDIT REPORT 2008/09

APPENDIX A

Audit Area	Number of Priority 1 Recommendations	Original Implementation Deadline	Progress/Status	Comments/Update
			4. Sustainability Development Manager to be involved in projects above the threshold value of £500,000 <i>Deadline: End December 2008</i>	In Progress A Sustainability Development Manager has recently been appointed. This process will be implemented in line with the Procurement manual currently being developed.
Telecommunication	1	Dec'06 and Q4 2007/08	Telecommunications Strategy <i>Deadline: 2008/09</i>	In Progress This will be included within the IT Strategy currently in development.
iPlan Application and e-Planning	1	Dec'06 and Jun'08	Improved Logical Access Controls within the e-Planning application. <i>Deadline: September 2008</i>	In Progress Upgrade is currently in progress and system will go live by September 2008.
TOREx Leisure Management System	1	Ongoing/ May 2008	Request to software suppliers to correct the system in order to fully prevent access following repetitive invalid logon attempts <i>Deadline: December 2008</i>	In Progress Requests have been sent to the software suppliers. It is expected that the software will be upgraded by December 2008, in line with the release schedule from the suppliers (normally October) and allowing for upgrade to be operational.

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.

Deloitte & Touche Public Sector Internal Audit Limited

London

July 2008

In this document references to Deloitte are references to Deloitte & Touche Public Sector Internal Audit Limited.

Deloitte & Touche Public Sector Internal Audit Limited is a subsidiary of Deloitte & Touche LLP, which is the United Kingdom member firm of Deloitte Touche Tohmatsu. Deloitte Touche Tohmatsu is a Swiss Verein (association), and, as such, neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu", or other related names. Services are provided by the member firms or their subsidiaries or affiliates and not by the Deloitte Touche Tohmatsu Verein.

©2008 Deloitte & Touche Public Sector Internal Audit Limited. All rights reserved.

Deloitte & Touche Public Sector Internal Audit Limited is registered in England and Wales with registered number 4585162. Registered office: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR, United Kingdom.

APPENDIX B
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/08 - 30/06/2008 & B/F FROM 2007/08

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 30/06/08	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Adult, Culture and Community Services	Allegation of housing fraud B/F	1	1	1	Dismissed Appeal heard – re-engaged ET Lodged	
	Alleged private working whilst off sick	1	1	1	Employee Dismissed	
Corporate Resources	Allegation of irregular overtime claims	1	1	1	Employee Resigned	
Urban Environment	Alleged Irregular housing application B/F	1	1	1	Dismissed Dismissal Upheld at Appeal ET Lodged	
	Alleged Irregular CT & HB claim B/F	1	1	1	Decision Pending Employee Resigned	

APPENDIX B
IN HOUSE AUDIT – IRREGULARITIES INVESTIGATED 01/04/08 - 30/06/2008 & B/F FROM 2007/08

Directorate	Irregularity Type	No. of cases investigated	No. of cases proven at 30/06/08	No. of Officers subject to Disciplinary Investigation	Disciplinary Outcome	Value (£) (if known)
Non-specific	LBH cheques claims of non-receipt	1	N/A	N/A	N/A	£1,040
Total		6	5	5		£1,040

Progress Report Quarter 1 - Risk Register Update Summary

Status as at: June 2008

	Department	Level	Register Title	Date of most recent update	Date copy returned to audit
1	Corporate - CEMB	Corporate	Corporate Register	March 08	4-04-08
2	CE – Policy Performance Partnerships & Communication	Dept	Policy Performance Partnerships & Communication	April 08	25-04-08
3	CE – PPC	BU	Safer Communities	April 08	25-04-08
4	CE – PPC	BU	Neighbourhood Management	April 08	25-04-08
5	CE – PPC	BU	Communications	April 08	25-04-08
6	CE – PPC	BU	Improvement and Performance	April 08	25-04-08
7	CE – Organisational Development	Dept	Organisational Development	June 08	18-06-08
8	CE – OD	BU	Human Resources	June 08	18-06-08
9	CE – OD	BU	Local Democracy and Member Support	June 08	18-06-08
10	CE – OD	BU	Organisational Development & Learning	June 08	18-06-08
11	Corporate Resources (CR)	Dept	Corporate Resources	June 08	3-07-08
12	CR	BU	Legal Services	June 08	30-06-08
13	CR	BU	IT Services	June 08	30-06-08
14	CR	BU	Customer Services	June 08	30-06-08
15	CR	BU	Benefits & Local Taxation	June 08	30-06-08
16	CR	BU	Corporate Finance	June 08	15-06-08
17	CR	BU	Audit & Risk Management	June 08	17-06-08
18	CR	BU	Corporate Procurement	June 08	19-06-08
19	CR	BU	Corporate Property Services	June 08	30-06-08
20	Children and Young People's Service (CYPs)	Dept	Children and Young People's Service	May 2008	28-05-08
21	CYPs	BU	Children & Families	May 2008	28-05-08
22	CYPs	BU	School Standards and Inclusion	May 2008	28-05-08
23	CYPs	BU	Business Support & Development	May 2008	28-05-08
24	CYPs	BU	Change for Children	May 2008	28-05-08

Progress Report Quarter 1 - Risk Register Update Summary

	Department	Level	Register Title	Date of most recent update	Date copy returned to audit
25	Adults Culture and Community Services (ACCS)	Dept	Adults Culture and Community Services	April 08	
26	ACCS	BU	Commissioning & Strategy	June 08	18-06-08
27	ACCS	BU	Adult Services	June 08	18-06-08
28	ACCS	BU	Recreation Services	June 08	18-06-08
29	ACCS	BU	Adult learning, Libraries & Culture	June 08	18-06-08
30	Urban Environment (UE)	Dept	Urban Environment	April 08	
31	UE	BU	Strategic & Community Housing	June 08	24-06-08
32	UE	BU	Frontline Services	June 08	23-06-08
33	UE	BU	Planning Policy & Development	June 08	23-06-08
34	UE	BU	Enforcement	June 08	20-06-08

Disciplinary Case Analysis April 2008 to June 2008

Introduction

The information in this report is taken from SAP, covering the period 01 April 2008 – 30 June 2008.

The data is based on Haringey Council employees who

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

Note that this data excludes:

- Casual or Sessional Workers
- Schools
- Agency Workers

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

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

The procedure aims to:

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

Disciplinary Cases

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

Disciplinary Cases by Directorate				
Directorate	Cases Closed	Cases Open	No of cases	No of employees
AS	11	5	16	14
C	6	5	11	11
CR	3	10	13	12
PO	0	0	0	0
PP	1	0	1	1
UE	7	6	13	13
HGY	28	26	54	51

Please, note that the total number of cases is **54**, but this only represents **51** employees. The reason being, that one employee can have more than one case running concurrently. For example, an employee's dismissal could count as one case and their appeal as another.

- Urban Environment has the highest percentage of disciplinary cases against its workforce at **1.91%**
- **26** cases remain 'open' at the end of this period.

The following table looks at the stages of Disciplinary cases.

Stages of Disciplinary Cases				
Stage	Cases Closed	Cases Open	Total	%
Invest. - not suspended	11	5	16	11
Invest. - suspended	13	17	30	13
ET	2	1	3	2
Appeal	2	3	5	2
Total	28	26	54	28

The following table identifies the outcomes of the 28 cases that were concluded.

Disciplinary Case Outcomes						
Outcome	Invest. - not suspended	Invest. - suspended	Invest. - appeal	Invest. - ET	Total	%
Appeal dismissed	0	0	0	0	0	0
Appeal upheld	0	0	0	0	0	0
Dismissal	1	6	0	0	7	25
No action	3	0	0	0	3	11
Other	0	0	1	2	3	11
Part upheld	0	0	0	0	0	0
Verbal warning	2	0	0	0	2	7
Written warning	4	0	1	0	5	18
Final writ warning	1	1	0	0	2	7
Resigned	0	4	0	0	4	14
Suspension lifted	0	2	0	0	2	7
Relegation/Demotion	0	0	0	0	0	0
Total	11	13	2	2	28	100

- In **18%** of cases the employee received a Written Warning
- **25%** of cases resulted in Dismissal

This table displays reasons for Disciplinary action against employees.

Reasons for Disciplinary Cases				
Reason	Cases Open	Cases Closed	Total	%
Assault	1	1	2	4
Attendance	4	0	4	7
Behaviour	7	12	19	35
Fraud / Theft	9	5	14	26
Misuse of resources	1	0	1	2
Negligence	0	3	3	6
Other	4	7	11	20
Total	26	28	54	100

- The highest cause for disciplinary action was for Behaviour at **35%**

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

Disciplinary Case employee representation by Ethnicity and Gender						
	Female		Male		All	
Ethnic Class	Total	%	Total	%	Total	%
B & M E	23	57.5	17	42.5	40	78.4
White	7	63.6	4	36.4	11	21.6
Total	30	58.8	21	41.2	51	100

- **26.5%** of the workforce is male, but the male representation of the disciplinary cases is significantly higher at **41.2%**

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

Disciplinary Case employee representation by Ethnicity and Grade Band															
(T = Total no. in grade band, WF = % of total disciplined employees in Directorate)															
Dir	Ethnic Group	MANUAL		SC1-SC5		SC6-SO2		PO1-PO3		PO4-PO7		PO8+		TOTAL	
		T	WF	T	WF	T	WF	T	WF	T	WF	T	WF	T	WF
AS	B & ME	1	7.1	3	21.4	3	21.4	1	7.1	1	7.1	0	0.0	9	64.3
	White	1	7.1	2	14.3	1	7.1	1	7.1	0	0.0	0	0.0	5	35.7
	Total	2	14.3	5	35.7	4	28.6	2	14.3	1	7.1	0	0.0	14	100
C	B & ME	2	18.2	2	18.2	4	36.4	1	9.1	1	9.1	0	0.0	10	90.9
	White	0	0.0	0	0.0	0	0.0	0	0.0	1	9.1	0	0.0	1	9.1
	Total	2	18.2	2	18.2	4	36.4	1	9.1	2	18.2	0	0.0	11	100
CR	B & ME	6	50.0	0	0.0	5	41.7	0	0.0	1	8.3	0	0.0	12	100
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	Total	6	50.0	0	0.0	5	41.7	0	0.0	1	8.3	0	0.0	12	100
PO	B & ME	0	0	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	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PP	B & ME	0	0.0	0	0.0	0	0.0	1	100	0	0.0	0	0.0	1	100
	White	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	Total	0	0.0	0	0.0	0	0.0	1	100	0	0.0	0	0.0	1	100
UE	B & ME	0	0.0	4	30.8	1	7.7	3	23.1	0	0.0	0	0.0	8	61.5
	White	0	0.0	3	23.1	2	15.4	0	0.0	0	0.0	0	0.0	5	38.5
	Total	0	0.0	7	53.8	3	23.1	3	23.1	0	0.0	0	0.0	13	100
HGY	B & ME	9	17.6	9	17.6	13	25.5	6	11.8	3	5.9	0	0.0	40	78.4
	White	1	2.0	5	9.8	3	5.9	1	2.0	1	2.0	0	0.0	11	21.6
	Total	10	19.6	14	27.5	16	31.4	7	13.7	4	7.8	0	0.0	51	100

Suspensions

This table shows a summary of suspension cases.

Summary of Suspension Cases	
Case status	Total
No. of cases heard	9
No. of cases not concluded	17
No. of cases not concluded - leaver	4
Total	30

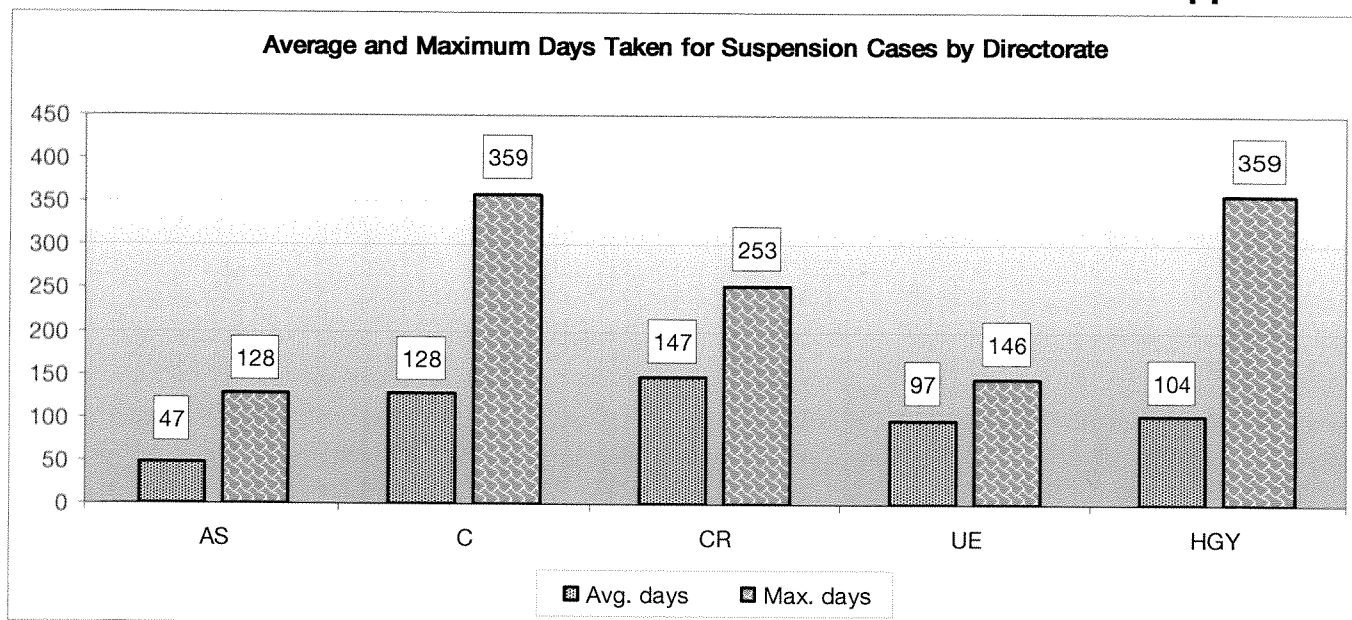
Of the **30** suspensions, **9** cases have been heard.

The table below looks at the **30** suspension cases and identifies the no. of working days each case has taken. If the case has not concluded by the end of the period, the number of working days is calculated from the start date of the current disciplinary stage to the end of the quarter.

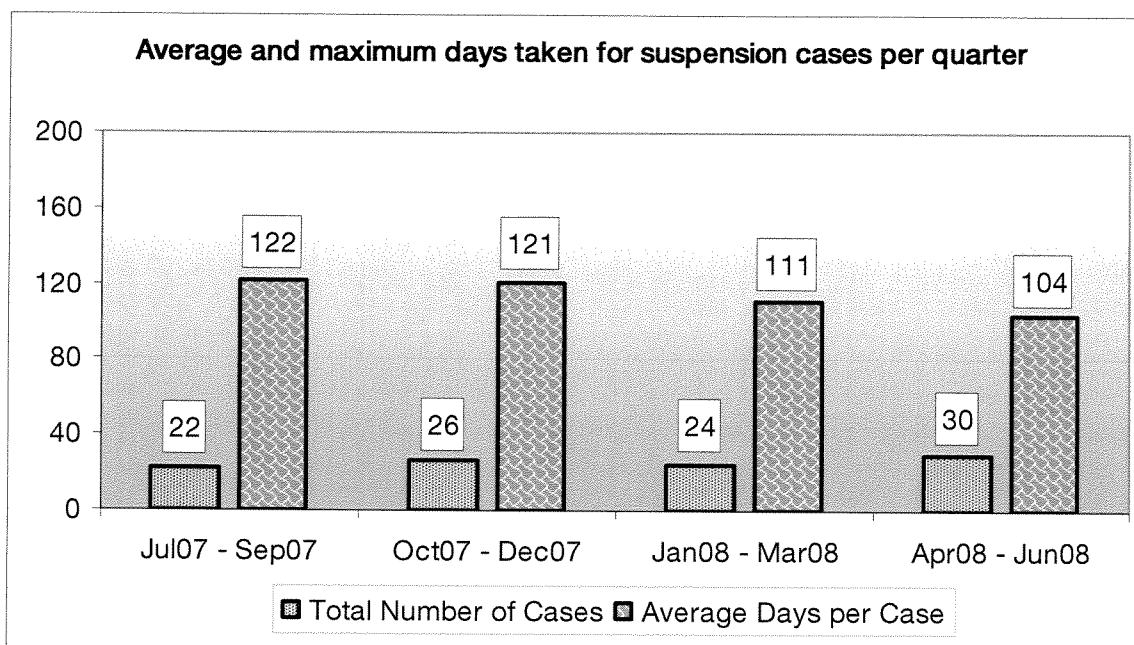
The table also identifies, by directorate, the average number of days suspension and the maximum days for a single case.

Timescales of Suspension Cases										
Directorate	1-60 days	61-120 Days	121-180 days	181-240 days	240+ days	Total cases	Total cases heard	Total no. of days taken for all cases	Avg. days	Max. days
AS	6	2	1	0	0	9	3	426	47	128
C	3	3	0	0	2	8	4	1024	128	359
CR	3	1	0	0	4	8	1	1179	147	253
PO	0	0	0	0	0	0	0	0	0	0
PP	0	0	0	0	0	0	0	0	0	0
UE	1	1	3	0	0	5	1	487	97	146
HGY	13	7	4	0	6	30	9	3116	104	359
Total cases heard	2	3	2	0	2	N/A	N/A	N/A	N/A	N/A

In this quarter, on average, **104** days were spent on each suspension case. This is a further **7** day decrease compared to the previous quarter of **111** days.



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



The average number of days taken per suspension case has fallen further since the last quarter, showing the benefit of the extra scrutiny and focus on management action that is continuously ongoing.

Although this is good and reflects that we have made an improvement from this time last year, the Council still aims to lower the average number of days taken per case to 70 days.