

## NOTICE OF MEETING

# AUDIT COMMITTEE

**Monday, 10th November, 2025, 7.00 pm - George Meehan House, 294 High Road, N22 8JZ (watch the live meeting [here](#) watch the recording [here](#))**

**Members:** Councillors Erdal Dogan (Chair), Cathy Brennan (Vice-Chair), Mary Mason, Isidoros Diakides, Alessandra Rossetti, Sue Jameson and Alexandra Worrell

**Independent Members:** Reyaaz Jacobs and Reene Deba

**Quorum:** 3

### 1. FILMING AT MEETINGS

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the 'meeting room', you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

### 2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items will be considered under the agenda item where they appear. New items will be dealt with under item 7 below).

### 4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and

(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

## **5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

To consider any requests received in accordance with Part 4, section B, Paragraph 29 of the Council's Constitution.

## **6. MINUTES (PAGES 1 - 18)**

To confirm and sign the minutes of the Audit Committee meeting held 22 July 2025 as a correct record.

To review the action tracker.

## **7. 2024/25 EXTERNAL AUDITORS ANNUAL REPORT, INCLUDING VFM REPORT (PAGES 19 - 66)**

For the Audit Committee to consider the draft Auditor's Annual Report from KPMG, which highlights their findings from the on-going audit of the Council's statutory accounts 2024/25, value for money (VFM) risk assessment review and other relevant information.

## **8. TREASURY MANAGEMENT Q1 REPORT 2025/26 (PAGES 67 - 84)**

This report provides an update to the Audit Committee on the Council's treasury management activities and performance for the quarter ending 30<sup>th</sup> June 2025, in accordance with the CIPFA Code.

## **9. INTERNAL AUDIT PROGRESS REPORT (PAGES 85 - 114)**

This report details the work undertaken by Internal Audit in the period 1 April to 31 August 2025 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Forvis Mazars).

**10. ANTI - FRAUD, BRIBERY & CORRUPTION REPORT - QUARTERS 1&2 2025/26 (PAGES 115 - 128)**

This report details the work undertaken by the in-house fraud resources in the Audit and Risk team and communicates a first update on completion of the work plan for 2025/26.

**11. UPDATED CORPORATE RISK REGISTER (PAGES 129 - 142)**

The Audit Committee is asked to note the Corporate Risk Register as at 30 September 2025, attached at Appendix A.

**12. ORGANISATIONAL ARRANGEMENTS FOR PROCUREMENT AND THE PROCUREMENT ACT (PAGES 143 - 154)**

This report provides an update in respect of progress with all internal audit recommendations relating to Strategic Procurement, the current position with the implementation of the changes to ensure compliance with the Procurement Act 2023, which came effective on 24 February 2025, progress on the implementation of the Procurement Modernisation Plan and the newly created Commissioning Modernisation Plan.

Nazyer Choudhury, Principal Committee Co-ordinator  
Tel – 0208 489 3321  
Fax – 020 8881 5218  
Email: [nazyer.choudhury@haringey.gov.uk](mailto:nazyer.choudhury@haringey.gov.uk)

Fiona Alderman  
Head of Legal & Governance (Monitoring Officer)  
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Friday, 31 October 2025

This page is intentionally left blank

## **MINUTES OF THE AUDIT COMMITTEE HELD ON TUESDAY, 22 JULY 2025, 7:00PM – 9:49PM**

**PRESENT:** Councillors Erdal Dogan (Chair), Isidoros Diakides, Cathy Brennan (Vice-Chair), Alessandra Rossetti, Sue Jameson and Alexandra Worrell

**ALSO PRESENT:** Reyaaz Jacobs (Independent Member)

### **1. FILMING AT MEETINGS**

The Chair referred to the notice of filming at meetings and this information was noted.

### **2. APOLOGIES FOR ABSENCE**

Apologies had been received from Independent Member, Reene Deba and Councillor Mary Mason.

### **3. URGENT BUSINESS**

There was no urgent business.

### **4. DECLARATIONS OF INTEREST**

There were none.

### **5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS**

There were none.

### **6. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 11 March 2025 be signed as a correct record.

In relation to the Action Tracker, details regarding the commercial Procurement system implementation was in progress. The service was pulling the information together, but had not sent it to the Committee yet. A reminder would be sent to Procurement.

There were some actions on the tracker which had been duplicated and would be removed. The Head of Audit would meet with the Chair to check for any completed actions and take them off accordingly. There were some long outstanding actions from previous meetings. These actions would be updated with the appropriate people sought for updates.

The Committee had assurances from the Procurement service that the Committee would receive a report. Attempts would be made to circulate the report before the next Audit Committee.

In relation to the cyber matter, on the audit plan for this year, there was a specific review of the Audit Needs Assessment. In terms of process, the new Audit Needs Assessment should inform the IT plan from next year onwards. This would highlight all of the key risk areas and where audit input was most needed. For the next meeting, the Audit Needs Assessment would be submitted so the Committee could see the overarching framework for where the auditors believed the risk areas to be and where that particular audit then sat in amongst all the audit areas in IT. This would provide more assurance that the Council was capturing all the key areas of risk. The background to that particular audit was that it had been initially cancelled.

In relation to Procurement, an update had been provided to the Committee containing detail around what was happening with the procurement cycle and the new system implementation which had not gone to plan. The reference to an activity being completed within a week did actually happen. There was an appraisal of the new Procurement system, but other matters had superseded it. That appraisal had not been shared with the Audit Committee. It was more for the officers to consider what they would intend to do with the new Procurement system. Another update could be provided to the Committee.

In relation to the actions relating to property, these fell under Ms Taryn Eves, Corporate Director of Finance Resources. A fuller update would be provided on these actions at the next Committee. The action was referring to the assessment that was carried out last year. This action had been completed but an update on Procurement with a full written report would be submitted at the next Committee.

## **7. EXTERNAL AUDIT PLAN 2024/25**

Mr Kaycee Ikegwu, Head of Finance (Housing & Chief Accountant), Mr Josh Parkinson and Mr Tim Cutler, KPMG, introduced the report.

The Committee heard:

- In relation to materiality, the plan this time last year had used a similar percentage outlined in the report. A forecast expenditure was used at that point. KPMG used 2% last year and then when the actual expenditure came in at the end of the year, it was noted as being slightly higher than anticipated. The materiality had not been revised. It was kept at what it was initially, which then meant that the percentage came down. The other reason for the increase was that it was linked to expenditure which increased year on year, partly driving the change.
- The principle of materiality was that the figure was a percentage of the overall expenditure in the account. It would change year on year pegging to that percentage. Although it looked unusual, it was based on forecast expenditure which was why it was a slightly different percentage of prior year final expenditure. However, the principle of how the materiality had been designed was the same. KPMG had aimed for 2% of the actual expenditure.

- In relation to materiality, KPMG tended to take a very generic approach to the sector on the percentage of gross expenditure. Materiality was meant to look at the profile of the financial statements and the importance placed on the financial statements by external stakeholders. KPMG viewed the financial statements to have lower priority to the budgetary reporting of an authority. Unless there was listed debt highly leveraged loan covenants, auditing standards left KPMG with a range between 0.5% and 3%. At 2%, KPMG recognised some risk in the sector, but 0.5% to 1% was where one would expect FTSE 100 companies to be, where shareholders relied on the accuracy of the financial statements to a precise degree. There was nothing to be read into the figure other than the fact that the expenditure was growing.
- KPMG would need to set a detailed plan to rebuild assurance and it was important to complete the risk assessment. It was not KPMG's intention to go back and audit the three disclaimed periods from 2021 through to 2023 due to time constraints and resource capacity. A methodology had been agreed with the NAO and the FRC to attempt to restore assurance based on a series of more efficient procedures, largely to take a risk assessment and then to design specific procedures based on it. KPMG would have further conversations with officers on this and ask for relevant information from those disclaimer periods to allow KPMG to form an assessment of the risk of material misstatement from them. Upon completion, there may be a question around document retention or corporate knowledge, but until that level of inquiry had been completed, it was not possible to guarantee a rebuild of assurance. This was meant to be done over a series of years and it was not expected that a particularly a large complex authority with three years disclaimed like Haringey would be able to do this quickly.
- Many local authorities had not had audits for minimum of three years or longer. Following a change in the auditors to KPMG, last year was the first year of KPMG coming back to local authority audits and to Haringey. It was important for the Council to meet expectations, but with a different expectation compared to BDO. The Council had worked with BDO over the years and understood how they wanted their papers prepared. At the end of last year's audit, the Council had a 'lessons learned' session with KPMG, where they itemised certain requirements. The Council then tried to make sure that working papers aligned to what they wanted to see. It would be inaccurate to suggest that the Council had fully met the expectations of KPMG. The audit was still ongoing, but the Council had made notes of some of the recommendations and had improved on the quality of the working papers.
- In terms of the rebuttals of the revenue risk, KPMG was not saying that it would not do any work on them. KPMG was simply suggesting they were not significant risks likely to contain material misstatement. KPMG's duty as external auditors was to make sure financial statements were free of material misstatement. Differing levels of work was done on every single number in the financial statement. Rather than bring the Committee a completely detailed analysis of what KPMG did on every balance, it would aim to alert the Committee on what was a significant risk. Some of the revenue streams highlighted in the report would be ones KPMG would still do a lot of sample testing on. Enough to give the Committee confidence that there was no material misstatement. There would be problems in process and control if there were any. With council tax and business rates, KPMG tended to something more

akin to an analytical procedure. KPMG would interrogate systems to look at, say, the numbers of people paying, the average rate, multiply it by the number of properties in different bands to come up with a prediction for the revenue. Predictions were then compared to the amount the authority disclosed and then KPMG would follow up any differences.

- In relation to statement of accounts, something that seemed to occur every year was the amount of money in terms of debt from occurring from benefit overpayments and parking penalties not being collected. This amount was substantial.
- The Money for Value State Assessment would be submitted to the Committee possibly at the next meeting or earlier at an informal gathering as it would allow members ask questions before the meeting itself.
- In relation to the point made on page 34 of the agenda papers which stated that the journal approval control did not meet the auditing standard threshold, the issue was around who approved journals. Currently if someone else raised a journal, someone else reviewed it before signing it off. A few of these did not make it clear who reviewed the journal. This was a journal deficiency that was raised on every local authority and others in the public sector. It largely related to the quality of the financial reporting system that would underpin journals. In order to have a control that KPMG could rely on, it generally had to be a system which enabled segregation of 'duties control'. In order to rely on that, KPMG needed general IT control assurance which would be tested for access controls and other similar areas. As it was a significant risk, KPMG would not intend to raise it as a recommendation every year, but would have to let the Council acknowledge that the controlled efficiency was present. Plans for the future may include the replacement of a new general ledger system in which case the Council may wish to invest in a specification that supported that control. For auditors, if the control was properly in place, then KPMG would only have to test one journal. However, in the current situation KPMG would have to test the entire journal's population. This would not be something that was rectified until the new system was brought into place. It was important to get the data in a certain format to allow KPMG to do this.
- Currently to ensure that journals were properly reviewed was that any individual raising a journal would not post it. Another person would review it and then another person would then post it. There were three layers of control currently.
- In relation to a delay in obtaining detailed transactional breakdowns of debt to debtors and creditors, these comments were really in relation to last year's audit. At the time, KPMG had only started work with the Council and work needed to be done in order to determine what was needed and in what format. Therefore, the lead time was longer than it would likely be in the coming years. This was separate to the work KPMG would do on the prior year disclaimed periods and obtaining information that was needed in relation to that.
- Management override of controls was a significant risk on every single audit. It was a default. It was not a sign that auditors suspected management of wrongdoing. It was a sign to maintain professional scepticism. In any audit, KPMG had to remain alert to the possibility that management could adjust financial statements. However, there was no indication of such an intention. However, if it was the case, the Committee would be alerted. The significant risks were purely there to look at the risk of material misstatement in the financial statements. They were not a commentary on wider governance and



operational issues at the Council. That came through the value for money commentary. In this, it would be possible to comment on what was believed to be management's arrangements for running the Council appropriately and effectively. The reason valuation of land and buildings was at the top of the table outlined in the report was only because it was the biggest number in Council's account. Management override was there because it was by default something KPMG had to keep an eye on, but there was nothing else to read into it other than the size and the complexity of the balances in the accounts.

- The way KPMG discharged its work on management override was firstly to have a general awareness. This involved speaking to officers, reviewing minutes and look for any instances of bias. The main form of looking at it was to see how the Council addressed its accounts. In the absence of effective journals control, the entire journals population would be tested by applying high-risk criteria. The Council's journal's transaction data would be taken via a large download, then screened by sophisticated analytical tools before applying high-risk criteria.

RESOLVED:

That the Committee notes the contents of this cover report, the draft audit plan and any further oral updates given at the meeting by our external auditors, KPMG LLP.

## **8. DRAFT STATEMENT OF ACCOUNTS**

Mr Kaycee Ikegwu Head of Finance (Housing & Chief Accountant) introduced the report.

The Committee heard:

- In relation to the exceptional financial support, in the year 2024/25, the Council had approached Government for about £28 million, but ended up needing only £10 million. By the end of 2025/26, the Council would find out exactly how much of the £37 million it would require.
- The £10 million from the previous year was what was needed to utilise the £28 million that had been agreed in principle from Government for 2024/25. The £37 million related to 2025/26 and that was what the Council estimated its pressures to be. This would include the pressures that were coming through for 2024/25. It was not necessarily £10 million plus £37 million, because when the Council set the balance budget in March 2025, it had anticipated some of the pressures that were coming through from 2024/25. The Council was keeping a close eye on it with monthly monitoring. The first quarter report would be presented to Cabinet and then to the Overview and Scrutiny Committee in September 2025. This would provide a better indication.
- In relation to housing benefit overspend, although this was quite unusual, it tended to be money received in grant that then got redistributed as part of housing benefit. The Council had some historic overpayments that it was trying to recover. The Council had overpaid some benefit claimants and these remained outstanding. The Council was looking to take a realistic and prudent assumption about how much of that was achievable. There were also issues around supported exempt accommodation. The amount of housing benefit that

people were entitled to if they were in supported accommodation was different if they lived in normal private rented accommodation, for example. There had been some errors in some of those calculations. Overspending was largely driven by an increase in bad debt provision relating to housing benefit. The management reporting on the outturn position was set out in the report that had been submitted to the Overview and Scrutiny Committee.

- In relation to the increase of approximately £300 million on the pensions fund, the audit report was based on what had been observed. It discussed the 2022 or 2023 position because those reports would have been written later. In examining the 2023 position, there was a net asset position. It was a net asset position of £87 million. These were done every year and assisted by actuaries. The current assessment found a liability of £300 million. Prior years had movements of about £100 million. Although £300 million seemed large, the reference really being made was about future liabilities. It was not referring to an actual spend in a year. In actual fact, assets outweighed liabilities, but under accounting rules, the Council could not benefit from it. There was something which took effect called the 'asset ceiling'. The way local government pension schemes worked was it was only possible to recognise a surplus if the Council was able to extract it in the form of a refund at any point in time. Local government pension scheme funds prevented the Council from doing that. The Council was not allowed to recognise the surplus it had over the assets. Therefore, all it would be left with was a series of liabilities associated with things like unfunded liabilities. For example, where the Council over the years may have paid pension strain into the pension fund, that would sit as an unfunded liability, so the Council could not be allowed to offset the assets against it. In order to look at the more general health of the pension fund, the Council was probably better off looking at the reported position of the fund at any point in time and not purely what was visible in the accounts.
- The triannual valuation of the pension fund took place every three years and the Council was currently going through this process. This was for the valuation as at March 2026. Two and a half years ago, the pension fund was valued at 124%. Work was being done to look at the current triannual valuation. Pension fund surpluses may have increased, but the process the Council was going through would complete towards the end of the year and the actuary would presenting an update in terms of the work that they had done to take to Pensions Committee and Board in the coming week. In relation to the triannual valuation, the pensions fund was reported to every Pensions Committee and Board and had not gone into deficit. It was still in surplus. The Council was just looking at how the surplus compared to what was reported in 2022/23.
- In relation to savings, the Council had improved at being able to monitor savings. As part of its monthly budget monitoring, it reported on the progress of savings and the progress of savings would be reported to Cabinet on a quarterly basis. The upcoming report would show a strict compliance in the savings that the Council needed to achieve. The report would also go to the Overview and Scrutiny Committee. The Audit Committee would have sight of the progress of savings as part of financial sustainability risk. The Committee could always reference the report that went to Cabinet and the Overview and Scrutiny Committee, but bringing the full report to the Audit Committee could only really be done as update on the on the risk register. The Corporate Risk Register that the Council had happened to have that particular risk highlighted.

In future reports, it would be possible to capture information about where the Council was with the delivery of savings.

- A series of debts totalling £337 million outlined on page 132 of the agenda papers did not seem to outline if they were recoverable. A written response would be provided to the Committee.

RESOLVED:

To note the contents of the report and the Draft Statement of Accounts.

## **9. ANNUAL GOVERNANCE STATEMENT**

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report.

The Committee heard:

- The way the governance framework was set out was prescribed in the CIPFA Solace Code. This set out what good governance ought to look like in local authorities. The table in the report showed all the key principles of what the code required the Council to demonstrate. The Council had benchmarked itself against those principles. Where there was compliance to 100%, there was a link attached to evidence it. Whether there were issues, however significant, the Council had identified what they looked like. From that the report then crystallised the remaining significant matters and reported this in the paper. For those areas where the governance was in place, that would not be much detail, just a link to a document that set out where the Council was meeting those standards.
- The section on 'behaving with integrity' was one that had been assessed as fully compliant.
- In relation to handling complaints, when the Council did the appraisals, there were different levels of gaps in compliance with the CIPFA Solace Code. The six areas that had been identified were the most significant matters. There were other areas where the Council not as good as it could be. These were not regarded as the most significant and for these, there were other processes that applied. In general terms, there was reference to the fact that the Council was not very good at managing information and information governance. However, that was through the prism of responding to members inquiry and freedom of information requests. It was possible to attach complaints as part of that that appraisal. Part of the Council's responsibility was to engage and respond to people who wanted information from the Council in a in a timely way and the Council could improve on this.
- In response to a question around compliance with the statutory housing compliance standards, it was noted the Council had a significant governance issue. How the Council managed its housing portfolio was not where it should be at. The appropriate director for the service had updated the Committee on where they had managed to improve some elements of the governance around the housing portfolio. This did not mean that further improvements could not be made.
- There was a key control around how the Council let property. There was a process for this - choice based lettings - where applicants made an application for housing and they would be assessed in terms of priority. When their turn

comes up (as they would be identified as the highest priority person), they would be allocated a house or a home of some type. The factors that went into selecting who was applicable may not extend to their antisocial behaviour, because this may not be known at the time the property was allocated. A person was allocated a property based on their priority.

- In response to a specific query, members were advised once an individual had been identified and taken had been action against them, the property would then be allocated to somebody else.
- In relation to providing more context as to why a gap was present or provide an extent of the gap, the annual governance statement was meant to be a concise document. The reason had been presented in the way that it had been to the Committee was because the Council's Local Code of Corporate Governance was not up to date until last year. It was important that the Committee had oversight of all of key components of governance on this occasion. However, from next year, the statement would be more succinct and audit cycle would provide the assurances around some of the other governance arrangements.

RESOLVED:

1. The Audit Committee approve the draft 2024/25 AGS, attached at Appendix A of the report.
2. That the Audit Committee notes the approval timescale and processes for the draft 2024/25 AGS.

**10. ANNUAL HEAD OF AUDIT REPORT**

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report.

The Committee heard:

- Implementation of recommendations was a key part of the work of Internal Audit. The final output had recommendations for improving the governance, the internal control and the risk management. When examinations had been made into the percentages of recommendations not implemented, the focus had gone into priority one recommendations, because they were the most important. The recommendations not implemented tended to lie in areas where it was clear that the Council was trying to make improvements, but would take time. There were other recommendations not yet implemented and to aid that process, the Council was planning to introduce a new software system capturing every single recommendation and required management to update the status of those on a regular basis. One of the things that the Council was doing was providing the Committee with assurances only when Audit carried out a follow-up. By increasing the oversight, there should be an improvement in the implementation status. This was not to say that all the key priority one recommendations would be implemented sooner, because the Council knew what they were, but there would be an improvement in priority two and priority three recommendations.
- The Housing service had shown positive progress. From an audit perspective, there was focus on making sure that the internal controls were robust. It was possible to have a scenario where a service had poor internal controls, but was

still delivering good service. However, this would not be sustainable over the long term. The need for a good way of doing things with the right checks and balances was key. There had been reports where the service had demonstrated that it had carried out an external review and those reviews had identified improvements. It was important to make sure the service implemented the right level of internal control so that the improvements were sustained and that they were embedded in the in the service.

- In relation to recommendations that had not been implemented, what worked generally well was when the Audit Committee had sight of the key recommendations causing the limited or no assurance. The Audit Committee could then hold the officers to account on either the timeline or the lack of action. If it was not clear at each meeting what the key outstanding issues were, it would not be clear how effective the Committee would be in helping officers get to implementing improvements. It would be useful for the Committee to receive, at least, the priority one findings tabled at each meeting to see what the due dates were, what the progresses was and what the challenges were.
- The performance from an internal audit perspective on the level of assurances assigned to schools had deteriorated. Last year, there was a marked improvement in the assurances with very few schools getting a low level of assurance. Unfortunately, in 2024/25 of the 12 schools audited, seven were assigned limited assurance. Three or four key actions had been put in place. Firstly, to reappraise the school business managers, the head teachers and the chair of governors on the requirement of the audit and the need for the right internal control environment. A number of seminars with key officers would be held. Officers needed to be aware of what good internal control should look like in key areas of their operations. Secondly, there would be expectations from internal audit. In talking to the school's forum, one of the things that came out was the possibility that the auditors were asking for information which did not feed back into the assurance. Checks needed to be made to ensure that the audit program was consistent with the school's finance manual and ensure that the Council was appraising schools for the right areas in the right way. Thirdly, regular bulletins would be made to schools to help them understand where there were key areas of weaknesses, what 'good' ought to look like. Many schools had been identified as struggling with maintaining an asset register. This was an easy control to put in place. It would be possible to develop a good format of a register, schools would save a lot of time having to reinvent one. Hopefully, there would be an improvement in the assurances for next year. In relation to the 129 recommendations relating to schools, the numbers for the system was about 205, so there was a higher proportion of recommendations. In relation to the two schools that were postponed, one school was closing and the other was postponed because the school business manager was not available.
- The Council did not have an overarching system to capture all of the procurement activities in the Council. In terms of maintaining evidence to show that proper contract management was taking place, each procurement was done contract by contract on an individual service basis. The Procurement service had not been able to establish a system for capturing these, so the level of assurance needed that contract management was working as well as it could

not yet be confirmed. This had been picked up on the Annual Governance Statement. An update would be provided to the Committee.

RESOLVED:

That the Committee notes the content of the Head of Audit and Risk Management's annual audit report and assurance statement for 2024/25 and the accompanying appendices.

## **11. UPDATED CORPORATE RISK REGISTER**

Mr Minesh Jani, Head of Audit and Risk Management, introduced the report.

The Committee considered the corporate risk register and asked specific questions over the arrangements put in place to manage the risks noted on the register.

The Committee heard:

- There was a Digital services emergency response plan. This should respond to any eventuality including power outage so that if the Council was unable to access all the data that the Council had in its building, it would be possible to access it through some other means. Prevention was always better than having to deal with issues having taken place, so the Council had maintained a record of its data in more than one data centre. If the Council could not access its data where it was, it had alternative sources to be able to get to that data.
- Much like the savings risk and making sure that the Committee was appraised of where the Council was in managing the area of staff turnover. A paper would be brought to the Committee with an update.
- The Council was trying everything it could to try to find trying to mitigate its financial risk. Some of the key areas of trying to do that involved savings, transformation, efficiency, cost control, revenue generation. These were actively being worked on. These had been included in the year's audit plan. The risk was a very challenging picture for the Council. It was difficult for many councils in the position to be able to meet demand with the resources in hand.
- In relation to Procurement, savings and the budget envelope, the Council should try to do everything as perfectly as it could to maximise every penny that the Council spent. From an audit perspective, audits would be carried out around the Procurement areas and reports would be brought to the Committee on the progress in terms of the specific recommendations, but more generally around some of the procurement activities as well.
- Transformation was a long-term process. The service would identify and manage key risks across all the different category A projects. The Committee asked for the transformation risk register to be brought to the next meeting.
- In relation to the cyber risk, the way the Council scored risks was the worst-case scenario. The impact would always be high on a risk register, but this did not mean that the Council should not be looking to mitigate some of the impact.
- The way officers were looking at cyber risk was primarily looking at preventative controls and other areas, such as plans in place of how to respond to issues arising, needed to be considered.

- In relation to safeguarding children and vulnerable adults, if a risk in this area was to materialise then it could be quite detrimental for the Council. It was important for the Council to put in place appropriate controls to try to stop such a risk from happening or to at least minimise its effect as much as possible. This was what the Council had identified in their risk register as one of their future actions and current procedures.

RESOLVED:

To note the Corporate Risk Register as at 31 May 2025, attached at Appendix A of the report.

## **12. ANTI - FRAUD AND CORRUPTION PROGRESS REPORT QUARTER FOUR 2024/25**

Mr Minesh Jani, Head of Audit and Risk introduced the report.

The Committee heard:

- The £18,000 figure found on page 424 of the agenda papers came from the Audit Commission and it was for the savings attributable for each unit that had been recovered. This figure had now been updated to £42,000 as a more representative value. This was something that a lot of local authorities were using to attribute to a recovery of a unit. The Cabinet Office had quoted an even higher figure of £78,000 which they believed was the true cost to a local authority of not having a unit available to rent properly. This was what the Cabinet Office believed each unit was worth to a local authority. The Council would use the £42,000 figure to report to the Committee in terms of what it believed the savings would be. This was in-line with other councils.
- A few years ago, the Council investigated and prosecuted someone for sub-letting and in that particular example, the Council still had a potential loss of at least £50,000 just for sub-letting for a few years.

RESOLVED:

To note the activities of the team during quarter four of 2024/25.

## **13. TREASURY MANAGEMENT REPORT**

Mr Sam Masters, Head of Finance (Head of Treasury), introduced the report.

The Committee heard:

- Even though there might be higher borrowing costs, it was not unreasonable to have a spread of different counterparties. There were different pros and cons to each form of borrowing.
- On each call-day, the lender had the option to adjust the interest rate. If the Council did not agree with the increase in rates, it had the option to repay it. A lot of the loans structured had very high exit penalties for local authorities. Some of the loans were issued in the 1980s, but the Council was quite fortunate in terms of the rates that it had got on its LOBOs. They were not too

high off of market rates in any case. If the Council did have to repay it, the Council would enter into a period of negotiation with the bank and see what it could achieve. In quarter 1, the Council had been able to repay £50 million worth of loans at par. The fair value of the loans was £58 million, but the Council repaid them at £50 million. If the Council needed to replace the financing, there would be arrangement fees and various other fees if the Council would seek to go to the PWLB. As the PWLB rates come down, it was very likely the Council would be able to replace them at a cheaper interest rate than it was currently holding.

- The credential indicator list at £30 million was the minimum level of cash that the Council wanted to have available. These would be cash deposits or highly liquid investments or instant access investments like the money market funds. The dip below £30 million, which lasted less than 24 hours, was driven by a huge amount of capital invoices in the last week of March being paid through that had not been adequately modelled within the Council's cash flow projections. The Council paid out £56 million that week and the cash flow projections were projecting around £6 million to £10 million. This was a significant variance to what the Council was expecting. Some corrective measures had been taken so the Council had issued guidance around large payments Any payments over £200,000 now required specific notification from budget holders. The Council had improved its cash flow modelling significantly. The Council was looking at replacing the very outdated logo system with Treasury Live which was part of PSLive.
- The incident would not occur again. The Council had now taken the corrective measures to prevent it. The Council had improved its cash flow modelling and repeat reminders of the guidance would be issued to budget holders.

RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 31st March 2025 and the performance achieved which is attached as Appendix 1 to this report.
2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

CHAIR: Councillor Erdal Dogan

Signed by Chair .....

Date .....



| Audit Committee – Action Tracker |                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                             |           |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-----------|
| Meeting date                     | Action                                                                                                                                                                                                                                                                    | Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Who by                                                                                                      | Status    |
| 18 January 2024                  | A report on the Meanwhile Use and the Co-Location use would circulated to the Committee when it became available.                                                                                                                                                         | <p>We will provide numbers of properties that are currently being used for meanwhile or co-location purposes.</p> <p>'Meanwhile' and 'co-location' use policies are to be developed. A working definition of both terms is to be agreed, which will underpin these policies and be applied across the VCS properties, as classified in the property register and wider properties held by the council or that are secured via planning purposes as part of mix use development.</p> <p>Work is underway to gather data and insight on the Council's Operational Estate through the newly created Corporate Landlord Model which went live in April 2025. A report will be presented to a future Audit Committee meeting when work is complete.</p> | Director of Capital Projects & Property (Jonathan Kirby)                                                    | Initiated |
| 18 January 2024                  | Benchmark data of local spend and number of contracts and information on the Procurement Act would also be provided to the Committee.                                                                                                                                     | Benchmarking Data presented at previous Audit Committee. Update on Procurement Act included in the update report to Audit Committee on 10 November 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Chief Procurement Officer (Barry Phelps)</p> <p>Corporate Director of Finance Resources (Taryn Eves)</p> | Completed |
| 11 Mar 2025                      | Commercial Property Audit Update: The debt in the audit report was a snapshot in time of June 2023. The debt had not been neglected. This was high at the top of the wider property agenda as this was seen as important. The Committee would be informed of the arrears. | <p><b>Current Debt Position:</b><br/>As of 28 September 2025, the total outstanding debt across the commercial property portfolio (rent, service charge and insurance arrears) stands at £5,586,189. This stands against an annual rent roll of £10,200,000 per annum.</p> <p><b>Debt Reporting Limitations &amp; Manual Monitoring and Targeting:</b><br/>As reported, we are in the process of developing digital systems that will be work alongside the</p>                                                                                                                                                                                                                                                                                    | Director of Capital Projects & Property (Jonathan Kirby)                                                    | Initiated |

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                       |           |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------|
|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>council's new finance system. Therefore, automated or dynamic reporting improvements are not feasible within the existing system architecture.</p> <p>To mitigate this limitation, a manual debt list is produced monthly, enabling the Property team to identify and target the top 100 debtors based on both amount owed and length of debt. This targeted approach allows for focused recovery efforts and prioritisation of high-risk accounts.</p> <p><b>Ongoing Action:</b><br/>The Property team continues to work closely with Finance to ensure that debt recovery remains a priority. While system improvements are not currently possible, operational processes have been strengthened to maintain visibility and control over the debt position.</p> |                                                                                                       |           |
| 11 Mar 2025 | Internal Audit: The service was responsible for making sure that they produced regular information and a request for updating a list of housing boards could be passed onto the service. Internal audit would not have that information on an ongoing basis but the service could be asked to create this and this could be reported back to the Committee.                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Director of Housing<br>(Jahedur Rahman)                                                               | Initiated |
| 11 Mar 2025 | Internal Audit: The manner in which the Council arranged its processes for billing clients led to the adult social care debt. One of the one of the key issues is that the Council did not have a variable direct debit so the Council had a fixed amount that it billed each client, each month, irrespective of the service they received. This was then retrospectively calculated what the charge should be and bill the client afterwards. The clients themselves were never quite sure how much their debt actually was It was possible to invite the appropriate service to give an update at a future meeting on general management of financial assessments as a whole, because the auditors raised a number of different areas of |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Director of Adult Social Care (Jo Baty)</p> <p>Director for Customer Services (Kari Manovitch)</p> | Initiated |

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                |                                                                                                                             |             |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------|
|             | concern impacting many aspects of how financial assessments were carried out. It was worth considering if a person did not engage in providing the information for financial assessments, if the Council should maintain the policy to continue providing the service or if there should be an alternative. An update would be provided at the next meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                |                                                                                                                             |             |
| 11 Mar 2025 | Internal Audit: The issue of voids had been raised in the past. The Committee wished to have an audit of voids carried out. The number of issues that were not working as well as they should be. No update at present time could be provided. However, the Director could be asked to provide an update to the Committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                | Director of Housing (Jahedur Rahman)                                                                                        | Initiated   |
| 11 Mar 2025 | Internal Audit: The meeting felt that the limited assurance on Broadwater Farm and the general update was extremely worrying because of the amount of money involved and the number of flats that frozen compared to how many people on the waiting list accommodations. It was noted that a formal business case was not in place for the program and that the project initiation document had not been updated since March 2019. This had been a subject of previous audits and had to go further than simply being noted. The project had been initiated approximately eight years ago. The estimate at the time was £30 million. This was an underestimated sum. Not providing a regular update was something that needed to be urgently considered. The reports also stated that recommendations were due for implementation by March 2025. An update could be given on these issues at a future meeting. | All audit recommendations have been implemented and completed. An update will be provided separately on the recommendations separately to the audit committee. | Head of Estates Management (David Sherrington)<br><br>Director of Placemaking and Community Development (Abigail Stratford) | Initiated   |
| July 2025   | For the next meeting, the Audit Needs Assessment would be submitted so the Committee could see the overarching framework for where the auditors believed the risk areas to be and where that particular audit then sat in amongst all the audit areas in IT. This would provide more assurance that the Council was capturing all the key areas of risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | The audit needs assessment is being carried out and once completed, will be shared with the audit committee.                                                   | Head of Audit and Risk Management (Minesh Jani)                                                                             | In progress |

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                      |                      |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------|
|           | The background to that particular audit was that it had been initially cancelled                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                      |                      |
| July 2025 | In relation to the actions relating to property, these fell under Ms Taryn Eves, Corporate Director of Finance Resources. A fuller update would be provided on these actions at the next Committee. The action was referring to the assessment that was carried out last year. This action had been completed but an update on Procurement with a full written report would be submitted at the next Committee.                                                                                               | Quarterly update report presented to Audit Committee on 10 November 2025 captures information about the status of recommendations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Director of Capital Projects & Property (Jonathan Kirby)<br><br>Corporate Director of Finance Resources (Taryn Eves) |                      |
| July 2025 | A series of debts totalling £337 million outlined on page 132 of the agenda papers did not seem to outline if they were recoverable. A written response would be provided to the Committee.                                                                                                                                                                                                                                                                                                                   | The presentation of information in Local Authorities statement of accounts is prescribed by the code. The first column in the table is the gross debt (totalling £337m). It provides an analysis of money owed to the Council by other bodies as at 31 March 2025. Accounting standards requires us to recognize provisions for potential credit losses - this represents debt we estimate that cannot be recovered for various reasons. At year end, the Council considered the collectability of the debts and impaired the debt for the amounts it may not recover. These are shown in the next column before the net debt column. This assessment is carried out every year. | Head of Finance (Kaycee Ikegwu)                                                                                      | Completed            |
| July 2025 | In relation to recommendations that had not been implemented, what worked generally well was when the Audit Committee had sight of the key recommendations causing the limited or no assurance. The Audit Committee could then hold the officers to account on either the timeline or the lack of action. If it was not clear at each meeting what the key outstanding issues were, it would not be clear how effective the Committee would be in helping officers get to implementing improvements. It would | All priority 1 recommendations not implemented are captured as part of the Quarterly Assurance report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Head of Audit and Risk (Minesh Jani)                                                                                 | Completed 31/10/2025 |

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                              |                                          |         |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------|---------|
|           | be useful for the Committee to receive, at least, the priority one findings tabled at each meeting to see what the due dates were, what the progresses was and what the challenges were.                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                              |                                          |         |
| July 2025 | The Council did not have an overarching system to capture all of the procurement activities in the Council. In terms of maintaining evidence to show that proper contract management was taking place, each procurement was done contract by contract on an individual service basis. The Procurement service had not been able to establish a system for capturing these, so the level of assurance needed that contract management was working as well as it could not yet be confirmed. This had been picked up on the Annual Governance Statement. An update would be provided to the Committee. | Update report included in the report to Audit Committee on 10 November 2025. | Chief Procurement Officer (Barry Phelps) | Ongoing |
| July 2025 | Much like the savings risk and making sure that the Committee was appraised of where the Council was in managing the area of staff turnover. A paper would be brought to the Committee with an update.                                                                                                                                                                                                                                                                                                                                                                                               |                                                                              | Chief People Officer (Dan Paul)          |         |
|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                              |                                          |         |

This page is intentionally left blank

**Report for:** Audit Committee 10 November 2025

**Item number:** 7

**Title:** 2024/25 External Auditors Annual Report, including VFM Report

**Report authorised by:** Taryn Eves, Corporate Director of Finance & Resources (S151 Officer)

**Lead Officers:** Kaycee Ikegwu, Head of Finance & Chief Accountant  
Taiwo Oyetade, Deputy Chief Accountant  
[Kaycee.ikegwu@haringey.gov.uk](mailto:Kaycee.ikegwu@haringey.gov.uk) 0208 489 5560

**Ward(s) affected:** N/A

**Report for Key/**  
**Non Key Decision:** Non Key decision

### 1. Describe the issue under consideration

- 1.1. For the Audit Committee to consider the draft Auditor's Annual Report from KPMG, which highlights their findings from the on-going audit of the Council's statutory accounts 2024/25, value for money (VFM) risk assessment review and other relevant information.

### 2. Cabinet Member Introduction

- 2.1. Not applicable.

### 3. Recommendations

- 3.1. That the Committee notes the contents of the draft auditor's annual report, the VFM report and any further oral updates given at the meeting by KPMG.
- 3.2. That the committee notes that the final auditor's annual report will be submitted in January 2026. Management will, at that time, provide responses to any issues raised by the external auditors.
- 3.3. That the committee notes management responses to the VFM risk assessment issues and recommendations raised by external auditors.

### 4. Reason for Decision

- 4.1. No decision is required.

## 5. Other options considered

5.1. None.

## 6. Background information

- 6.1. The auditor's annual report is prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and statement of accounts.
- 6.2. The Code of Audit Practice requires external auditors to issue the auditor's annual report no later than 30 November of each year. For KPMG to comply with this requirement, they have issued a draft auditor's annual report prior to the completion of audit our work in relation to the financial statements and other information.
- 6.3. It provides a summary of the findings and key issues arising from the audit and updates on the progress of the on-going 2024/25 statement of accounts audit.
- 6.4. KPMG are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'.
- 6.5. This involves considering whether there are sufficient arrangements in place for the Council for:

**Financial sustainability:** How the Council plans and manages its resources to ensure it can continue to deliver its services.

**Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.

**Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

## 7. Contribution to Strategic Outcomes

7.1. None.

## 8. Statutory Officers comments (Chief Finance Officer (including procurement), Director of Corporate Governance, Equalities)

Finance



8.1. As this report details a financial subject matter, finance comments are made throughout the content of this report.

#### Procurement

8.2. Procurement comment is not required in this report

#### Legal

The Director of Legal and Governance has been consulted in the preparation of this report.

The external auditor's statutory responsibilities are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. They are required to audit and report on the financial statements to verify that the Council has made proper arrangements for securing economy, efficiency and effectiveness (value for money) in its use of resources.

In accordance with the Terms of Reference set out in the Council's Constitution, Part 3, Responsibility for Functions, Section B – Full Council & Non Executive Bodies, the Audit Committee's functions include consideration of reports on the effectiveness of financial management arrangements, including compliance with CIPA's Financial Management Code, consideration of arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements and to consider the external auditors annual letter, relevant reports and the reports to those charged with governance.

#### Equalities

8.3. There are no equalities issues arising from this report.

### **9. Use of Appendices**

Appendix 1 – Draft Annual audit Report 2024/25

Appendix 2 – Value for Money Report 2024/25

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

10.1. Not applicable.

This page is intentionally left blank



# Auditor's Annual Report for Haringey London Borough Council

## DRAFT

Year-ended 31 March 2025

—

10 November 2025

# Contents



## Key Contacts

**Tim Cutler**

Partner  
Tim.Cutler@kpmg.co.uk

**Christopher Paisley**

Director  
Christopher.Paisley@kpmg.co.uk

**Josh Parkinson**

Manager  
Josh.Parkinson@kpmg.co.uk

**Richard Yang**

Assistant Manager  
Richard.Yang@kpmg.co.uk

|                                                    | Page      |
|----------------------------------------------------|-----------|
| <b>01 Executive Summary</b>                        | <b>3</b>  |
| <b>02 Audit of the Financial Statements</b>        | <b>6</b>  |
| <b>03 Value for Money</b>                          | <b>13</b> |
| a) Financial Sustainability                        |           |
| b) Governance                                      |           |
| c) Improving economy, efficiency and effectiveness |           |

Our audit report will be made solely to the members of Haringey London Borough Council (the 'Council'), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



**01**

# **Executive Summary**

# Executive Summary

## Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2024-25 audit of Haringey London Borough Council (the 'Council'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



**Financial Statements** - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Group and the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 ('the CIPFA Code').



**Other information (such as the narrative report)** - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council.



**Value for money** - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



**Other powers** - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial statements and other information</b> | The Code of Audit Practice requires us to issue the Auditor's Annual Report no later than 30 November of each year. In order for us to comply with this requirement, we have issued this Auditor's Annual Report prior to the completion of our work in relation to the financial statements and other information. Consequently, we have not reached our conclusions in respect of these areas.                                                                                          |
| <b>Value for money</b>                            | Our work to assess the arrangements the Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources is underway. Further details of our findings to date are set out within our accompanying risk assessment document presented alongside this report, where we have identified 6 significant risks to achieving value for money. We will perform further work to ascertain if these risks give rise to significant weaknesses in arrangements. |
| <b>Whole of Government Accounts</b>               | <p>We are required to perform procedures and report to the National Audit Office in respect of the Council's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts.</p> <p>As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area.</p>                                                                                 |
| <b>Other powers</b>                               | See overleaf. Note that, as we are still performing our procedures in relation to the financial statements, we may choose to exercise our other powers in relation to the 2024-25 audit in the future.                                                                                                                                                                                                                                                                                    |



# Executive Summary



There are several actions we can take as part of our wider powers under the Act:

## Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

**As at the date of this report, we have not issued a Public Interest Report this year.**

## Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

**As at the date of this report, we have not applied to the courts.**

## Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however should the Council provide us with a response, we will include it within this report.

**As at the date of this report, we have not raised any such recommendations.**

## Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

**As at the date of this report, we have not issued an advisory notice this year.**

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations we report these to management and the Audit Committee. The Council is not required to take any action to these however it is good practice to do so and we have included any responses that the Council has given us.

**02**

# **Audit of the financial statements**



# Audit of the financial statements



## KPMG provides an independent opinion on whether the Council's financial statements:

- Give a true and fair view of the financial position of the Group and the Council as at 31 March 2025 and of the Group's and the Council's income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under and ensure we are independent of the Council in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Our audit opinion on the financial statements

We have not yet concluded our work over the financial statements audit; however, we include the following slides as a progress update on our work over the significant risk areas as identified within our audit plan.

Further information on our audit of the financial statements is set out overleaf. Although we have focussed this update on the areas related to our identified significant risks, we also note that there is still a large amount of work outstanding as at the date of this report in respect of other account balances & disclosures.

# Audit of the financial statements

The tables below summarise the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit. This work is still ongoing, and we provide the below commentary for information only, not to provide assurances over specific balances or to give an opinion at this stage.

| Significant Risk: Management Override Of Controls                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p>Professional standards require us to communicate the fraud risk from management override of controls as significant.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p> | <ul style="list-style-type: none"><li>• We found the design and implementation of management review controls in relation to journal entries and post-closing adjustments to be ineffective, which is in line with the control deficiency raised in the prior year. We note that this is a common finding in the public sector and is not unique to Haringey, given the large extra resource it would need to implement a control to the level that would meet the high requirements of the auditing standards. Given that this deficiency remains for the current year and management have confirmed they are satisfied that the residual risk is low, we have not re-raised this deficiency as a recommendation in the current year.</li><li>• We evaluated the selection and application of the Council's accounting policies and concluded that these were in line with the 24/25 CIPFA code. However, not all items relating to income or expenditure that fall below £20k are not accrued or deferred in the accounts, that is, they are recorded in the period in which the cash is received or spent rather than the period to which they relate. We have reported this in the prior year and given that management have accepted the residual risk we have not re-raised a recommendation in relation to this deficiency.</li><li>• Our procedures have not identified any significant unusual transactions.</li><li>• We have extracted the Council's journals using our data &amp; analytics team and are in the process of analysing these to test specific entries meeting our high-risk criteria.</li><li>• Our work over Related Parties is in progress – we are currently confirming that the Council has obtained a complete set of Declarations Of Interest and then checking these against Companies House for completeness. Once complete we will search the ledger for transactions with these related parties and ensure they have been appropriately disclosed.</li><li>• We found the design and implementation of controls in relation to the approval of significant related party transactions before they are entered into, to be ineffective. We have reported this in the prior year and given that management have accepted the residual risk we have not re-raised a recommendation in relation to this deficiency.</li></ul> |



# Audit of the financial statements

## Significant Risk: Valuation Of Land & Buildings

### Risk Description

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.

The value of the council's Land & Buildings at 31 March 2025 was £2.9bn, with c.£1.9bn valued at Existing Use Value (EUV) & £942m at Direct Replacement Cost (DRC).

### Findings

- We found the design and implementation of management review controls in relation to the underlying assumptions that drive the valuation to be ineffective, which is in line with the control deficiency raised in the prior year. Given that this remains for the current year and management have confirmed they continue to accept the residual risk, we have not re-raised this deficiency as a recommendation in the current year.
- We have assessed the independence, objectivity & expertise of Wilks Head & Eve LLP (WHE), the valuers used to develop the valuation, with no issues noted.
- We have confirmed the accuracy of the floor areas used in the valuation to supporting evidence with no issues noted.
- We note that the Council's Land & Buildings were valued in two tranches by WHE due to their availability, which means that we are not yet able to conclude our work on tying through the valuation & associated adjustments to the financial statements, as the latest valuation is yet to be fully reflected in the accounts.
- Linked to the above, we have raised a control recommendation around the timeliness & accuracy of the valuation process, given both the delays and the valuation of several assets that the Council no longer owns, causing inefficiency in the process.

#### *Council Dwellings - £1.7bn*

- For the £1.7bn of Council Dwellings valued at EUV we have assessed the underlying assumptions of Indexation, Beacon Valuation & Social Housing Discount as neutral. However, we note for the Indexation assumption - which is required as WHE have indexed the full valuation performed as at 31 March 2024 - that WHE used national data rather than Haringey specific indices, which we recalculated to result in a £18.7m cautious valuation of Council Flats and a £16.3m optimistic valuation of Council Houses. Given that these net off to a low value compared to the overall asset base we have concluded that the overall balance is neutral, however we have identified a control recommendation for WHE to utilise Haringey specific data in future valuations to provide a more accurate valuation.
- Our work over the underlying assignment of properties to each Beacon as part of the Council Dwellings valuation is ongoing. Whilst we have so far been able to complete 55/60 of our sample items, we have encountered numerous issues with record keeping and it has been challenging to corroborate this information.

# Audit of the financial statements

## Significant Risk: Valuation Of Land & Buildings

### Risk Description

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.

The value of the council's Land & Buildings at 31 March 2025 was £2.9bn, with c.£1.9bn valued at Existing Use Value (EUV) & £942m at Direct Replacement Cost (DRC).

### Findings

#### *Other Land & Buildings - £1.2bn*

- For the £942m of Other Land & Buildings valued at DRC we have assessed the underlying assumptions of Obsolescence, Land Value, BCIS Indices & Location Factor as neutral.
- Our testing of the underlying data to confirm the category of each asset within this balance is ongoing.
- Our work over the £243m of Other Land & Buildings valued at EUV is ongoing.

#### *Other*

- Our valuation specialist is reviewing WHE's valuation of Alexandra Palace given the specialist nature of this asset – this work is ongoing.



# Audit of the financial statements



## Significant Risk: Completeness Of Expenditure

### Risk Description

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.

The Council has a statutory duty to balance their annual budget. Where a Council does not meet its budget this creates pressure on the Council's usable reserves and this in term provides a pressure on the following year's budget. This is not a desirable outcome for management.

We consider that this risk is focussed around the completeness of manual accruals (i.e. excluding those which are system-generated such as Goods Received Not Invoiced), with the council looking to push back expenditure to 2025-26 to mitigate financial pressures. This risk is further heightened by the need to meet an agreed outturn to ensure receipt of resilience funding.

### Findings

- We have evaluated the design & implementation of controls for developing manual expenditure accruals, and as noted on Page 8, we have identified a control deficiency in relation to the review of journals (and therefore the review of manual accruals).
- We have inspected a sample of invoices of expenditure in the period after 31 March 2025 and are satisfied that the expenditure has been recognised in the correct accounting period.
- We have inspected a sample of bank payments made in the period after 31 March 2025 are satisfied that they are not indicative of any potential unrecorded liabilities.
- We have compared the manual accruals recorded to an expected list of accruals based on our knowledge of the entity & Local Government sector and this has not identified any accruals omitted.
- Our work over the journal entries posted that may decrease year end expenditure is ongoing.

# Audit of the financial statements

## Significant Risk: Valuation Of Post Retirement Defined Benefit Obligation

### Risk Description

The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.

The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.

We have identified this in relation to the membership of the Local Government Pension Scheme.

Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

### Findings

- We found the design and implementation of management review controls in relation to the review of the underlying assumptions to be ineffective, which is in line with the control deficiency raised in the prior year. Given that this remains for the current year and management continue to accept the residual risk, we have not re-raised this deficiency as a recommendation in the current year.
- We evaluated the capability, competency and objectivity of the actuaries to confirm their qualifications and the basis for their work with no issues noted. Also, we performed inquiries of the LGPS actuaries and no unusual transactions were noted.
- We considered the assumptions used in valuing the defined benefit obligation and concluded these to be balanced compared to our central actuarial benchmarks.
- We evaluated the appropriateness of the accounting treatment of the surplus in accordance with IFRIC 14. This involved reviewing management's rationale and the supporting assessment provided by KPMG actuaries. Based on our review, we agree with management's conclusion and the application of the asset ceiling. Following this application, the overall position resulted in a deficit, rather than a surplus.
- We have performed testing over key input data used in the Defined Benefit Obligation (DBO) valuation, including benefits paid and contributions. No material exceptions were noted, and the data was found to be materially accurate.
- Our work over the disclosures in the accounts remains ongoing.

**03**

# **Value for Money**

# Value for Money

## Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:



**Financial sustainability:** How the Council plans and manages its resources to ensure it can continue to deliver its services.



**Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.



**Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Council’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council’s arrangements are operating effectively, or whether the Council has achieved value for money during the year.

## Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements, which we have included in the accompanying VFM Risk Assessment document presented at this committee. Our work is ongoing to assess the identified significant risks in order to allow us to conclude – in advance of the backstop date - on whether any of these gave rise to a significant weakness in arrangements during the financial year.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

## Summary of findings

Our work in relation to value for money is not complete. Matters set out here may change upon the completion of our work.

|                                                  | Financial sustainability                                                                                                            | Governance                           | Improving economy, efficiency and effectiveness |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------|
| <b>Commentary page reference</b>                 | We direct your attention to the accompanying VFM risk assessment document presented at this meeting, which includes our commentary. |                                      |                                                 |
| <b>Identified risks of significant weakness?</b> | Yes                                                                                                                                 | No                                   | Yes                                             |
| <b>Actual significant weakness identified?</b>   | TBC                                                                                                                                 | TBC                                  | TBC                                             |
| <b>2023-24 Findings</b>                          | Two significant weaknesses identified                                                                                               | No significant weaknesses identified | Two significant weaknesses identified           |
| <b>Direction of travel</b>                       | ↔                                                                                                                                   | ↔                                    | ↔                                               |





# Value for Money

## National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

### Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. Analysis by London Councils argues that London Boroughs will see the largest funding losses whilst also experiencing significant financial pressure. The Institute of Fiscal Studies has found that inner London boroughs are, in particular, set to lose substantial sums.

### Education

Many schools are now the responsibility of academy trusts, however some schools are still controlled and overseen by the local Council. Dedicated funding is provided by central government to run schools, however due to cost pressures many Councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). Government guidance is awaited on childrens services reform and SEND, and some authorities are delaying transformation programmes until there is clarity on how services should evolve.

An accounting override exists meaning Councils do not need to recognise schools deficits as part of their reserves which, for some, avoids Councils becoming insolvent. This override was extended to March 2028. However, some have raised concerns that this extension only defers the problem, and the underlying unsustainability of education expenditure has not been resolved.

### Housing

Landlords, including Councils, are required to take action to ensure homes are compliant with fire safety legislation and new regulations to improve building safety. These regulations have increased the costs faced by landlords, caused loss of income where properties were void for repairs, and increased the risk of regulatory action should improvements not be made. The Regulator of Social Housing has also raised frequent concerns regarding the ability of Councils to comply with their consumer standards, in particular around treating tenants fairly and ensuring homes are safe. This has increased the cost of compliance, whilst housing budgets remain under significant financial strain. At the same time, Councils are also experiencing significant financial pressure in temporary accommodation budgets, due to high demands on services and difficulty in obtaining suitable accommodation.

## Local context

The London Borough of Haringey is home to circa 270,000 residents, and has challenges with high levels of income inequality, housing affordability and homelessness. For the purposes of government funding, Haringey is considered an outer London borough and receives less funding than an inner London borough even though deprivation levels are high.

Core funding for Haringey has decreased by £143 million in real terms since 2010, and as with many authorities, there are increasing financial pressures due to increased demand and costs in adult social care, children’s social care, special education needs and temporary accommodation. This is a key driver of financial challenges given that for 24/25 around 61% of the General Fund revenue budget was spent on Adult’s, Children’s and Temporary Accommodation services.

The Government’s Spending Review on 11 June 2025 showed funding for Local Government will increase by 3.1% over the next three years, which will be outstripped by inflation and not address increasing demand. Additionally, modelling produced by LG Futures in relation to the Government’s Fair Funding Review 2.0 indicates that the impact to Haringey may be a c.£30-40m loss of income.

The Council has relied upon Exceptional Financial Support (EFS) of £10m to close the 24/25 accounts and has applied for up to £37m for 25/26.





[kpmg.com/uk](https://kpmg.com/uk)

© 2025 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

**Document Classification: KPMG Public**

# Haringey London Borough Council

## Report to the Audit Committee

**Value For Money Risk Assessment for the year  
ended 31 March 2025**

10 November 2025

# Value for money

## **Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.**

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

## **Risk assessment processes**

Our responsibility is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment, we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

## **Reporting**

Our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

### **Financial sustainability**

*How the body manages its resources to ensure it can continue to deliver its services.*

### **Governance**

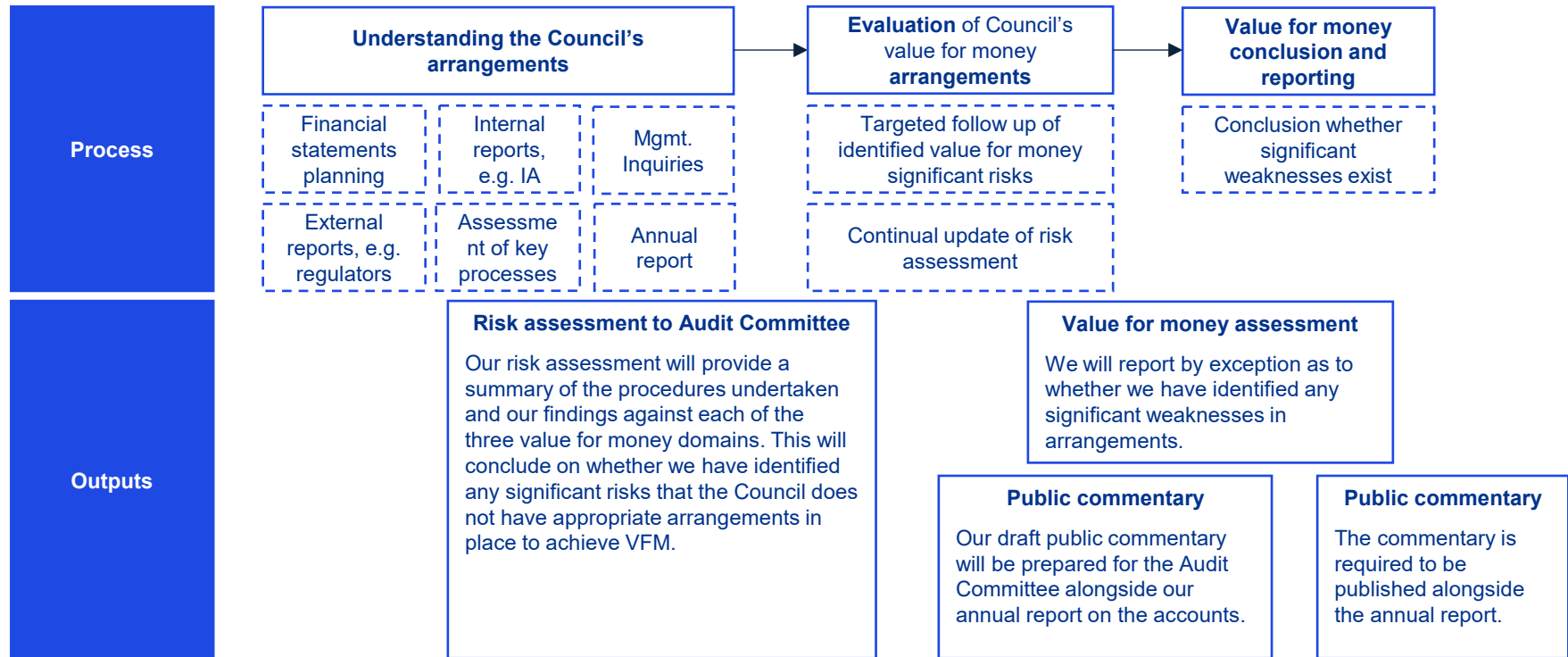
*How the body ensures that it makes informed decisions and properly manages its risks.*

### **Improving economy, efficiency and effectiveness**

*How the body uses information about its costs and performance to improve the way it manages and delivers its services.*

# Value for money

## Approach we take to completing our work to form and report our conclusion:



# Summary of risk assessment

## Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Council for each of the relevant domains:

| Domain                                          | Significant risk identified?    |
|-------------------------------------------------|---------------------------------|
| Financial sustainability                        | Significant risks identified    |
| Governance                                      | No significant risks identified |
| Improving economy, efficiency and effectiveness | Significant risks identified    |

We have identified 2 new significant risks associated with Improving economy, efficiency and effectiveness, linked to Temporary Accommodation and Social Care. We have also retained the significant risks linked to the 4 significant weaknesses from 2023/24, and will follow up the associated recommendations as part of our 2024/25 work.

We have raised 2 new high priority performance improvement observations (PIOs) relating to the need for improved clarity of reporting to Cabinet around the actual in year performance vs the initial Medium Term Financial Strategy (MTFS), as well as the need to undertake an exercise to understand the value of potential income increases from a commercial property review. Further details of these PIOs are on page 26.

We will report to the committee any identified significant weaknesses at a later date, as well as follow up on prior year identified weaknesses and PIOs.

## Response to significant risk

The table below sets out the details of the risks that have been identified and the procedures we intend to perform in order to respond to the risks. We will report on our conclusion from these procedures as part of our year end report to the Audit Committee:

|                                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RISK1</b>                      |                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Description of risk</b>        | <b>In line with the prior year work, due to the challenging financial position at the Council, there is a risk that the Council does not have in place adequate arrangements in respect of cost setting and budgetary processes to achieve financial sustainability. This is key to the short to medium term plan to reduce reliance on Exceptional Financial Support (EFS).</b> |
| <b>Procedures to be performed</b> | We will understand the processes in place for financial response and recovery for future periods and ascertain how the Council aims to reduce reliance upon EFS to achieve a balanced position.                                                                                                                                                                                  |
| <b>RISK2</b>                      |                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Description of risk</b>        | <b>In line with the prior year work, the Council does not have adequate processes in place to identify or monitor sufficient cost savings schemes to achieve the necessary reduction in expenditure to achieve a sustainable financial position. This is especially relevant given the reduced level of savings achieved in 24/25 compared to prior year.</b>                    |
| <b>Procedures to be performed</b> | We will further understand the process for identifying the cost saving schemes and how these are subsequently monitored throughout the year, as well as understanding actions taken to improve cost saving identification and delivery against the backdrop of the need to reduce the cost base to remove reliance on EFS.                                                       |

# Summary of risk assessment

## Response to significant risk (continued)

|                                   |                                                                                                                                                                                                                                                                           |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RISK3</b>                      |                                                                                                                                                                                                                                                                           |
| <b>Description of risk</b>        | <b>In line with the prior year work, the Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.</b>                                                            |
| <b>Procedures to be performed</b> | We will understand the changes made to manual processes given the delay in the implementation of the procurement system solution, in particular in response to the new Procurement Act 2023 (PA23) and whether these changes provide greater oversight & value for money. |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RISK4</b>                      |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Description of risk</b>        | <b>In line with the prior year work, there is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health &amp; safety, which could impact the Council's return on investment.</b>                                                                                                                                                    |
| <b>Procedures to be performed</b> | <p>We will consider the processes in place for the management of the Council's commercial leases, as well as seeking to understand how compliance and regulatory requirements are met around fire safety, repairs &amp; maintenance and health &amp; safety.</p> <p>We will assess if the council has adequate knowledge of its leases and the underlying terms such that it can effectively budget for any financial implications</p> |

|                                   |                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>RISK5</b>                      |                                                                                                                                                                                                                                                                                                                         |
| <b>Description of risk</b>        | <b>The Council utilises high levels of nightly paid accommodation as part of its response to significant pressures for Temporary Accommodation, resulting in an inefficient and increased cost base and lack of stability for residents.</b>                                                                            |
| <b>Procedures to be performed</b> | We will assess the Council's strategy for reducing its cost base in this area, as well as the mix and cost of different accommodation types utilised by the Council. We will understand the underlying factors behind these such as local competition for accommodation and block booking to secure economies of scale. |
| <b>RISK6</b>                      |                                                                                                                                                                                                                                                                                                                         |
| <b>Description of risk</b>        | <b>The Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed, or that financial contributions from patients are assessed and recovered in a timely manner.</b>                                                                                        |
| <b>Procedures to be performed</b> | We will understand the process for the financial assessment of clients, as well as for engaging with North London Integrated Care Board (ICB) to ensure cost sharing levels are appropriate in respect of Continuing Healthcare (CHC) packages.                                                                         |

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment

#### *Wider Context*

- The London Borough of Haringey is home to circa 270,000 residents, and has challenges with high levels of income inequality, housing affordability and homelessness. For the purposes of government funding, Haringey is considered an outer London borough and receives less funding than an inner London borough even though deprivation levels are high - Haringey is ranked as the 4th most deprived borough in London as measured by the IMD score 2019. Haringey also faces increasing demand for adult social care services due to its aging population and the prevalence of long-term health conditions.
- Core funding for Haringey has decreased by circa £140m in real terms since 2010, and as with many authorities, there are increasing financial pressures due to increased demand and costs in adult social care, children's social care, special education needs and temporary accommodation. This is a key driver of financial challenges given that around 60% of the General Fund revenue budget each year is spent on Adult's, Children's and Temporary Accommodation services.
- Local authorities have been campaigning for government to provide fairer funding and longer-term settlements. As part of the response, the government has called on councils with budget shortfalls to use their reserves to fill the gap and have commissioned the Fair Funding Review 2.0, which we discuss in further detail on page 11. For Haringey, this is a difficult position financially due to the low level of General Fund Reserves at the outset of 24/25 – at circa £67.4m, a decrease from £97.2m at the start of 23/24.

#### *Financial Planning 2024/25*

- The Council's approach to budget setting is guided by its Financial Regulations. For the 2024/25 fiscal year, planning began well ahead of time, starting with Budget Fortnight in June 2023. Executive Directors were tasked with setting budgets for the Service Lines they manage, accounting for anticipated pressures within their Directorate as well as required efficiencies. To ensure realism and deliverability of these budgets, Directorates assessed cost pressures from a variety of sources, including policy changes, economic trends, contract information, and ongoing budget monitoring.



# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment (continued)

- For the 2024/25 financial year, Directorates were specifically instructed to identify and outline efficiency schemes during Budget Fortnight, to help address the financial challenges of the Council. Our review of these submissions revealed that the level of detail provided varied across Directorates, with some financial impacts not yet determined ahead of Budget Fortnight. We noted a significant weakness in the prior year in relation to the identification and monitoring of cost savings schemes, and although there has been clear improvement in the tracking of savings, we note gaps within the monitoring document in terms of the RAG ratings and details on the actions being undertaken and monitored to produce these savings. This is reflected within the worsening performance of the Council in relation to achieving its efficiency targets, which we discuss in more detail on page 9.
- The outcomes from Budget Fortnight were incorporated into the draft budget presented to Cabinet in December 2023. At this stage, the identified budget gap on an overall General Fund Budget of £301.0m was £16.3m, which was £6.3m worse than the MTFS agreed in March 2023. This budget also incorporated pressures of £25.5m – specifically Adult Social Care (£20.4m), Children's (£2.1m) and Temporary Accommodation (£3.0m) – and assumed efficiency savings of £15.6m (5.2% of expenditure).
- In line with the Council's constitution, the draft 2024/25 budget and Medium-Term Financial Strategy (MTFS) then went to the Overview & Scrutiny Committee in January 2024. We have reviewed the minutes from the latter two January 2024 meetings and can see there is documented challenge from members of the budget and underlying assumptions, and we have also inspected the recommendations made to Cabinet as a result of this process which were incorporated into the final decision-making process.
- In terms of wider engagement, we have also viewed the Budget Consultation Report for 2024/25, detailing 654 public responses to questionnaires and the Council's analysis of the responses, showing good engagement with the community and the people that will be impacted by budget changes.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment (continued)

- On 1st February 2024, the final budget was recommended to Cabinet, in which the gap had now been closed by identifying further efficiency savings and various other actions totalling £10.4m since December, as well as including a planned drawdown of £5.9m from the Strategic Budget Planning Reserves.
- The final budget, along with the MTFS, was reviewed by Cabinet on 6th February 2024 and subsequently recommended to Full Council, which gave its approval on 4th March 2024. This final budget contained a forecast £5.4m overspend on a £302.0m General Fund Budget – to be met by a Reserves drawdown - as well as assuming a savings programme for 2024/25 of £19.3m (6.4% of General Fund expenditure).

### Financial Performance 2024/25

- By the quarter 1 (Q1) financial update presented to Cabinet on 17<sup>th</sup> September 2024, the Council was already forecasting a £20m overspend – 6.6% of budget – with this primarily being driven by pressures in Adult Social Care (£9.8m), Children's (£4.2m) and Temporary Accommodation (£4.8m), as well as non delivery of savings (£3.0m). These overspends are beyond what was already built into the budget for additional in year pressures as referenced on Page 7.
- This forecast worsened by the time of the Quarter 2 financial update to £37.2m (12.3% of budget), driven by Adult Social Care (£16.8m), Children's (£4.2m), Temporary Accommodation (£10.0m) and non delivery of savings (£7.5m).
- Given the speed at which the 2024/25 budget deteriorated, we are not satisfied that the budget adequately incorporated all financial pressures and demands. The final year end outturn was a £37.8m overspend which, although an improvement given the trajectory from Q1 and Q2, represents a 12.5% overspend.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

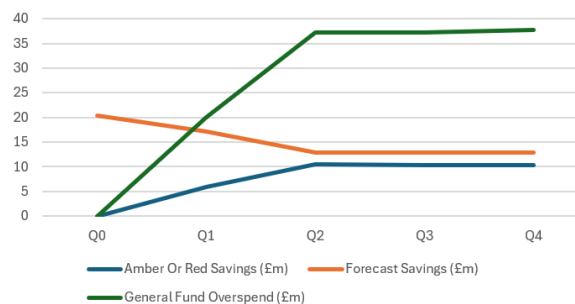
- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

## Summary of risk assessment (continued)

### Savings Schemes

- As part of its work for Budget Series in June 2023, the Council identified and costed a variety of savings schemes, and this culminated in the Council approving the 2024/25 MTFS with a savings programme of £19.3m (6.4% of expenditure).
- The Q1 finance update to Audit Committee detailed that the revised savings target was now £20.2m, however £6.0m of these were now amber or red RAG rated with the projected full year achievement only £17.1m. By Q2 this had worsened to £10.5m being amber or red rated with a projected outturn of £12.9m of savings, and by Q3 this was £10.3m and forecast achievement of £12.9m.
- The final position for 2024/25 was £12.9m (63%) of savings delivered of the again revised £20.4m target – a £7.5m shortfall. This is a decrease compared to the 23/24 savings schemes performance, which achieved £13.5m (77%) vs a £17.5m target. We have illustrated below the correlation of non-delivery of savings with the overspend in year, which also show how far off track the savings schemes were by Q1 and Q2, such that this was not recoverable in the second half of the year.

Overspend vs Savings Scheme Performance



# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment (continued)

- We do not believe that the £19.3m efficiency savings planned were sufficiently realistic and supported by achievable goals, given that £7.5m (38%) of these had been deemed red RAG rated by quarter 2 (Q2), with a further £3.0m amber rated.
- We note also that the 2024/25 budget and savings targets were also adjusted multiple times during the year, which leads to inconsistencies and lack of clarity in the reporting to Cabinet & Audit Committee and we have raised a high priority recommendation in respect of this.

### Final Outturn And Drivers Of Overspend

- By drawing on contingencies, unallocated reserves, and historic credit balances, the Council was able to make one-off contributions totalling £28 million, reducing the final overspend to £10 million. To close the accounts, the Council requested Exceptional Financial Support (EFS) from the Government to cover this gap.
- As a result of the drawdown on the General Fund Reserve, this balance now stands at £52.2m as of 31st March 2025 (£67.4m as of 31st March 2024). The decrease in General Fund Reserve is attributed to the drawdown of £15.2m to cover the General Fund overspend for 2024/25.
- The largest areas of overspend in year were Adult Social Care (£15.8m) and Housing Demand including Temporary Accommodation (£9.8m), which were on top of the already added £20.4m for Adult Social Care pressures and £3.0m for Temporary Accommodation. We have discussed these further as part of our work over achieving Efficiency, Economy & Effectiveness on page 16.
- We have reviewed the CIPFA resilience index 2024, which is a comparative analytical tool that identifies trends in financial risks. This highlights that although Haringey has a favourable social care to overall expenditure ratio compared with its neighbours, this is worsening and the Council has particularly low levels of reserves to be able to manage this position.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Summary of risk assessment (continued)

#### *Financial Planning 2025/26*

- The Council has developed Finance Response & Recover plans with the aims of reducing short to medium term expenditure to remove the reliance upon EFS for 2025/26 and avoid the need for it in 2026/27, as well as addressing the longer-term factors that will enable greater financial resilience.
- The Council has a 2025/26 savings plan of £29m, which will be challenging to achieve given the 63% & 77% savings achievements over the last 2 years on significantly lower targets of £20.4m and £17.5m respectively. Additionally, a further £37 million in EFS has been sought to allow for a balanced budget in 2025/26 and there is currently a predicted budget gap of over £70m for 2026/27.
- However, we note as at Q1 2025/26 that the Council is forecasting a £30.1m overspend, as well as an expected achievement of only 69% of its savings target, with £14.8m (over 50% of the target) being amber or red RAG rated. This reflects the challenging financial picture, particularly when combined with the need to repay EFS over the coming years.
- The Government's Spending Review on 11 June 2025 showed funding for Local Government will increase by 3.1% over the next three years, which will be outstripped by inflation and not address increasing demand, specifically across Adults, Children's and Temporary Accommodation.
- Additionally, we have reviewed modelling produced by LG Futures and London Councils which quantifies the impact of the Government's June 2025 consultation – Fair Funding Review 2.0 – to create a new Settlement Funding Assessment. This proposes combining several existing grants into one, such as the: Social Care Grant; Revenue Support Grant; Better Care Grant and the Temporary Accommodation element of the Homelessness Prevention Grant.
- The modelling has tested 8 different individual scenarios and shows that the impact to Haringey may be a circa £30-40m loss of income depending on the outcome of this consultation, reflecting the importance of implementing transformative change to reduce its cost base.

# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2024/25 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2024/25 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2024/25 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

### Risk Assessment Conclusion

Given the low level of reserves held by the Council; the need for EFS in 24/25 to close the accounts; planned continued reliance on EFS for 25/26; the impact of the Spending Review and potential impact of the Fair Funding Review - we do not believe that the Council has arrangements in place to ensure financial sustainability and have retained the 2 significant risks linked to Financial Sustainability that were raised in the 2023/24 Value For Money work.

As detailed on page 4, these relate to arrangements in place for financial response and recovery for future periods and ascertain how the Council aims to reduce reliance upon EFS to achieve a balanced position, as well as the actions taken to improve cost saving identification and delivery against the backdrop of the need to reduce the cost base to remove reliance on EFS.

# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

### Summary of risk assessment

#### *Governance Structure & Controls*

- The Council have a detailed Constitution and Local Code Of Corporate Governance that outline the terms of reference & key responsibilities for the Council's committees, as well as duties for key employees such as the Head of Paid Service, Chief Finance Officer and Monitoring Officer. The Monitoring Officer reports to the full Council or to the Executive if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. No such reports were made in 2024/25.
- These policies were both refreshed during 2024/25 and outline how 'key decisions' are to be made, with a clear definition of what constitutes as 'key decision'. The Council has a Forward Plan that lists all decisions that Cabinet will take and is published monthly on the website, covering a 4-month period.
- We have reviewed a key decision taken in year to approve the adoption of a new parking strategy, which is defined as a key decision due to its impact upon the community. We have also reviewed the consultation undertaken with the local community showing strong key stakeholder engagement which was reflected within Cabinet's considerations as part of the approval process. We have confirmed that this decision was published on the website in line with the terms of the Constitution and received appropriate scrutiny and approval from members at the July 2024 Cabinet.
- The Council has a Code of Conduct in place, which was approved by the Staffing & Remuneration Committee in June 2019 and revised in March 2023. This outlines standards of behaviour for staff as well as providing guidance and references to other key policies such as Whistleblowing and conflicts of interest. In addition to this, the employee code of conduct is underpinned by the Council's disciplinary code, which sets out the process for dealing with breaches of the code of conduct.

# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

### Summary of risk assessment (continued)

- The Council also has an Anti Fraud, Bribery & Corruption Policy which was refreshed in October 2024. We have reviewed the Anti Fraud Updates taken to the Audit Committee and the associated minutes, showing evidence of the Council reporting and acting against suspected fraud.
- The Council keeps up to date with legislative changes through Government-issued Letters and Guidance notes. These updates are circulated to the relevant departments responsible for ensuring compliance. Additionally, Legal Services communicate essential legal information to council teams and provide training or access to training resources when needed.
- The Council's Code of Conduct documents the responsibilities of Council employees and processes regarding conflicts of interest, gifts and hospitality.

### *Risk Management*

- Although risk registers are not always held at a service level, there is sufficient representation from senior service staff at the Directorate level (above service level) to enable risks to be captured on the directorate risk register. All directorates have a risk register.
- The Strategic Risk Register, reported through Audit Committee, provides the following information against each risk to enable informed decision making: current impact; current likelihood; current risk score; proximity; and mitigating actions. We have seen evidence that these risks & corresponding actions contain sufficient detail and are assigned to the most appropriate senior office to allow thorough risk management to occur, and the risk scores seem in line with the underlying information. However, the detail in meeting minutes does not fully reflect the level of discussion around risk that occurs in committee, which is in line with our prior year performance improvement observation raised.



# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- The design of the governance structures in place at the Council;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2024/25 financial plan by the Council, including how financial risks were communicated;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Council ensures decisions receive appropriate scrutiny.

### Summary of risk assessment (continued)

- The Council operates a purchase card scheme. We note that an August 2024 Internal Audit report found that there was inadequate oversight of usage within each directorate, a lack of analysis of how the cards are used and total expenditure for 2023/24 was £4.3m, an increase of 43% from the prior year. However, during 2024/25 there has been a full review of cardholders and financial limits as part of the wider financial recovery and ensuring that there is appropriate spend control, with a reduction in use of such cards featured in the Finance Response & Recovery plans and reported into the newly formed Procurement Board.

### Risk Assessment Conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with governance.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment

#### Background

- As part of our work in the prior year we identified significant risks in arrangements to secure value for money in respect of Procurement, Commercial Property and Housing. We have made key inquiries with Heads Of Service as part of our work for 2024/25, which has identified that pressures and challenges remain within these areas to varying degrees. As such we have summarised our approach to these areas throughout the following slides.

#### Housing

- In January 2023, the Council referred itself to the Regulator of Social Housing because it identified a failure to meet statutory health and safety requirements for some Council owned homes. There has been significant work undertaken since then and although we initially identified a significant risk in the prior year, we felt that there were appropriate actions already in place such that these issues were being sufficiently addressed in the short to medium term.
- This conclusion is borne out in the data as of March 2025. There has been year on year improvement across a variety of metrics such as the percentage of properties with: electrical inspections; valid gas safety certificates; water hygiene risk assessments; fire risk assessments and asbestos surveys. Additionally, we have seen the approval of new policies such as the: Asbestos Safety Policy; Electrical Safety Policy; Fire & Structural Safety Policy; Gas & Heating Safety Policy; Lift Safety Policy and Water Hygiene Policy. All of these demonstrate the Council's commitment to improving the safety and quality of residents' accommodation.
- This has culminated in the percentage of decent homes rising year on year to 80.7% (an increase from 68% as of the January 2023 regulator self-referral), with the Asset Management Team exceeding the targets set by the regulator in respect of decent homes.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment

- The Council's Housing Income Collection Policy and Housing Arrears Policy establish how the Housing team will collect housing rents and recover arrears, and the team have a target of a 97.5% collection rate for rent & service charges relating to General Needs and Supported Housing. For 2024/25 this target was exceeded, with a collection rate of 98.5%.
- We have also reviewed reporting of this performance into the Housing, Planning & Development Scrutiny Panel, showing sufficient oversight and monitoring of key metrics.

### Temporary Accommodation

- As the local housing authority, Haringey has a duty to provide accommodation for adults who qualify for homelessness assistance. There are three main types of Temporary Accommodation (TA) utilised: Private Sector Leases (PSLs), Nightly Paid Accommodation (NPAs) and B&B/Hotels. We have reviewed data pertaining to their cost & usage as part of the Council's Housing Demand Dashboard.
- The Council's first preference is to use PSLs as these are more stable for the residents and procured at a much lower cost. The average number of households placed in PSLs across 2024/25 was 388 at an average net cost per household of £210/month – a yearly total of £7.1m.
- NPAs are the most common form of TA utilised by the Council, with an average of 1,492 households placed in NPAs throughout 2024/25 at an average net cost of £824/month – a yearly total of £35.1m.
- The use of B&Bs and hotels is much less frequent, with an average of 172 households across 2024/25 at an average net cost of £2,330/month – a yearly total of £6.2m. However, we note that on average there were 68 households containing children or pregnant women who were in B&Bs for longer than 6 weeks, which contravenes section 17.38 of the Homelessness Order 2003. Given the prevalence of this issue across London due to accommodation shortages, we understand that the Council is in regular contact with the Ministry of Housing, Communities & Local Government (MHCLG) and there are no punitive sanctions or fines being considered.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

- The £37.2m General Fund overspend in 2024/25 was partially a result of overspend on TA. This was caused primarily by an increase in the cost rate than an increase in usage - the amount of households in TA has increased by less than 3% year on year vs a 19% & 29% increase in the cost of NPAs and PSLs respectively. Additionally, due to the ability of landlords to command significantly higher returns from private rental vs PSLs, the amount of PSLs in place has dropped by 11% and has been offset by a 4% rise in NPAs and a 41% rise in B&Bs/Hotels. This change in the mix of accommodation as well as the hugely increased costs charged on a per night basis has resulted in a large overspend.
- We note that whilst there is an attempt to provide value for money through block booking accommodation in advance, this is not always possible due to resistance from the providers and competition from neighbouring Local Authorities for a limited number of available units.
- The Council does have a TA reduction plan in place, however given current demand (with new households presenting as homeless) and the limited options to place households into more permanent accommodation, this is proving challenging.
- A key part of reducing the number of households in TA is building new council homes, which allows the Council to control the supply & cost across the longer term. The Council has an approved Housing Strategy 2024-2029, which aims to build 3,000 Council homes by 2031, part of which will be used to alleviate pressures on the TA budget, however this will take time to have a meaningful effect.
- This delivery will be key in reducing pressures on TA. There is a chronic lack of Council Homes in the borough, with the average wait time for a household in TA of 18 months for a 1-bedroom property, 6.5 years for a 2-bedroom and 12 years for a 3-bedroom.
- Given the pressures faced within Temporary Accommodation which led to a large overspend in year, we have identified a significant risk to achieve value for money focussed on the Council's increasing use of expensive, nightly paid accommodation and hotels/B&Bs.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

#### *Commercial Property*

- In our prior year work we identified a significant risk and corresponding weakness in relation to the lack of record keeping in relation to leases. This leaves the Council exposed to potential liabilities for unexpected maintenance or legal claims relating to health and safety, as well as missing out on vital income in the form of uprating rental values and collecting backdated payments. Our work to date suggests that this remained the case during 2024/25 and up to the date of this report, hence we continue to identify a significant risk linked to Commercial Property.
- As at the date of this risk assessment there are 349 leases that are holding over on rent, meaning that Council does not have these commercial tenants secured on long term leases to ensure a reliable revenue stream, increasing the risk of sudden voids. This figure is due to increase significantly over the next 2 years, highlighting that the renewal of leases to secure longer term income is a key priority.
- Additionally, there are 242 leases with an outstanding rent review, meaning that the Council is missing out on a potentially significant amount of income by ensuring that rents are increased in line with market conditions. The Council does not forecast potential rent increases from this review process into the budget setting for the service or within the financial statements, meaning that not all rents owed are included within these figures, as the team are not able to accurately forecast these pre-review.
- Due to resource constraints, the team were only able to complete 8 lease renewals and 2 rent reviews during 2024, however the renewals proved particularly fruitful with an average uplift of 21% applied and an average new lease period of 7 years, helping secure medium-term income.
- The Commercial Property team do not have a formal process in place for monitoring vacant properties. A spreadsheet has begun to be maintained post year-end, showing that the number of vacant properties is 33, with an average time empty of 1,767 days due to a wide variety of reasons.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

- There is insufficient data held to allow the commercial property team to effectively monitor and forecast repairs, often having to manually review leases to confirm who is the responsible party for repairs when a request is made. Even when a repair is logged and ongoing issues are brought to the attention of the commercial team, they have no effective solution to record the information and often reliance is placed on knowledge held by members of the commercial property team.
- The Council does not have a formalised process and system solution for monitoring and chasing commercial property arrears. Due to ongoing issues with accounts incorrectly showing credit balances due to issues with payment allocations, it is a resource intensive exercise to ensure that accounts in arrears are appropriately identified, and action taken. The team are now focussing more resource on the largest 20 debtors which total circa £1.8m, however a more efficient and effective approach needs to be adopted.
- The commercial property team is in the process of creating a business case for a 'Property Review', which would aim to consolidate and reset the baseline of the Council's information in relation to its commercial property portfolio over a period of 24 months. This is key given the poor quality of underlying data, the conflicting information from different sources and the potentially significant amount of lost income in the coming years. However, it has not yet received sufficient time or resource to progress to a stage where it can begin to be implemented given the competing pressures across the Council for transformational change.
- We recommend that the Council quantifies the potential level of rental uplift achievable through conducting such a review, so that resource can then be allocated to this project and it can be evaluated sufficiently against other such projects via a cost-benefit analysis.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

#### *Social Care*

- The Council spent just over 30% of its General Fund outturn on Adult & Social Services in 2024/25. The MTFS included £20.4m to account for ongoing pressures within Adult Social Care but despite this, it accounted for the largest share of the 2024/25 overspend (£15.8m) as well as the largest share of the shortfall against the Council's efficiency target (£4.5m). This has been reflected within our regular meetings with senior officers throughout the financial year, with Adult Social Care being highlighted as an ongoing concern. The directorate had a £9.8m overspend forecast by Q1 vs the budget of £79m, reflecting how quickly these pressures were felt.
- We have reviewed management's monitoring dashboards covering the number of users and committed expenditure per week to track the drivers behind the forecast overspend appearing so quickly within 2024/25. This showed that the number of 18–64 year-olds in receipt of a care package jumped from c.1,690 at the outset to 1,740 by Q1 and 1,800 by Q2. This was outstripped by the increases relating to those aged 65+, which rose from c.1,820 users to 1,970 by Q1 and 2,080 by Q2 – a 14% increase.
- This increase in volume is driven by an increase in the number of care package assessments being made, as a result of increased resource being committed to the service line ahead of external inspection. This therefore should have been better forecast into the service line's budget – for instance we have seen that there were 173 residential assessments in April 2024, which rose to 238 & 279 in July & August 2024, therefore causing a spike in the number of active packages and increased cost.

#### *External Regulatory Findings*

- The Care Quality Commission (CQC) inspected Haringey during 2024/25 and published its report in February 2025. This rated the Council as 'requires improvement', in how well it is meeting its responsibilities to ensure people have access to adult social care and support.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

#### *External Regulatory Findings*

- The report did note some points of good practice, particularly around the demonstration of a commitment to transformation and improvements, as well as the introduction of a more local approach to make it easier for people to access care and support closer to home. This is reflected within the Council's Adult Social Care Strategy 2024-29 and in terms of benchmarking, data showed 92% of people supported were still at home after 91 days, which is better than the England average of 83.7%.
- However, it also referenced that people are waiting too long to have their care needs assessed and were frustrated with the communication around this. This ties into our findings from our key inquiries as well as the Financial Assessment Of Clients report published in December 2024 by Internal Audit, which noted a delay in performing financial assessment of clients in receipt of care packages. As of June 2024, there was a total of £10.7m outstanding debt and a backlog of 794 clients who had started receiving care, but no financial assessment had been made. This has the risk to lead to significant financial loss for the council.
- Given the overspend in year and the 'Requires Improvement' regulatory finding, we have identified a significant risk that the Council does not have adequate processes in place to ensure that Adult Social Care spend is sufficiently forecast and managed, or that financial contributions from patients are assessed and recovered in a timely manner.
- In response to the CQC findings, the Council is also implementing an Adult Social Care Improvement Project Plan. We will review the aims and progress of enacting this plan as part of our additional procedures.



# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

#### *Procurement*

- In 2023/24 we commented as part of our significant risk linked to procurement that the current systems did not have the functionality to produce meaningful or valuable monitoring data and there was limited oversight of contract management across the council, and this remains the case in 24/25.
- For instance, we have reviewed the February 2025 SAP contract monitoring document used by the procurement team and although this provides the start & end dates for contracts across the council, as well as target value & spend to date, it does not track run rate or overspend. We identified 924 instances of a contract showing £0 remaining; however, the contract end date was still to pass – with 164 of these contracts having an end date of 2026 and beyond. This implies these contracts are overspent based on the initial procurement value, however this is difficult to confirm using the data.
- The Procurement Act 2023 (PA 23) is an act of Parliament that came into force on 24th February 2025. The act seeks to overhaul public procurement law in the United Kingdom by simplifying processes and giving a greater share of public sector supply opportunities to small businesses. The PA23 covers the entire commercial lifecycle for letting and maintaining public contracts.
- Under the PA23, the Council is required to publicly share a pipeline of all contracts worth £2,000,000 or more that it plans to procure over the upcoming 18 months, at a minimum. This contract pipeline must be published within 56 days after 1 April each year and should be updated as soon as possible when circumstances change. From a Council perspective, there are transitional arrangements in place to ensure that compliance is met in the absence of the new procurement system solution. The Council has updated its Contract Standing Orders (CSOs) as of March 2025 to align these with the PA 23. This mandates that procurement is centralised above £25k (lowering the previous £160k threshold) and ensures there is Cabinet/Member approval prior to commencing procurement over £500k.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary of risk assessment (continued)

- With the establishment of the Procurement Board in late 2024/25 which is chaired by the Corporate Director Of Finance & Resources, the Council has strengthened its oversight and reporting of procurement activities to ensure not only compliance with the Procurement Act 2023, but also better adherence to CSOs and the delivery of value for money in contracts. Until a new e-procurement system is implemented, this process will continue to depend on manual data collection.
- We have reviewed the agenda and minutes for the February 2025 meeting of the Procurement Board, which shows sufficient introductory work to get the Board off the ground, however this was the first meeting and so the Board and agenda were not fully developed during 2024/25.
- Haringey does not have a tender waiver register as such but the policy for waivers is clearly set out in the CSOs, and from our review of a tender published on the Council's website, the decision notice clearly set out the compliance with the CSOs and the reasons for the direct award, hence we are satisfied that this process is being appropriately followed.

### Wider Commentary

- We note that we are not aware of any new material outsourcing in year, and in fact that Council maintains an Insourcing Policy to attempt to achieve increased value for money.
- We raised a significant risk in the prior year in relation to the high level of agency staff, however upon further review we found that this was generally cost neutral given the offset savings of not having to pay pension contributions – this remains the case in 2024/25. We are aware that the level of agency staff is lower amongst more senior roles, hence do not believe that this will significantly impact the Council's ability to deliver transformational change.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- The development of efficiency plans and how the implementation of these is monitored;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with partners in development of the organisation and system wide plans and arrangements;
- The engagement with wider partnerships and how the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Risk Assessment Conclusion

Based on the risk assessment performed we have identified significant risks associated with improving economy, efficiency and effectiveness, specifically:

- The Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed, or that financial contributions from patients are assessed and recovered in a timely manner.
- The Council utilises high levels of nightly accommodation as part of its response to significant pressures for Temporary Accommodation, resulting in an increased cost base and lack of stability for residents.

Based on the risk assessment procedures performed, we believe that the following significant risks raised in the prior year are still present during 2024/25 :

- The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.
- There is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment.

We will perform further procedures in response to these risks and provide our conclusions at a later date.

# Performance improvement observations

The performance improvement observations raised as a result of our risk assessment procedures are included below. Note that we will update this further within our Auditor's Annual Report:

| Priority rating for observations |                                                                                                                                                                                                                                      |   |                                                                                                                                                                                                                                                   |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                | Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.                              | 2 | Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system. |
| 3                                | Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them. |   |                                                                                                                                                                                                                                                   |

| # | Risk | Issue, Impact and Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Management Response / Officer / Due Date                                                                                                                                                                                                                                                                                                                                                                                                     |
|---|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 1    | <p><b>Lack Of Clarity In Assessing Budget vs Actual Performance In Finance Updates</b></p> <p>We have noted from our review of the quarterly finance updates to Cabinet during 24/25 that there is consistent revision of the initial budget and savings targets agreed by the Full Council in March 2024. This reduces transparency and the ability of members to assess in year performance vs initially agreed budgets.</p> <p>We recommend that reporting is enhanced so as to include the initial forecasted expenditure &amp; savings, alongside any virements approved by committee.</p> | <p>This recommendation is accepted and for both revenue and capital monitoring reports, from Q3 of 2025/26 will include for both revenue and capital budgets, the original budget, any virements agreed each quarter and then the latest budget for which monitoring is against. As per reporting at the moment, the rationale for each virement made every quarter will be included in detail of the appendix of each quarterly report.</p> |

# Performance improvement observations (cont.)

| # | Risk | Issue, Impact and Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Management Response / Officer / Due Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | ①    | <p><b>Assessing The Potential Income From A Commercial Property Review</b></p> <p>Our risk assessment work over Commercial Property has identified that there is a significant amount of lost income through overdue rent reviews and properties which have leases holding over. The Council has not yet been able to quantify this lost income to effectively assess the cost/benefit of performing the Property Review.</p> <p>We recommend that work is done to understand the additional income that could be achieved through this review, such that resource can then be appropriately allocated.</p> | <p>This recommendation is accepted. Over the last 12 months, good progress has been made in collecting data on the Council's commercial property portfolio, including on leases and the rent roll. Work is underway to work through the portfolio to carry out overdue rent and lease reviews and to date an additional £500,000 has been identified from the reviews to date. However, there remains a large backlog and this will remain a priority until complete. Additional time limited capacity is being considered to expedite these reviews because it is recognised that there are missed income opportunities which are even more crucial given the Council's financial position. Work is also underway to consider a digital solution for the maintenance of commercial property data and the management of the portfolio since much of these records are held and managed manually at this stage.</p> |



[kpmg.com/uk](https://kpmg.com/uk)

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

© 2025 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

**Report for:** Audit Committee – 10<sup>th</sup> November 2025

**Item number:** 8

**Title:** Treasury Management Q1 Report 2025/26

**Report authorised by:** Josephine Lyseight, Director of Finance (Deputy S151 Officer)

**Lead Officer:** Sam Masters, Head of Finance – Treasury and Banking  
[Sam.Masters@Haringey.gov.uk](mailto:Sam.Masters@Haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/Non Key Decision:** N/A

## **1. Describe the issue under consideration**

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management reports on a semi-annual and annual basis.
- 1.2. The Council's Treasury Management Strategy for 2025/26 was approved at a full Council meeting on 3rd March 2025. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 1.3. This report provides an update to the Audit Committee on the Council's treasury management activities and performance for the quarter ending 30<sup>th</sup> June 2025, in accordance with the CIPFA Code.

## **2. Cabinet Member Introduction**

- 2.1. Not applicable.

## **3. Recommendations**

The Audit Committee is requested:

- 3.1. To note the treasury management activity undertaken during the financial year to 30<sup>th</sup> June 2025 and the performance achieved which is attached as Appendix 1 to this report.
- 3.2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

## **4. Reason for Decision**

4.1. Not applicable.

**5. Other options considered**

5.1. Not applicable.

**6. Background information**

6.1. The Council's treasury management activity is underpinned by CIPFA's Treasury Management in Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement.

6.2. CIPFA has defined Treasury management as: "The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

6.3. The CIPFA Code recommends that members are informed of treasury management activities at least twice a year. Following an amendment to the Council's constitution in 2023, it was determined that the reviewing and monitoring of treasury policy, strategy and activity is delegated to the Audit Committee. This Committee receives quarterly treasury management update reports, including a mid-year and annual report.

6.4. However, overall responsibility for treasury management remains with full Council, and the Council approved the Treasury Management Strategy Statement and set the Prudential Indicators for 2025/26 on 3<sup>rd</sup> March 2025.

6.5. Government guidance on local authority treasury management states that local authorities should consider the following factors in the order they are stated:

Security → Liquidity → Yield

6.6. The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. However, no treasury activity is without risk and the effective identification and management of risk are integral to the Council's treasury management activities.

**Economic Background**

6.7. The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.

6.8. President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.



- 6.9. Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt by the Committee was expected to continue with financial markets anticipating the next cut would be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR) which was correct as the rate was further cut to 4%.

**Table 1: BoE Base Rate – Quarterly Movement**

|               | Sep-24 | Dec-24 | Mar-25 | Jun-24 |
|---------------|--------|--------|--------|--------|
| BoE Bank Rate | 5.00%  | 4.75%  | 4.50%  | 4.25%  |

### **Borrowing Activity**

- 6.10. As outlined in the treasury strategy, the Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising longer-term stability of the debt portfolio.
- 6.11. After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields have been volatile but have reduced slightly except in the longer term in response to expectations of lower future interest rates. There has been a slight increase in gilt yields for period of around 30 years and longer, which is due primarily to an increased uncertainty premium being priced into the longer period.
- 6.12. The table below shows the movement in rates offered across the various PWLB maturities for the 12 months to 30<sup>th</sup> June 2025. The rates shown includes the 0.20% certainty discount rate offered by the PWLB to qualifying authorities.

| PWLB Maturity | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|---------------|--------|--------|--------|--------|
| 10 year       | 4.79   | 5.43   | 5.42   | 5.27   |
| 20 year       | 5.27   | 5.86   | 5.91   | 5.88   |
| 50 year       | 5.13   | 5.68   | 5.67   | 5.71   |

- 6.13. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,056.3 million in loans on 30<sup>th</sup> June 2025. The Council has a significant capital programme which will largely be financed by new borrowing in the upcoming years. The Council plans to maintain a balanced portfolio of short and long-term borrowing.
- 6.14. Further details on the borrowing activity of the Council over the period can be found in section 4 of Appendix 1 to this report.

### Treasury Investment Activity

- 6.15. In accordance with the CIPFA Code and government guidance, the Council aims to strike an appropriate balance between risk and return, when making treasury investments. The aim is to prioritise the security and liquidity of its investments before seeking the optimum rate of return or yield.
- 6.16. Throughout the quarter the Council's investment balances ranged between £13.6m million and £83.3 million due to timing differences between income and expenditure, ending at £95.m on 30<sup>th</sup> June 2025.
- 6.17. Overnight deposit rates for the Debt Management Account Deposit Facility ranged between 4.2-4.45%. MMF rates ranged between 4.25–4.54%
- 6.18. The following table shows how the Council's current Treasury investments compare with other local authorities.

|                           | Credit Score | Credit Rating | Bail-in Exposure | Weighted Ave. Maturity (Days) | Rate of Return |
|---------------------------|--------------|---------------|------------------|-------------------------------|----------------|
| 31.03.2025                | 4.95         | A+            | 100%             | 1                             | 4.52%          |
| 30.06.2025                | 4.01         | AA-           | 30%              | 1                             | 4.23%          |
| Similar Local Authorities | 4.76         | A+            | 78%              | 11                            | 4.37%          |
| All Local Authorities     | 4.56         | A+            | 62%              | 10                            | 4.36%          |

Further details on the Council's treasury investment activity over the period can be found in section 5 of Appendix 1 to this report.

### Treasury Management Prudential Indicators

- 6.19. The Council measures and manages its exposures to treasury management risks using several indicators that are set when the Treasury Management Strategy is approved in advance of the new financial year.
- 6.20. The Chief Finance Officer reports that all treasury management activities carried out during the year were fully compliant with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
- 6.21. A detailed assessment of the Council's compliance with the agreed upon Treasury Management Indicators can be found in section 8 of Appendix 1 to this report.

## 7. Contribution to Strategic Outcomes

- 7.1. Not applicable.

## 8. Carbon and Climate Change

- 8.1. Not applicable.

## 9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)

### Finance and Procurement

- 9.1. Finance comments are included throughout the attached report.

Director of Legal and Governance [Haydee Nunes de Souza, Head of Legal Service]

9.2. The Head of Legal Services has been consulted on the content of this report which is consistent with legislation governing the financial affairs of the Council. In particular, the Council must comply with the requirements of the Local Government Act 2003, the Local Authorities (Capital Financing & Accounting – England) Regulations 2003 and the CIPFA Treasury Management code.

9.3. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee

9.4. Equalities

9.5. There are no equalities issues arising from this report.

## **10. Use of Appendices**

10.1. Appendix 1 – Treasury Management Update Report – Q1 2025/26

## **11. Background Papers**

11.1. None

This page is intentionally left blank

## Appendix 1 - Treasury Management Update Report Q1 2025/26

### 1. Introduction

- 1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve, as a minimum, treasury management semi-annual and annual reports.
- 1.2. This report includes the requirement in the 2021 Code, Mandatory from 1st April 2023, of reporting the treasury management prudential indicators.
- 1.3. The Council's treasury management strategy for 2025/26 was approved at a full Council meeting on 3<sup>rd</sup> March 2025. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

### 2. External Context (provided by the Council's treasury management advisor, Arlingclose)

#### **Economic background**

- 2.1. The quarter started to significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.
- 2.2. President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.
- 2.3. UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
- 2.4. Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.
- 2.5. Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would no doubt be welcome news to Bank of England (BoE) policymakers. Regular earnings (excluding bonuses) was 5.2% for the 3 month period, year on year, while total earnings was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and number of vacancies fell.
- 1.1. Having started the financial year at 4.5%, the Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%.

This dovish tilt by the Committee was expected to continue with financial markets anticipating the next cut would be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR) which was correct as the rate was further cut to 4%.

2.6. **Table 1: BoE Base Rate – Quarterly Movement**

|               | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|---------------|--------|--------|--------|--------|
| BoE Bank Rate | 5.00%  | 4.75%  | 4.50%  | 4.25%  |

- 2.7. The May version of the MPR highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second quarter of calendar 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.
- 2.8. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.
- 2.9. Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady during the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the main interest rate and came despite forecasts from Federal policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.
- 2.10. The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.

### Financial markets

- 2.11. After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have seen gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.
- 2.12. Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30th June.
- 2.13. The table below shows the movement of the major benchmark gilt yields throughout the period.

**Table 2: Gilt Yields**

| Benchmark Gilt Yield | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|----------------------|--------|--------|--------|--------|
| 5 year               | 3.76%  | 4.35%  | 4.28%  | 3.95%  |
| 10 year              | 4.00%  | 4.57%  | 4.68%  | 4.49%  |
| 20 year              | 4.51%  | 5.08%  | 5.21%  | 5.16%  |

The Sterling Overnight Rate (SONIA) averaged 4.31% over the period 1<sup>st</sup> April to 30<sup>th</sup> June 2025.

### Credit review

- 2.14. Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.15. During the quarter, Fitch upgraded NatWest Group and related entities to AA- from A+ due to the generally stronger business profile. Fitch also placed Clydesdale Bank's long-term A- rating on Rating Watch Positive
- 2.16. Moody's downgraded the long term rating on the United States sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.
- 2.17. Credit default swap prices on UK banks spiked in early April following the US trade tariff announcements but have since generally trended downwards and ended the quarter at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.
- 2.18. European banks' CDS prices followed a fairly similar pattern, albeit some German banks are modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier in 2025 and in 2024, while Singaporean and Australian lenders CDS rose initially in April but have since trended downwards, albeit are modestly higher than in previous recent periods.
- 2.19. Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 2.20. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

### 3. Local Context

- 3.1. On 30<sup>th</sup> June 2025, the Council had net borrowings of £951.8m arising from its revenue and capital income and expenditure. The Capital Financing Requirement (CFR) measures the underlying need to borrow for capital purposes. A breakdown of the CFR is summarised in Table 1 below.

**Table 1: Balance Sheet Summary**

|  |                 |
|--|-----------------|
|  | <b>31.03.25</b> |
|--|-----------------|

|                                           | Actual<br>£m   |
|-------------------------------------------|----------------|
| General Fund CFR                          | 704.5          |
| HRA CFR                                   | 626.8          |
| <b>Total CFR<sup>1</sup></b>              | <b>1,331.3</b> |
| Less: Other debt liabilities <sup>2</sup> | (73.3)         |
| <b>Borrowing CFR - comprised of:</b>      | <b>1,258.0</b> |
| External borrowing                        | 981.3          |
| Internal borrowing                        | 276.8          |

<sup>1</sup>subject to audit<sup>2</sup>finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

- 3.2. The Council continued to pursue its long-standing strategy of keeping borrowing and investments below their underlying levels, also known as internal borrowing. This approach aims to manage both interest rate risk and refinancing risk. The goal is to minimise interest costs and provide flexibility when deciding whether the Council should take on new borrowing from external sources.
- 3.3. The treasury management position on 30<sup>th</sup> June 2025 and the change over the quarter is shown in Table 2 below.

**Table 2: Treasury Management Summary**

| Type of<br>Borrowing/Investment | 31.03.25<br>Balance<br>£m | Movement<br>£m | 30.06.25<br>Balance<br>£m | 30.06.25<br>Weighted<br>Av. Rate<br>% |
|---------------------------------|---------------------------|----------------|---------------------------|---------------------------------------|
| Long-term borrowing             | 906.3                     | 87.0           | 993.3                     | 3.60%                                 |
| Short-term borrowing            | 75.0                      | (18.0)         | 57.0                      | 4.69%                                 |
| <b>Total borrowing</b>          | <b>981.3</b>              | <b>69.0</b>    | <b>1,050.3</b>            | <b>3.62%</b>                          |
| Short-term investment           | 0.0                       | 0.0            | 0.0                       | 0.00%                                 |
| Cash and cash equivalents       | 13.6                      | 84.9           | 98.5                      | 4.23%                                 |
| <b>Total investments</b>        | <b>13.6</b>               | <b>84.9</b>    | <b>98.5</b>               | <b>4.52%</b>                          |
| <b>Net borrowing</b>            | <b>967.6</b>              | <b>(15.9)</b>  | <b>951.8</b>              |                                       |

#### **4. Borrowing Activity**

- 4.1. CIPFA's 2021 Prudential Code emphasises that local authorities should not borrow to invest primarily for financial returns. Local authorities should not make any investment or spending decision that increases the capital financing requirement, resulting in new borrowing, unless such decisions are directly and primarily related to the functions of the local authority. Local authorities are no longer permitted to secure PWLB loans for purchasing investment assets primarily for yield unless the loans are for refinancing purposes.
- 4.2. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in the future.

#### **Borrowing strategy during the period**



- 4.3. As outlined in the treasury strategy, the Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising longer-term stability of the debt portfolio.
- 4.4. After substantial rises in interest rates since 2021 many central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields have been volatile but have reduced slightly except in the longer term in response to expectations of lower future interest rates. There has been a slight increase in gilt yields for period of around 30 years and longer, which is due primarily to an increased uncertainty premium being priced into the longer period.
- 4.5. The Public Works and Loans Board (PWLB) certainty rate for 10-year maturity loans was 5.42% at the end of March 25 and 5.27% at the end of quarter 1 2025/26. The lowest available 10-year maturity rate was 5.17% and the highest was 5.56%. Rates for 20-year maturity loans ranged from 5.71% to 6.16% during the period, and 50-year maturity loans from 5.46% to 5.97%. The cost of short-term borrowing from other local authorities has been similar to Base Rate during the period at 4.0% to 4.5%.
- 4.6. Table 4 shows the movement in rates offered across the various PWLB maturities at the end of each quarter for the 12 months to 30<sup>th</sup> June 25. The rates shown include the 0.20% certainty discount rate offered by the PWLB to qualifying authorities

**Table 4: PWLB Rates**

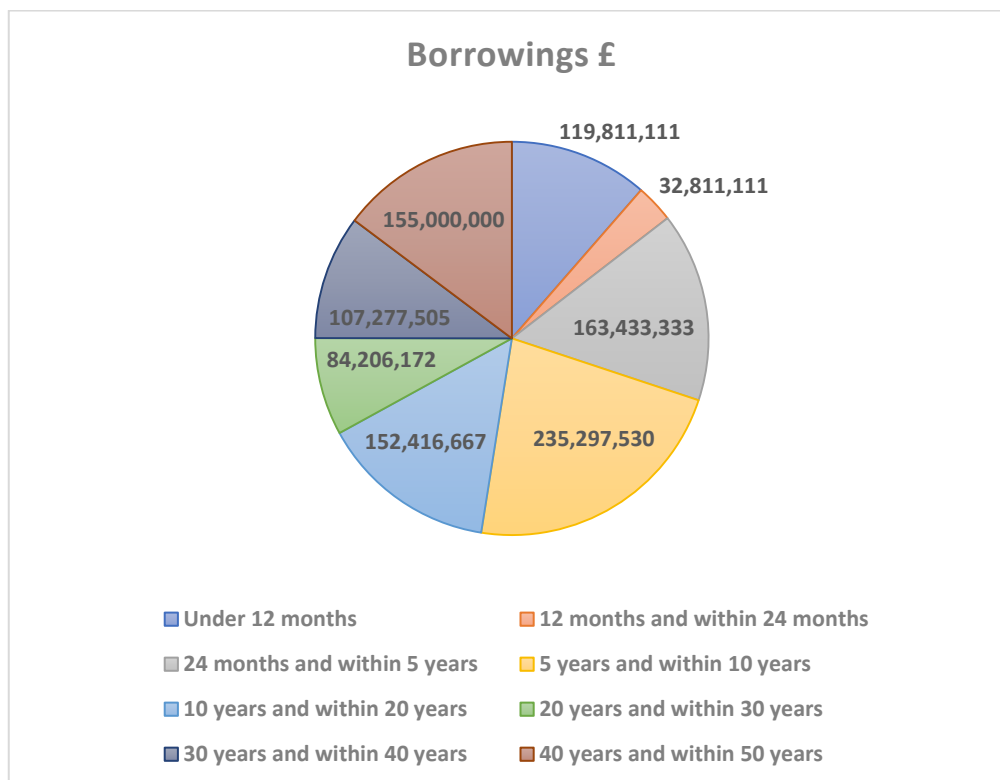
| PWLB Maturity | Sep-24 % | Dec-24 % | Mar-25 % | Jun-25 % |
|---------------|----------|----------|----------|----------|
| 10 year       | 4.79     | 5.43     | 5.42     | 5.27     |
| 20 year       | 5.27     | 5.86     | 5.91     | 5.88     |
| 50 year       | 5.13     | 5.68     | 5.67     | 5.71     |

- 4.7. On 15 June 2023, a new HRA PWLB rate was made available to qualifying authorities. This rate offers a further 0.40% discount to the currently available certainty rate, 0.60% in total. The Autumn Budget 2024 confirmed the rate would now be available until March 2026. The discounted rate is to support local authorities borrowing for the Housing Revenue Account (HRA) and refinancing existing HRA loans. It provides an opportunity for the Council to undertake additional HRA-related borrowing and replace any maturing HRA loans during this period.
- 4.8. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,050.3 million in loans at 30<sup>th</sup> June 2025, an increase of £69.0 million compared to 31<sup>st</sup> March 2025.
- 4.9. The outstanding loans on 30<sup>th</sup> June 25 are summarised in Table 5.

**Table 5: Borrowing Position**

| Type of Borrowing       | 31.03.25<br>Balance<br>£m | Net<br>Movement<br>£m | 30.06.25<br>Balance<br>£m | 30.06.25<br>Weighted<br>Ave. Rate<br>% | 30.06.24<br>Weighted<br>Ave.<br>Maturity<br>years |
|-------------------------|---------------------------|-----------------------|---------------------------|----------------------------------------|---------------------------------------------------|
| Public Works Loan Board | 806.3                     | 137.0                 | 943.                      | 3.54%                                  | 17.1                                              |
| Banks (LOBO)            | 100.0                     | (50.0)                | 50.0                      | 4.75%                                  | 25.8                                              |
| Local authorities       | 75.0                      | (18.0)                | 57.0                      | 4.69%                                  | 0.7                                               |
| <b>Total borrowing</b>  | <b>981.3</b>              | <b>69.0</b>           | <b>1,050.3</b>            | <b>3.66%</b>                           | <b>18.1</b>                                       |

- 4.10. The Council has a significant capital programme that extends into the foreseeable future. A large proportion of this program will need to be financed by borrowing. This borrowing will be undertaken by the Council during the current and upcoming years. The Council's borrowing decisions are not based on any single outcome for interest rates, and it maintains a balanced portfolio of short and long-term borrowing.
- 4.11. The maturity profile of the Council's borrowings on 30<sup>th</sup> June are shown in the chart below.



### LOBO Loans

- 4.12. On 30th June 2025, the Council held £50m of LOBO loans (Lender's Options Borrower's Options), where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.
- 4.13. At the beginning of the period the Council held £100m of LBOB loans. However, the Council has been able to successfully negotiate the repayment of £50m of those loans at a significant discount to the market value which was valued at £57m on 31<sup>st</sup> March 2025, by Arlingclose. The £7m representing a premium for the embedded options, above face value. It is estimated that the early redemption of the loans will garner a cost saving to the Council £227k over the next 3 years, inclusive of fees and charges, due to replacement borrowing from the PWLB being at a lower rate. The 3 year timeframe being the next option date of 2028.
- 4.14. With market interest rates having risen, the probability of call options on the LOBOs being called has been higher than in the recent past.
- 4.15. The Council currently holds £50m of LOBO loans with call dates within the next 12 months. The Council continues to engage with treasury management advisors, Arlingclose, to assess the likelihood of the options being exercised. If the option is exercised, the Council plans to repay the loan at no additional cost. In doing so, the Council will use any available cash or borrow from other local authorities or the PWLB to repay the LOBO loans.

**Table 6: LOBO Position as at June 2025**

| Lender Name            | End Date   | Original Principal £'m | Interest rate | LOBO Frequency Yr | Next Call Date |
|------------------------|------------|------------------------|---------------|-------------------|----------------|
| FMS Wertman            | 10/04/2053 | 20.0                   | 4.75%         | 0.5               | 10/04/2026     |
| FMS Wertman            | 10/04/2053 | 20.0                   | 4.75%         | 0.5               | 10/04/2026     |
| Dexia Credit Local     | 10/04/2043 | 10.0                   | 4.75%         | 0.5               | 10/04/2026     |
| <b>Total borrowing</b> |            | <b>50.0</b>            |               |                   |                |

## 5. Treasury Investment Activity

- 5.1. The CIPFA Treasury Management Code now defines treasury management investments as investments that result from the Council's cash flows or treasury risk management activity. These investments represent balances that need to be invested until the cash is required for business operations.
- 5.2. The Council holds invested funds, which represent income received in advance of expenditure, as well as balances and reserves held. Throughout the period, the Council's investment balances ranged between £13.6m and £95.8m due to timing differences between income and expenditure. The investment position on 30 June 2025 is shown in Table 7 below.

**Table 7: Treasury Investment Position**

| Type of Investment       | 31.03.25<br>Balance<br>£m | Net<br>Movement<br>£m | 30.06.25<br>Balance<br>£m | 30.06.25<br>Weighted<br>Ave. Rate<br>% | 30.06.25<br>Weighted<br>Ave.<br>Maturity |
|--------------------------|---------------------------|-----------------------|---------------------------|----------------------------------------|------------------------------------------|
| Debt Management Office   | 0.0                       | 68.5                  | 68.5                      | 4.20%                                  | 1 days                                   |
| Money Market Funds       | 13.6                      | 16.4                  | 30.0                      | 4.30%                                  | 1 days                                   |
| <b>Total Investments</b> | <b>13.6</b>               | <b>84.9</b>           | <b>98.5</b>               | <b>4.23%</b>                           | <b>1 day</b>                             |

- 5.3. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, taking into account the security and liquidity of its treasury investments before seeking the optimum rate of return or yield. The Council aims to strike an appropriate balance between risk and return when making treasury investments, while minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.
- 5.4. Over the course of the quarter, the Debt Management Account Deposit Facility's (DMADF) overnight deposit rates ranged between 4.20% and 4.45%. The Money Market rates ranged between 4.25% and 4.54%.
- 5.5. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking is shown in Table 9 below. These results demonstrate that there has been an improvement in the credit ratings and score of the Council's investments over the first quarter.

**Table 9: Investment Benchmarking – Treasury investments managed in-house**

|                           | Credit Score | Credit Rating | Bail-in Exposure | Weighted Ave. Maturity (Days) | Rate of Return |
|---------------------------|--------------|---------------|------------------|-------------------------------|----------------|
| 31.03.2025                | 4.95         | A+            | 100%             | 1                             | 4.52%          |
| 30.06.2025                | 4.01         | AA-           | 30%              | 1                             | 4.23%          |
| Similar Local Authorities | 4.76         | A+            | 78%              | 11                            | 4.37%          |
| All Local Authorities     | 4.56         | A+            | 62%              | 10                            | 4.36%          |

Scoring:

AAA = highest credit quality = 1; D = lowest credit quality = 26

Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

- 5.6. Most asset classes achieved positive performance over quarter 1 of 2025/26, although there was significant volatility across financial markets. The biggest source of this volatility was US trade policy uncertainty as US President Trump's 'Liberation Day' tariffs announced on 2nd April were higher and more wide ranging than had been expected.
- 5.7. This led to sharp drops in equity and bond market prices around the world while igniting worries about higher inflation and possible recession. With volatility ramping up, the US administration eventually softened its stance; tariff pauses and the start of a trade deal with China helping to appease investors and contributing to a relatively swift recovery in markets despite continuing uncertainty. War between Israel and Iran, with US intervention, was a major geopolitical event but had a muted impact on markets. Oil prices initially rose in reaction but ultimately ended the quarter at a similar level, allaying some fears of further inflation.
- 5.8. Improved investor sentiment after April, despite ongoing uncertainty, ultimately led to some strong equity market performance. In the US the S&P 500 rose by over 10% while in the UK the FTSE All-Share index achieved a 4.4% return and European equities 3.6%.
- 5.9. In fixed income markets, government bond yields generally ended the quarter lower despite significant volatility (so prices were higher) and corporate bond spreads recovered from tariff-induced widening, generally leading to low single-digit positive performance overall.
- 5.10. The gradual improvement in UK commercial real estate continued, with small rises in capital values across most sectors, while total returns continue to be driven by income.

## 6. Treasury Performance

- 6.1. The Council measures the financial performance of its treasury management activities in terms of its impact on revenue budget as shown in Table 10 below.

**Table 10: Treasury Performance**

|                                   | Actual to date<br>£m | Budget to date<br>£m | Annual Budget<br>£m | (Over)/under<br>£m |
|-----------------------------------|----------------------|----------------------|---------------------|--------------------|
| <b>Borrowing costs</b>            |                      |                      |                     |                    |
| General Fund borrowing            | 4.4                  | 4.8                  | 19.2                | 0.4                |
| HRA borrowing                     | 3.3                  | 6.4                  | 25.5                | 3.0                |
| <b>Total borrowing costs</b>      | <b>7.7</b>           | <b>10.4</b>          | <b>44.7</b>         | <b>2.6</b>         |
|                                   |                      |                      |                     |                    |
| <b>Treasury investment income</b> | <b>(1.0)</b>         | <b>(0.5)</b>         | <b>(2.0)</b>        | <b>(0.5)</b>       |

- 6.2. Interest costs for borrowing the first quarter have been lower than budgeted for, principally due to the capital scheme spend not progressing as anticipated. Income generation has been slightly higher due the Council having higher than anticipated cash balances also due to the slower pace of capital spend.

## 7. **Non-Treasury Investments**

- 7.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code includes all the financial assets of the local authority, as well as other non-financial assets that the local authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes or (made explicitly to further service objectives) or for commercial purposes (made primarily for financial return).
- 7.2. The Investment Guidance, issued by the Ministry of Housing, Communities and Local Government (MHCLG)) and Welsh Government, broadens the definition of investments to include all assets held partially or wholly for financial return.

## 8. **Compliance**

- 8.1. The Chief Finance Officer reports that all treasury management activities carried out during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
- 8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 11 below.

**Table 11: Debt Limits**

|                        | <b>30.06.25</b> | <b>2025/26</b>     | <b>2025/26</b>    |                  |
|------------------------|-----------------|--------------------|-------------------|------------------|
|                        | <b>Actual</b>   | <b>Operational</b> | <b>Authorised</b> | <b>Complied?</b> |
|                        | <b>£m</b>       | <b>Boundary</b>    | <b>Limit</b>      |                  |
|                        |                 | <b>£m</b>          | <b>£m</b>         |                  |
| Borrowing              | 1,050.3         | 1,673.1            | 1,723.1           | Yes              |
| PFI and Finance Leases | 73.3            | 12.7               | 13.9              | No               |
| <b>Total debt</b>      | <b>1,123.6</b>  | <b>1,685.8</b>     | <b>1,737.0</b>    | <b>Yes</b>       |

- 8.3. Although not classed as borrowing, the Council's PFI balances and finance leases increased have increased as a result of the reporting changes brought in by IFRS16. Unfortunately, the boundary and limit for 2025/26 were set before the impact on the adoption was known. The boundary and limit for PFI and Leases will be revised upwards for 2026/27's TMSS.
- 8.4. The operational boundary is a management tool for in-year monitoring. Therefore, it is not significant if the operational boundary is breached on occasion due to variations in cash flow, and this is not considered a compliance failure. However, the council's overall debt remained well below this limit throughout the entire financial year.

## 9. **Treasury Management Indicators**

- 9.1. As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

### **Security**

- 9.2. The Council has adopted a voluntary measure to assess its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. To calculate this score, a value is assigned to each investment based on its credit rating (AAA=1, AA+=2, etc.), and the arithmetic average is taken, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

|                                | <b>30.06.25<br/>Actual</b> | <b>2025/26<br/>Target</b> | <b>Complied?</b> |
|--------------------------------|----------------------------|---------------------------|------------------|
| Portfolio average credit score | AA-, 4.01                  | Above A, 6.0 or lower     | Yes              |

### Liquidity

- 9.3. The Council has adopted a voluntary measure to monitor its exposure to liquidity risk. This is done by tracking the amount of cash available to meet unexpected payments over a rolling three-month period, without borrowing additional funds.

|                                      | <b>30.06.25<br/>Actual/£m</b> | <b>2025/26<br/>Target/£m</b> | <b>Complied?</b> |
|--------------------------------------|-------------------------------|------------------------------|------------------|
| Total cash available within 3 months | 98.5                          | 30.0                         | Yes              |

### Interest Rate Exposures

- 9.4. This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

|                                                                              | <b>30.06.25<br/>Actual</b> | <b>2025/26<br/>Target</b> | <b>Complied?</b> |
|------------------------------------------------------------------------------|----------------------------|---------------------------|------------------|
| Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates | £1.3m                      | £2m                       | Yes              |
| Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates | £1.2m                      | £2m                       | Yes              |

- 9.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

### Maturity Structure of Borrowing

- 9.6. This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

|                                | <b>30.06.25<br/>Actual</b> | <b>Upper<br/>Limit</b> | <b>Lower<br/>Limit</b> | <b>Complied?</b> |
|--------------------------------|----------------------------|------------------------|------------------------|------------------|
| Under 12 months                | 11.4%                      | 50%                    | 0%                     | Yes              |
| 12 months and within 24 months | 3.1%                       | 40%                    | 0%                     | Yes              |
| 24 months and within 5 years   | 15.6%                      | 40%                    | 0%                     | Yes              |
| 5 years and within 10 years    | 22.4%                      | 40%                    | 0%                     | Yes              |
| 10 years and within 20 years   | 14.5%                      | 40%                    | 0%                     | Yes              |
| 20 years and within 30 years   | 8.0%                       | 40%                    | 0%                     | Yes              |
| 30 years and within 40 years   | 10.2%                      | 50%                    | 0%                     | Yes              |
| 40 years and within 50 years   | 14.8%                      | 50%                    | 0%                     | Yes              |
| 50 years and above             | 0.0%                       | 40%                    | 0%                     | Yes              |

- 9.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 9.8. In the past, the Council has extensively used short-term borrowing (less than 1 year in duration) from other local authorities as an alternative to longer-term borrowing from the PWLB. This was due to lower interest rates at the time, resulting in revenue savings.

- 9.9. However, short-term borrowing exposes the Council to refinancing risk. This is the risk that rates will rise quickly over a short period of time, and will be at significantly higher rates when loans mature and new borrowing is required. With this in mind, the Council has set a limit on the total amount of short-term local authority borrowing as a proportion of all borrowing.

|                                                                                                     | <b>31.03.25<br/>Actual</b> | <b>2024/25<br/>Limit</b> | <b>Complied?</b> |
|-----------------------------------------------------------------------------------------------------|----------------------------|--------------------------|------------------|
| Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing | 5.43%                      | 20%                      | Yes              |

#### **Principal Sums Invested for Periods Longer than a year**

- 9.10. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

|                                             | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|---------------------------------------------|----------------|----------------|----------------|
| Actual principal invested beyond year end   | nil            | nil            | nil            |
| Limit on principal invested beyond year end | £10m           | £5m            | £5m            |
| <b>Complied?</b>                            | <b>Yes</b>     | <b>Yes</b>     | <b>Yes</b>     |

This page is intentionally left blank



**Report for:** Audit Committee – 10 November 2025

**Item number:** 9

**Title:** Internal Audit Progress Report

**Report authorised by:** Taryn Eves - Corporate Director of Finance and Resources

**Lead Officer:** Minesh Jani, Head of Audit and Risk Management  
Tel: 020 8489 5973  
Email: [minesh.jani@haringey.gov.uk](mailto:minesh.jani@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/**

**Non Key Decision:** N/A

**1. Describe the issue under consideration**

- 1.1 This report details the work undertaken by Internal Audit in the period 1 April to 31 August 2025 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Forvis Mazars).

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

- 3.1 The Audit Committee is recommended to note the audit coverage and follow up work completed.

**4. Reasons for decision**

- 4.1 The Audit Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference.
- 4.2 In order to facilitate this, progress reports are provided on a regular basis for review and consideration by the Audit Committee on the work undertaken by the Internal Audit Service in completing the annual audit plan. Where further action is required or recommended, this is highlighted with appropriate recommendations for the Audit Committee.

**5. Alternative options considered**

- 5.1 Not applicable.

**6. Background information**

- 6.1 The information in this report has been compiled from information held within Audit & Risk Management and from records held by Forvis Mazars.

**7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes'**

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key Priority areas.

**8. Carbon and Climate Change**

- 8.1 There are no direct Carbon implications arising from this report.

**9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)**

- 9.1 Finance and Procurement

**Finance**

There are no direct financial implications arising from this report. The work completed by Forvis Mazars is part of the framework contract which was awarded to the London Borough of Croydon to 31 March 2026, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. The maintenance of a strong internal audit function and a proactive and reaction fraud investigation team is a key element of the Council's system of Governance.

**Procurement**

Strategic Procurement note the contents of this report and have been consulted on the relevant audits where required. Actions arising related to procurement and the letting of contracts are contained within the relevant audit reports and will be actioned accordingly.

- 9.2 **Director of Legal & Governance – Haydee Nunes De Souza, Head of Legal Services**

The Assistant Director of Legal and Governance has been consulted in the preparation of this report and advises that there are no direct legal implications arising from the report.

- 9.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil

partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

## 10. Use of Appendices

Appendix A – Forvis Mazars Progress Report – Internal Audit

## 11. Background Information

None

## 12. Performance Management Information

- 12.1 Although there are no national or Best Value Performance Indicators, local performance targets have been agreed for Audit and Risk Management. Table 1 below shows the targets for each key area monitored and gives a breakdown between the quarterly and cumulative performance.

**Table 1 – Performance Indicators**

| Ref. | Performance Indicator                                                      | 1 Apr 25 – 31 Aug 25 | Year to date | Year end Target |
|------|----------------------------------------------------------------------------|----------------------|--------------|-----------------|
| 1    | Internal Audit work (Forvis Mazars) – Days Completed vs. Planned programme | 18%                  | 18%          | 95%             |
| 2    | Priority 1 recommendations implemented at follow up                        | Note 1 *             | Note 1 *     | 95%             |

\* Note 1. The status of recommendations is discussed in detail at section 13.3 below.

## 13. Internal Audit work – Forvis Mazars

- 13.1 The activity of Forvis Mazars for the first period of 2025/26 is detailed at Appendix A. Forvis Mazars planned to deliver 144 days of the annual audit plan (780 days) during the period (to 31 Aug 2025) and delivered 144 days audit work during this period. There has been some change to the audit plan to reflect the changing priorities within the Council and I will report the changes as part of my annual audit report to the Audit Committee's at its future meeting.
- 13.2 Members of the Audit Committee receive detailed summaries of internal audits where a final report has been issued, to allow members to consider audit findings in a timely manner. Appendix A provides a list of all final reports which have been issued since the last meeting of the committee. Since its committee meeting in July, eight internal audit reports have been issued, and the majority

assigned a “Limited” level of assurance. The remainder were assigned an “Adequate” level of assurance. Those audit areas where the level of assurance is low are detailed below.

### 13.3 Status of Priority 1 Recommendations

The table below sets out a summary of the priority 1 recommendations raised from the work of internal audit and their status. The summary provides a position statement of the recommendations as at as at 31 August 2025.

| Status of Recommendations               | Priority 1 Recommendations status |      |      |      |      |       |
|-----------------------------------------|-----------------------------------|------|------|------|------|-------|
|                                         | FY21                              | FY22 | FY23 | FY24 | FY25 | Total |
| Recommendations Outstanding (1/4/2025)  | 4                                 | 3    | 5    | 7    | 32   | 51    |
| Recommendations Implemented             | 4                                 | 1    | 2    | 3    | 14   | 24    |
| Recommendations outstanding (31/8/2025) | 0                                 | 2    | 3    | 4    | 18   | 28    |

From the table, most priority 1 recommendations raised to the FY24 have been implemented. Of the 19 priority 1 recommendations not implemented as at 1 April 2025, 10 have since been implemented with a further nine remaining to be implemented. The recommendations outstanding for the period to FY24 relate to the following areas: -

- FY22: The two priority 1 recommendations outstanding relate to arrangement for letting contract and Contract management;
- FY23: The three priority 1 recommendations outstanding relate to the Management of Stocks and Stores within the Housing Service; the Council's Corporate Property Managements and within Digital and Change Service in respect of Cyber resilience; and
- FY24: The four priority 1 recommendations outstanding relate the Council's arrangements for responding to and learning from Complaints, the use of the Council's Dynamic Purchasing System (DPS); compliance with Contract regulations (organisational wide) and the Payroll (SAP).

The majority of recommendations due for implementations were raised in the last financial year (32) and the expectation is that these recommendations will be implemented over this financial year.

### 13.4 Significant issues arising in Quarter 1

In this period, there were six final internal audit reports that were assigned a “Limited” level of assurance. The nature of the service and key residual risks arising from review are noted below.

#### **Review of Responsive Repairs – “Limited” Assurance**

The objective of this audit was to assess whether adequate and appropriate policies, procedures, and controls in relation to Responsive Repairs were in place and the extent to which risks in this area were managed.

The Council’s responsive repairs service deals with routine, emergency or urgent repairs that are carried out to fix property defects and restore the property, usually in response to a tenant’s notification. The responsive repair deals with issues such as broken fixtures, leaks, or structural damage with the aim of resolving the issue. The audit raised the following findings:-

- There was a lack of evidence to support key performance indicator (KPI) reporting and high number of open responsive repairs cases. This is in the context of a longstanding repairs backlog due to diagnosis and scheduling issues;
- There was a lack of standard and documented process for contract management. It was noted that there was a vacancy for Contracts Manager open for over a year, though the Commercial Team, which is newly formed, will formulate processes and procedures;
- Timescales in the Responsive Repairs Policy and Service Connect were not aligned;
- There was insufficient narrative recorded for jobs within Service Connects;
- There was an inconsistent approach taken to photos for post inspections;
- Updates were required for scripts in Repair Finder;
- There was a lack of controls for monitoring stock usage and the process is manually carried out for recording stock; and
- There was insufficient clarity of descriptions when re-raising jobs with a lack of consistency of repairs descriptions recorded by operatives.

The auditors raised 13 recommendations; one “priority 1” and seven “priority 2” and five “priority 3”. The priority 1 recommendation is due for implementation by the end of October ’25 and the remaining recommendations scheduled for implementation by the end of December ’26.

#### **Arrangements for Managing Contracts within Housing – “Limited” Assurance**

The objective of this audit was to assess whether adequate procedures are in place in relation to managing contracts within housing services. The audit assessed the extent to which risks over contract managements were being managed. The audit considered the following areas:

- Oversight and review;
- Contracts are not managed appropriately;
- Contract waivers;
- Financial performance; and
- Contract novation.

The audit identified a number of areas of significant risks, that: -

- The Asset Management Team did not hold an accurate, comprehensive, or up to date log of asset management contracts within Housing Services to support effective contract management;
- There was an inconsistent approach to contract management training, there is reliance on self-identification of training needs and lack of monitoring;
- Contracts were not managed in line with their risk or the Procurement Code of Practice;
- Risks, issues and further actions identified via contractor meetings were not documented, probably as the Asset Management team has not formally determined their risk based approach to contract management;
- There was a lack of evidence of financial monitoring and Capital Board reports missing spend versus budget comparisons;
- The Haringey Contract Purchasing System (HCPS) is a financial system which is not used for contract management;
- The storage of contract management documents is local rather than in an agreed central location making it difficult to monitor and manage compliance;
- There was a lack of central oversight of contract management processes used by local Project Managers; and
- Management had felt that the current detail of reporting is insufficient and do not yet have system functionality to provide effective oversight.

The auditors raised seven recommendations; one “priority 1”, four “priority 2” and two priority 3. The priority 1 recommendation was due for implementation by the end of September '25 and the remaining recommendations scheduled for implementation by the end of September '26.

### **Management, Monitoring and Collection of Key Income Streams – “Limited” Assurance**

The objective of this audit was to assess whether adequate systems are in place in relation to the management, monitoring, and collection of key income streams. The audit reviewed income streams from the following areas:

- Council Tax;
- NNDR (Business Rates);
- Adult Social Care;

- Culture Strategy and Empowerment;
- Commercial and Operations; and
- Housing

The audit considered the following risks:

- The Council failed to accurately or timely collect the income it is owed, this could result in increased levels of debt;
- Responsibilities for income collection were unclear this could lead to inconsistencies in managing, collecting, and monitoring income;
- Inaccurate income records which could result in failure to identify areas where income collection is lower than expected;
- Inaccurate or untimely bills are raised and therefore delaying the collection of income. There was no prioritisation of recovery of debts by time or value; and
- Low-income collection rates were not identified and explained, and no solutions were found to improve collection rates. Inaccurate and untimely data was shared with senior management; this could impact decision making.

The audit noted that whilst there were good practices in place, such as the monthly income monitoring for Council Tax and Business Rates to identify and address instances of inappropriate discounts being offered and quarterly income reporting for housing through the Housing Services Management team, current arrangements can be enhanced. In particular, the audit recommended improvements in respect of the following findings:

- Create a single income report and present to the Council's Leadership Team (CLT) for increased scrutiny and increase cultural focus on income collection;
- Automated interface / reconciliation between SAP and feeder systems to improve synergies by automating information accuracy; and
- Become proactive in chasing debt and address poor debt management culture.

The auditors raised five recommendations; three "priority 1" and two "priority 3". All recommendations are due for implementation by the end of March '26.

### **Use of Data and Business Intelligence – "Limited" Assurance**

The Data and Business Intelligence (BI) team plays a central role in supporting data-driven decision-making across the Council. Following a restructure in the financial year 2024/25, the team now operates within the wider Digital team, reflecting a strategic shift toward greater integration of digital and data services. This aligns with the Council's broader ambition to embed data-driven practices across all areas of the organisation.

The team comprises 16 staff and is jointly managed by the Strategic Data and BI Lead and the Performance, Data and Analytics Manager, who oversee the delivery of insight, reporting and analytics services across the Council. As part of the wider implementation of the Council's Data Strategy, the team is currently developing a service offer document. The draft outlined the scope of services provided, expected service levels, and criteria for BI requests.

The team's remit includes centralised data management, statutory and performance reporting, Power BI development and advisory support on data requirements. In April 2024, the Council introduced Service Plans, which incorporate service-specific KPIs, and priorities aligned with the Corporate Delivery Plan. These plans intended to provide a structured foundation for performance monitoring and using data and BI to do so. To further enhance their effectiveness, the Head of the Chief Executive's Office co-ordinates sessions with senior leadership to review and strengthen the use of Service Plans and to support data-driven decision-making.

The audit highlighted gaps in BI adoption and engagement, including inconsistent adoption of BI tools, and limited collaboration with the Data and BI team. The audit noted an absence of a structured engagement model between the Data and BI team and service departments and limited awareness or access to BI capabilities and tools as the root cause. It is important that as part of the organisation's efforts to facilitate an effective performance management framework, an appropriate suite of performance information is generated and used throughout the organisation.

The auditors raised three recommendations; one "priority 1", one "priority 2" and one priority 3. The priority 1 recommendation is due for implementation by the end of this calendar year with the remaining recommendations scheduled for implementation by the end of February 2026.

### **Virtual Schools – "Limited" Assurance**

The Virtual School is a 'statutory service which fulfils the Local Authority's duties in ensuring that children and young people in care, previously in care and those with a social worker receive the best possible educational provision and outcomes.

At the Council, responsibility for the Virtual School is delegated to the Head of Virtual School. There are six Education Improvement Consultants (EICs) in place at the Virtual School. The Virtual School team also includes an Inclusion and Attendance Manager and Senior Business Support Officer. Personal Education Plans (PEPs) are completed and stored on the Welfare Call online cloud storage platform. PEPs should also be saved to the Liquid Logic social care case management system,

As of 3 June 2025, there were 264 children in care. In total, £299,516 was paid to schools in 2023/24 from the Pupil Premium plus budget. The pupil premium



plus budget is also used to fund four members of staff and tuition for children not in education.

The audit identified weaknesses in some children not having a next PEP date or last PEP date on a Liquid Logic export. The audit raised a high priority finding over the lack of availability of data to complete its work and that PEPs were not initiated in a timely manner. It was noted that whilst there was clear guidance in PEP procedure to initiate PEPs in ten working days, there were gap between the guidance and what was happening in practice.

The auditors raised 11 recommendations; one “priority 1”, five “priority 2” and five priority 3. The priority 1 recommendation was due for implementation by the end of September '25 and the remaining recommendations scheduled for implementation by the end of December '25.

### **Management of Green Haringey – “Limited” Assurance**

The objective for this audit was to assess whether controls are in place over the Management of Council Parks and Greenspaces.

The Council’s vision is that Haringey’s parks and greenspaces become fully inclusive shared spaces that deliver our key aims of inclusion and wellbeing, climate change and sustainability and a quality service. The Council aims to provide inclusive parks and greenspaces that all communities in Haringey can benefit from so that usage and enjoyment of our parks and greenspaces reflects the communities living in Haringey and contributes to improved wellbeing.

Of the 151 parks and greenspaces in Haringey, 148 are managed by the Council. There are also 59 sites of importance for nature conservation, 27 Council owned allotment sites, 5 local nature reserves and two cemeteries. There are approximately 11,500 street trees, 9,000 in parks and greenspaces and 8,000 in housing sites. It is estimated there are at least another 5-6,000 in woodlands, schools and nature conservation sites that are not currently recorded. The oldest tree on public land in Haringey is probably the veteran oak tree in Bruce Castle Park, which is estimated to be around 500 years old.

There are 37 play areas and 10 outdoor gyms, 56 buildings in parks including 15 cafes as well as toilets and bases for Parks Service staff, who operate 19 Parks Service vehicles. There are also 83 hard sports facilities, 4 skateboard facilities, 22 grass sports pitches, 804 rubbish bins, 1,033 benches, 1,261 bollards, posts and barriers, 754 gates, 39 memorials, 949 signs, 3 rivers, 2 lakes, 5 wildlife ponds and 2 streams.

The audit noted that the service has a Parks and Greenspaces Strategy (July 2023), which set out the vision and priorities for Haringey’s Parks and Greenspaces for the next 15 years between 2023-2038. The strategy is accessible to staff via the intranet and channels are available to residents to

voice concerns e.g., via the Council's website and via the Love Clean Streets mobile application.

However, the audit noted that no record of the maintenance activities is required for each park or greenspace in the borough and there is a lack of skills to keep the GIS map up to date for staff to document and update maintenance activities and timescales.

The auditors raised seven recommendations; one "priority 1" and six "priority 2". The priority 1 recommendation is due for implementation by the end of January '26 and the remaining recommendations scheduled for implementation by the end of July '26.



# **LONDON BOROUGH OF HARINGEY**

## **Audit Committee – September 2025**

### **Forvis Mazars Internal Audit Progress Report**

Date Prepared: September 2025

Strictly private and confidential

# Contents

- 01 Snapshot of Internal Audit Activity
- 02 Early Warning and Common Themes
- 03 Overview of Internal Audit Plan 2025/26
- 04 Overview of Internal Audit Plan 2024/25
- 05 Key Performance Indicators
- 06 Thought Leadership

## Appendices

- A1 Latest Reports Issued – Summary of Findings

### Disclaimer

This report (“Report”) was prepared by Forvis Mazars LLP at the request of the London Borough of Haringey (LBH) and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

The Report was prepared solely for the use and benefit of the LBH and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.

# 01. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2025/26 Internal Audit Plan



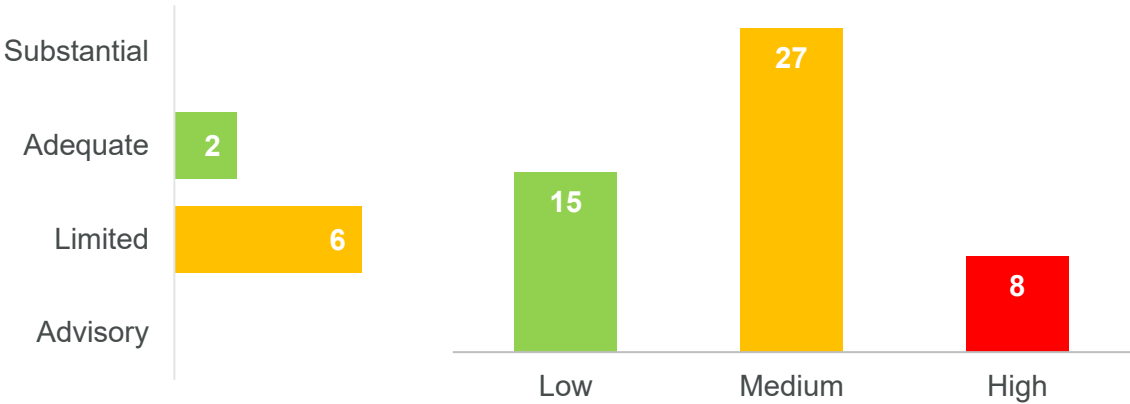
**Audit Committee decision needed**

Note the progress being reported and consider final reports included separately in the paper pack. An outline of the High and Medium recommendations raised is included in the Progress Report Detail, which is provided separately in the pack.

RAG status of delivery of plan to timetable

**On Track**

Assurance opinions in reporting period      Recommendations in reporting period



**Key updates**

Fieldwork for all reviews included in the 2024/25 Internal Audit Plan was completed by **31 March 2025**. However, management responses to the draft reports for Birchtree and Sickness Management remain outstanding.

Throughout our work, we have identified early warning signs and common themes, which are summarised in **Section 02**. These include recurring issues such as the use of data and business intelligence, and statutory non-compliance.

The **2025/26 Plan** is underway, with the Use of Data and BI and Virtual Schools reports finalised. An overview of the 2025/26 Internal Audit Plans is provided in **Section 03**.

Performance against agreed Key Performance Indicators (KPIs) is reported in **Section 05**.

Finally, **Section 06** includes our thought leadership pieces, covering emerging topics such as AI and Data Governance and Risk Velocity in the Public Sector.

A summary of the latest reports issued, and their key findings is also included at the end of this document (**Appendix A1**).

We continue to meet with the Head of Internal Audit and Deputy Head of Internal Audit on a bi-weekly and monthly basis, with the last meeting held on **16 October 2025**.

## 02. Early warning and common themes

In this section we highlight any early warning signs and common themes arising from our work.

It is important to highlight to Members and Senior Management any issues identified through our fieldwork and in draft reports, as these may be relevant to the overall assurance position. The Audit Committee should note that these matters may change as further information becomes available. The findings below have not yet been subject to full management agreement. Our comments are based on draft findings and further evidence, including management comments, may change our view.

We draw attention to two key matters:

- **Contract management and procurement** continue to expose the Council to increased risk. This includes limitations in systems, governance, and operational support from the Strategic Procurement team. Further, the Council does not have complete oversight of the contracts it has in place or how these are being managed.
- The Council is behind on the **delivery of its planned savings**. We have also identified errors in the savings data previously reported to the Corporate Leadership Team. There was no evidence of reconciliation between the raw data and the figures presented.

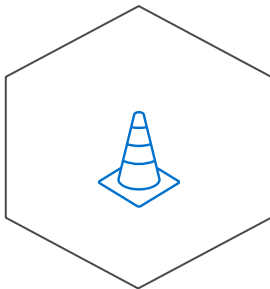
### Common themes

We have identified the following recurring themes in our work this year:



#### Use of Data and BI

Data and BI are not yet embedded within the wider Council framework in a way that supports operational efficiency or enables effective performance measurement. We have raised findings in relation to use of Data and BI in the Data and BI and the Virtual Schools reviews.



#### Statutory non-compliance

We have identified instances of non-compliance with statutory requirements, notably in the Virtual Schools and Regulatory and Enforcement services reviews. These findings present both statutory and reputational risks for the Council.

### 03. Overview of Internal Audit Plan 2025/26

The table below lists the status of all reviews within the 2025/26 Plan that have a status of draft terms of reference (ToR) issued or beyond.

| Review                                                    | Audit Sponsor                                                                 | Status       | Start Date     | Date Finalised | Audit Committee | Assurance Level | Total | High | Medium | Low |
|-----------------------------------------------------------|-------------------------------------------------------------------------------|--------------|----------------|----------------|-----------------|-----------------|-------|------|--------|-----|
| Use of Business Intelligence Reports                      | Director of Finance                                                           | Draft Report | May 2025       | July 2025      | November 2025   | Limited         | 3     | 1    | 1      | 1   |
| Managing Housing Benefit Overpayments                     | Delivery Director Tackling Inequality (interim)                               | Draft Report | May 2025       |                |                 |                 |       |      |        |     |
| Virtual Schools                                           | Director of Children's Services                                               | Final Report | June 2025      | September 2025 | November 2025   | Limited         | 11    | 1    | 5      | 5   |
| Compliance with Cost Management Measures (Spend Controls) | Director of Finance                                                           | Draft Report | June 2025      |                |                 |                 |       |      |        |     |
| Management and Use of Contract Waivers                    | Director of Finance                                                           | Draft Report | July 2025      |                |                 |                 |       |      |        |     |
| Bankline                                                  | Director of Finance                                                           | Fieldwork    | August 2025    |                |                 |                 |       |      |        |     |
| Street Light Contract Management                          | Director of Environment and Resident Experience                               | Fieldwork    | August 2025    |                |                 |                 |       |      |        |     |
| Corporate Arrangements for Commissioning                  | Director of Adult's Social Services<br>Director of Children's Social Services | Fieldwork    | August 2025    |                |                 |                 |       |      |        |     |
| Governance over Delivery of Savings                       | Director of Finance                                                           | Fieldwork    | September 2025 |                |                 |                 |       |      |        |     |
| Council Tax Billing, Collection and Administration        | Delivery Director Tackling Inequality (interim)                               | Fieldwork    | September 2025 |                |                 |                 |       |      |        |     |



03. Overview of Internal Audit Plan 2025/26 (continued)

| Review                         | Audit Sponsor                                   | Status    | Start Date     | Date Finalised | Audit Committee | Assurance Level | Total | High | Medium | Low |
|--------------------------------|-------------------------------------------------|-----------|----------------|----------------|-----------------|-----------------|-------|------|--------|-----|
| Management of Leisure Services | Director of Environment and Resident Experience | Fieldwork | September 2025 |                |                 |                 |       |      |        |     |
|                                |                                                 |           |                |                |                 | Total           | 14    | 2    | 6      | 6   |



## 04. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan that were finalised in 2025/26.

| Review                                                        | Audit Sponsor                                | Status       | Start Date     | Date Finalised | Audit Committee | Assurance Level | Total | High | Medium | Low |
|---------------------------------------------------------------|----------------------------------------------|--------------|----------------|----------------|-----------------|-----------------|-------|------|--------|-----|
| Cyber Governance and Risk Management                          | Chief Digital and Innovation Officer         | Final        | February 2025  | June 2025      | November 2025   | Adequate        | 3     | 0    | 3      | 0   |
| Regulatory and Enforcement Services                           | Director of Environment                      | Final        | February 2025  | June 2025      | November 2025   | Adequate        | 7     | 0    | 2      | 5   |
| Arrangements for Monitoring Contracts within Housing Services | Director of Housing                          | Final        | February 2025  | July 2025      | November 2025   | Limited         | 7     | 1    | 4      | 2   |
| Management, Monitoring and Collection of Income               | Director of Finance                          | Final        | September 2024 | June 2025      | November 2025   | Limited         | 5     | 3    | 2      | 0   |
| Management of Green Haringey                                  | Director of Environment and Experience       | Final        | November 2025  | June 2025      | November 2025   | Limited         | 7     | 1    | 6      | 0   |
| Responsive Repairs                                            | Director of Housing                          | Final        | January 2025   | May 2025       | November 2025   | Limited         | 7     | 1    | 6      | 0   |
| Lettings Fact Finding                                         | Head of Audit and Risk Management            | Final        | July 2024      | May 2025       | November 2025   | N/A             | N/A   | N/A  | N/A    | N/A |
| Birchtree                                                     | Director of Culture, Strategy and Engagement | Draft Report | August 2024    |                |                 |                 |       |      |        |     |
| Sickness Management                                           | Chief People Officer                         | Draft Report | March 2025     |                |                 |                 |       |      |        |     |
| Disrepairs                                                    | Director of Housing                          | Draft Report | March 2025     |                |                 |                 |       |      |        |     |
| Noel Park Pods Fact Finding                                   | Head of Audit and Risk Management            | Draft Report | May 2025       |                |                 |                 |       |      |        |     |
|                                                               |                                              |              |                |                |                 | Total           | 36    | 6    | 23     | 7   |

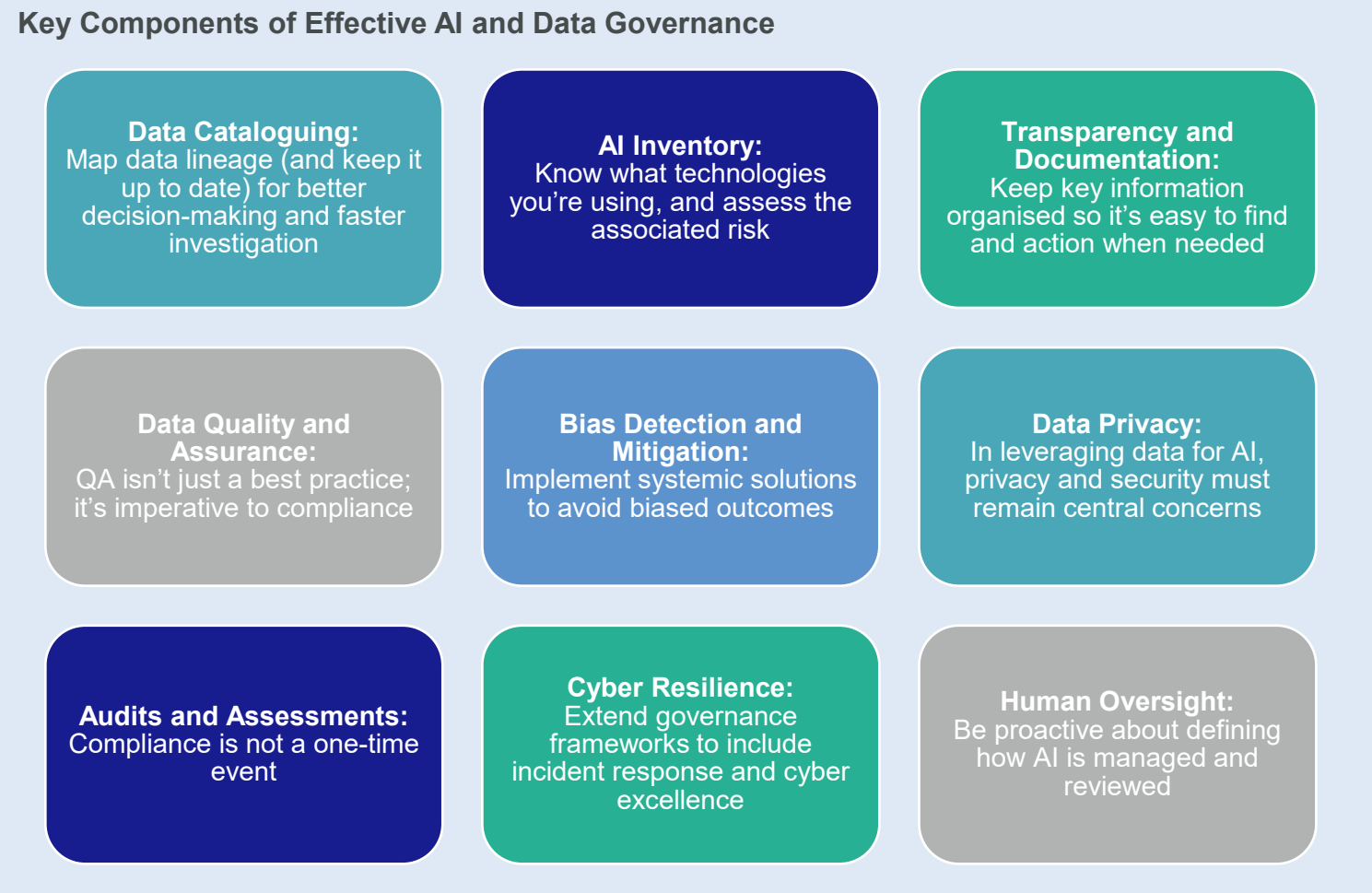
# 05. Key Performance Indicators

A summary of the internal audit reporting performance timescales for 2025/26 is included below.

| Measure                                                                                                      | Target                                  | Current Average                |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------|
| Draft report issued within 15 working days from debrief meeting / last evidence received                     | 15 working days                         | 13 days                        |
| Management responses received within 10 working days from draft report                                       | 10 working days                         | 14.5 days                      |
| Final report issued within 5 working days of management responses                                            | 5 working days                          | 3 days                         |
| Satisfaction survey results – overall audit satisfaction<br><i>(n.b. surveys are only issued to schools)</i> | All surveys to be ‘Good’ or ‘Very Good’ | N/A – two issued none received |

# 06. Thought Leadership – AI and Data Governance

While artificial intelligence (AI) has existed since the 1950s, the last three years have seen a dramatic acceleration in its accessibility and impact. AI’s user base has broadened from deeply technical professions such as data scientists and engineers to more generalist workforces. **AI without good data governance is putting the cart before the horse.**



## The Challenge

Technology has swiftly developed from assistive AI to generative AI and now agentic AI, allowing complex infrastructures and programmes to operate largely autonomously and make decisions with far less need for human interference.

However, the same data-hungry algorithms that unlock new efficiencies can also amplify bias, erode privacy, and expose organisations to costly legal action. And without good data governance practices in place, the output of AI programmes can be useless at best, or incredibly risky at worst.

This risk can only be effectively mitigated by taking a risk-based approach to data governance to begin with, serving as a solid foundation for implementing anything from basic automation to complex, sophisticated agentic AI.

## Why Invest in Governance ?

Organisations that invest early in comprehensive governance frameworks will build AI systems that are more accurate, more scalable, and more trusted by users. In the race to harness agentic AI, the winners will be those who govern their data first and innovate second.

# 06. Thought Leadership: Let's talk risk: Embracing risk velocity in public sector risk management

In the risk management landscape, public and social sector organisations increasingly recognise the need to adapt their strategies to address emerging challenges. One of these challenges is **risk velocity**, a relatively unused term in most organisations which assesses the speed at which risks can impact an organisation. We have explored this topic in more detail, looking at the importance of risk velocity, how it differs from traditional risk assessment, and why public sector organisations should integrate it into their risk management practices.

[Click here for the full article](#)



# A1. Latest Reports Issued – Summary of Findings 2025/26

Since our last update, we have issued our final report relating to our review of **Use of Data and BI** from the 2025/26 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To assess the extent to which the Council effectively utilises data and business intelligence (BI) to inform decision-making, planning, and service delivery.

| <b>Why the Audit is in your 2025/26 Plan</b><br><br>Review the organisational practice/culture of using insight provided by the Data and BI team whilst also examining some of resources made available to facilitate this by the Data and BI team.                                                                                                                                                                       |               | <b>Your Strategic Risk</b><br><br>Dashboards and insight are not used in the Council to address concerning trends and to deliver and action improvements.                       |  | <b>Your Strategic / Tactical Objective</b><br><br>Data Strategy vision and roadmap – recognise the value of data and insights.                                                              |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------|---|------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------|-----------------------|---------------|--------------------|---------------|
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                    |               |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| <div>Limited Assurance<br/>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                                                                                                                                                                                 |               | <table><tr><td>Priority 1 (High)</td><td>1</td></tr><tr><td>Priority 2 (Medium)</td><td>1</td></tr><tr><td>Priority 3 (Low)</td><td>1</td></tr></table>                         |  | Priority 1 (High)                                                                                                                                                                           | 1 | Priority 2 (Medium) | 1 | Priority 3 (Low) | 1 | <table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>December 2025</td></tr><tr><td>Overall completion</td><td>February 2026</td></tr></table> | Actions agreed by you | 100% | Priority 1 completion | December 2025 | Overall completion | February 2026 |
| Priority 1 (High)                                                                                                                                                                                                                                                                                                                                                                                                         | 1             |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Priority 2 (Medium)                                                                                                                                                                                                                                                                                                                                                                                                       | 1             |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Priority 3 (Low)                                                                                                                                                                                                                                                                                                                                                                                                          | 1             |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Actions agreed by you                                                                                                                                                                                                                                                                                                                                                                                                     | 100%          |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Priority 1 completion                                                                                                                                                                                                                                                                                                                                                                                                     | December 2025 |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Overall completion                                                                                                                                                                                                                                                                                                                                                                                                        | February 2026 |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                       |               |                                                                                                                                                                                 |  |                                                                                                                                                                                             |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |
| <b>Examples of good practice</b><br><br>✓ Dashboards developed by the Data and BI team utilised standardised Power BI templates to enhance accuracy and consistency.<br><br>✓ Dashboards included visualisations and export functions to support user trend analysis.<br><br>✓ BI development was prioritised based on urgency, resource availability, and potential cost savings, as outlined in the draft Service Offer |               | <b>Highest Priority Findings</b><br><br>• Gaps in BI adoption and engagement, including inconsistent adoption of BI tools, and limited collaboration with the Data and BI team. |  | <b>Key root causes</b><br><br>• Absence of a structured engagement model between the Data and BI team and service departments and limited awareness or access to BI capabilities and tools. |   |                     |   |                  |   |                                                                                                                                                                                            |                       |      |                       |               |                    |               |

# A1. Latest Reports Issued – Summary of Findings 2025/26

Since our last update, we have issued our final report relating to our review of **Virtual Schools** from the 2025/26 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To assess the design and effectiveness of the control framework for managing the Virtual School.

|                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                           |  |                                                                                                                                                                                                 |  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                           |  |                                                                                                                                                                                                 |  |  |
| <b>Why the Audit is in your 2025/26 Plan</b><br><br>Review the organisational practice/culture of using insight provided by the Data and BI team whilst also examining some of resources made available to facilitate this by the Data and BI team.                                                                                  |  | <b>Your Strategic Risk</b><br><br>Dashboards and insight are not used in the Council to address concerning trends and to deliver and action improvements. |  | <b>Your Strategic / Tactical Objective</b><br><br>Data Strategy vision and roadmap – recognise the value of data and insights.                                                                  |  |  |
| Summary of our opinion                                                                                                                                                                                                                                                                                                               |  |                                                                                                                                                           |  |                                                                                                                                                                                                 |  |  |
| <div>Limited Assurance<br/>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                                                                                            |  | <div>Priority 1 (High)1</div> <div>Priority 2 (Medium)5</div> <div>Priority 3 (Low)5</div>                                                                |  | <div>Actions agreed by you100%</div> <div>Priority 1 completionSeptember 2025</div> <div>Overall completionDecember 2025</div>                                                                  |  |  |
| Summary of findings                                                                                                                                                                                                                                                                                                                  |  |                                                                                                                                                           |  |                                                                                                                                                                                                 |  |  |
| <b>Examples of good practice</b><br><br>✓ Templates were in place for Personal Education Plans (PEPs).<br><br>✓ Roles and responsibilities were defined in job descriptions for members of the Virtual School team.<br><br>✓ A PEP Quality Assurance Audit was competed by the Head of Virtual School in Summer 2024 and Autmn 2025. |  | <b>Highest Priority Findings</b><br><br>• PEPs were not initiated in a timely manner.                                                                     |  | <b>Key root causes</b><br><br>• While there was clear guidance in PEP procedure to initiate PEPs in ten working days, there was a gap between the guidance and what was happening in practice.. |  |  |

# A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Cyber Governance and Risk Management** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess whether the London Borough of Haringey (LBH) has in place key controls covering Cyber Security Governance, IT risk management and training and awareness.

| Audit rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Why the Audit is in your 2024/25 Plan</b><br><br>To assess the adequacy of the Council's cyber governance and risk management controls to help protect against security threats relevant to their IT infrastructure..                                                                                                                                                                                                                                                                                                                                                                                                       |  | <b>Your Strategic Risk</b><br><br>Risk of cyber security attacks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                      | <b>Your Strategic / Tactical Objective</b><br><br>Develop a Digital Strategy to outline the principles and guidelines governing the use of digital technologies. (Source: Corporate Delivery Plan 2024-2026).                                                                                                                                                                                |
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                              |
| <div><div>Adequate Assurance</div><div>See Appendix A1 for definitions</div><div><div></div><div>X</div><div></div><div></div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <div><div>Priority 1 (High)</div><div>-</div></div> <div><div>Priority 2 (Medium)</div><div>3</div></div> <div><div>Priority 3 (Low)</div><div>-</div></div>                                                                                                                                                                                                                                                                                                                                                                     | <div><div>Actions agreed by you</div><div>100%</div></div> <div><div>Priority 1 completion</div><div>N/A</div></div> <div><div>Overall completion</div><div>October 2025</div></div> |                                                                                                                                                                                                                                                                                                                                                                                              |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Examples of good practice</b><br><br>✓ A quarterly review process ensures timely assessment and updates of identified risks. While most risks remain static, new and evolving risks are evaluated and managed as they arise among Digital Services leadership team. Residual risk is adjusted to reflect the effectiveness of risk treatment actions, with the risk rating being defined and updated based on the mitigating controls that have been implemented.<br><br>✓ The Council has achieved ISO 27001 certification, demonstrating commitment to maintaining the good standards of information security management. |  | <b>Highest Priority Findings</b><br><br>• Cybersecurity risk management processes lack formal documentation and key performance indicators (KPIs) to track the effectiveness of risk treatment actions.<br><br>• The Council's "Security & Technology Roadmap" has not been formally reviewed and approved by the Strategic Cyber Security Board, and lacks sufficient detail, such as the breakdown of initiatives, key milestones, and timelines for implementation.<br><br>• Cybersecurity training program has several gaps. |                                                                                                                                                                                      | <b>Key root causes</b><br><br>• An oversight by management in establishing a comprehensive risk management framework.<br><br>• Limited awareness of the importance of a comprehensive roadmap, combined with budget constraints and a shortage of personnel/resources.<br><br>• Lack of clear policy guidance and management oversight on cybersecurity training and awareness requirements. |

## 06. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Regulatory and Enforcement Services** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing Regulatory and Enforcement services within London Borough of Haringey.

| Audit rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------|---|------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------|-----------------------|-----|--------------------|--------------|
| <b>Why the Audit is in your 2024/25 Plan</b><br><br>To ascertain if LBH has appropriate controls and processes to deliver its regulatory and enforcement services..                                                                                                                                                                                                                                                                                              |              | <b>Your Strategic Risk</b><br><br>Regulatory and enforcement requirements are not met increasing legislative and reputational risks.                                                                                                 |  | <b>Your Strategic / Tactical Objective</b><br><br>Positive resident experience..                                                                                                                                                                                                                                                                                           |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                                                           |              |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| <div><div>Adequate Assurance</div><div>See Appendix A1 for definitions</div><div><div></div><div>X</div><div></div><div></div></div></div>                                                                                                                                                                                                                                                                                                                       |              | <table><tr><td>Priority 1 (High)</td><td>-</td></tr><tr><td>Priority 2 (Medium)</td><td>2</td></tr><tr><td>Priority 3 (Low)</td><td>5</td></tr></table>                                                                              |  | Priority 1 (High)                                                                                                                                                                                                                                                                                                                                                          | - | Priority 2 (Medium) | 2 | Priority 3 (Low) | 5 | <table><tr><td>Actions agreed by you</td><td>100%</td></tr><tr><td>Priority 1 completion</td><td>N/A</td></tr><tr><td>Overall completion</td><td>January 2026</td></tr></table> | Actions agreed by you | 100% | Priority 1 completion | N/A | Overall completion | January 2026 |
| Priority 1 (High)                                                                                                                                                                                                                                                                                                                                                                                                                                                | -            |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Priority 2 (Medium)                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2            |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Priority 3 (Low)                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5            |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Actions agreed by you                                                                                                                                                                                                                                                                                                                                                                                                                                            | 100%         |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Priority 1 completion                                                                                                                                                                                                                                                                                                                                                                                                                                            | N/A          |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Overall completion                                                                                                                                                                                                                                                                                                                                                                                                                                               | January 2026 |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                                                                                            |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |
| <b>Examples of good practice</b><br><br>✓ 2025/26 Environment Department Service Plan included a list of priorities, resources needed, risks and target timescales for all service areas.<br><br>✓ From a sample of five cases from each of the services we sampled, supporting documentation was stored for audit trail purposes.<br><br>✓ A suite of performance reporting occurs monthly, and the reported data matched the raw data for a sample of metrics. |              | <b>Highest Priority Findings</b><br><br>• Food inspections not completed within statutory timeframes outlined by the Food Law Code of Practice.<br><br>• KPIs were not in place for all sampled Regulatory and Enforcement services. |  | <b>Key root causes</b><br><br>• Significant large number of newly registered business (and manual systems for logging business creates bottle necks and delays. Delayed logging and high volume of new premises. Common occurrence around all London boroughs.<br><br>• Training needs across staff identified and minimum standards not set and /or policies out of date. |   |                     |   |                  |   |                                                                                                                                                                                 |                       |      |                       |     |                    |              |



# A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of the **Arrangements for Managing Contracts within Housing** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

*Audit Objective: To ascertain the key controls to manage asset management contracts within Housing Services. The audit focused on oversight of let contracts, use of contract waivers and contract novation.*

| Audit rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Why the Audit is in your 2024/25 Plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Your Highest Risk                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Your Strategic / Tactical Objective                                                                                                                                       |
| Concerns around fragmentation of approach within the directorate and the risks this poses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | • Failure to procure and manage contracts successfully.                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Reliable, customer-focused resident housing services..                                                                                                                    |
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                           |
| <div>Limited Assurance</div> <div>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | <div>Priority 1 (High)</div> <div>1</div> <div>Priority 2 (Medium)</div> <div>4</div> <div>Priority 3 (Low)</div> <div>2</div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <div>Actions agreed by you</div> <div>100%</div> <div>Priority 1 completion</div> <div>30 September 2025</div> <div>Overall completion</div> <div>30 September 2026</div> |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                           |
| Highest Priority Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                | Key root causes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                           |
| <ul style="list-style-type: none"><li>The Asset Management Team did not hold an accurate comprehensive, or up to date log of asset management contracts within Housing Services to support effective contract management.</li><li>Inconsistent approach to contract management training.</li><li>Contracts were not managed in line with their risk or the Procurement Code of Practice.</li><li>Risks, issues and further actions identified via contractor meetings were not documented.</li><li>Lack of evidence of financial monitoring and Capital Board reports missing spend versus budget comparisons.</li></ul> |  |                                                                                                                                | <ul style="list-style-type: none"><li>HCPS is a financial system which is not used for contract management.</li><li>Storage of contract management documents locally rather than in an agreed central location.</li><li>Reliance on self-identification of training needs and lack of monitoring.</li><li>The Asset Management team has not formally determined their risk-based approach to contract management.</li><li>There is a lack of central oversight of contract management processes used by local Project Managers.</li><li>Management had felt that the current detail of reporting is sufficient and do not yet have system functionality to provide effective oversight.</li></ul> |                                                                                                                                                                           |

# A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Management, Monitoring and Collection of Income** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design of the control framework for the management, monitoring, and collection of income for key income streams.

| Audit rationale                                                                                                                                                                                                                                                              |  |                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Why the Audit is in your 2024/25 Plan                                                                                                                                                                                                                                        |  | Your Strategic Risk                                                                                                                                                                                                                                                 |  | Your Strategic / Tactical Objective                                                                                                                                                                                                                                                                                 |
| There are concerns over the Council’s level of income collection.                                                                                                                                                                                                            |  | The Councils fails to timely and/or accurately collect income..                                                                                                                                                                                                     |  | Maximise income collection rates to deliver a balanced budget.                                                                                                                                                                                                                                                      |
| Summary of our opinion                                                                                                                                                                                                                                                       |  |                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                     |
| <div>Limited Assurance</div> <div>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                             |  | <div><div>Priority 1 (High)</div><div>3</div></div> <div><div>Priority 2 (Medium)</div><div>-</div></div> <div><div>Priority 3 (Low)</div><div>2</div></div>                                                                                                        |  | <div><div>Actions agreed by you</div><div>100%</div></div> <div><div>Priority 1 completion</div><div>31 March 2026</div></div> <div><div>Overall completion</div><div>31 March 2026</div></div>                                                                                                                     |
| Summary of findings                                                                                                                                                                                                                                                          |  |                                                                                                                                                                                                                                                                     |  |                                                                                                                                                                                                                                                                                                                     |
| Examples of good practice                                                                                                                                                                                                                                                    |  | Highest Priority Findings                                                                                                                                                                                                                                           |  | Key root causes                                                                                                                                                                                                                                                                                                     |
| <div>✓ Monthly income monitoring for Council Tax and Business Rates are in place to identify and address instances of inappropriate discounts being offered.</div> <div>✓ Quarterly income reporting is in place for housing through Housing Services Management team.</div> |  | <div>• No single income report is produced and a lack of scrutiny from the Council Leadership Team (CLT).</div> <div>• Absence of an automated interface / reconciliation between SAP and feeder systems.</div> <div>• Lack of proactiveness in chasing debt.</div> |  | <div>• Lack of cultural focus on income collection.</div> <div>• Finance team’s role in carrying out data validation has not been defined or communicated.</div> <div>• Lack of synergies and limited functionality for automation between feeder systems and SAP.</div> <div>• Poor debt management culture.</div> |

# A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Management of Green Haringey** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing parks and green spaces..

| Audit rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |                                                                                                                                                              |  |                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Why the Audit is in your 2024/25 Plan</b><br><br>To review the processes in place to manage the operational delivery of the Parks and Greenspaces team..                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | <b>Your Strategic Risk</b><br><br>Failing to maintain parks and green spaces in the Borough.                                                                 |  | <b>Your Strategic / Tactical Objective</b><br><br>Responding to the climate emergency: A greener Haringey.                                                                                             |
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |                                                                                                                                                              |  |                                                                                                                                                                                                        |
| <div>Limited Assurance<br/>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <div><div>Priority 1 (High)</div><div>1</div></div> <div><div>Priority 2 (Medium)</div><div>6</div></div> <div><div>Priority 3 (Low)</div><div>-</div></div> |  | <div><div>Actions agreed by you</div><div>100%</div></div> <div><div>Priority 1 completion</div><div>January 2026 / July 2026</div></div> <div><div>Overall completion</div><div>July 2026</div></div> |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                              |  |                                                                                                                                                                                                        |
| <b>Examples of good practice</b><br><br>✓ Roles and responsibilities for the service were defined within job descriptions and the Service Responsibility Procedure, which were accessible to staff via the intranet.<br><br>✓ A Parks and Greenspaces Strategy (July 2023) was in place. This set out the vision and priorities for Haringey’s Parks and Greenspaces for the next 15 years between 2023-2038. It was accessible to staff via the intranet.<br><br>✓ Channels were available to residents to voice concerns e.g., via the Council’s website and via the Love Clean Streets mobile application. |  | <b>Highest Priority Findings</b><br><br>• No record of the maintenance activities required for each park or greenspace in the Borough.                       |  | <b>Key root causes</b><br><br>• Lack of skills to keep the GIS map up to date and there is no guidance for staff to document and update maintenance activities and timescales.                         |

# A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Responsive Repairs** from the 2024/25 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

*Audit Objective: Assess the design and effectiveness of the control framework for managing responsive repairs at London Borough of Haringey and to follow up on items raised in previous reviews in this audit area which received a 'limited' assurance grading.*

| Audit rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Why the Audit is in your 2024/25 Plan<br><br>Key area of housing service with some issues with performance in recent years..                                                                                                                                                                                                                                                                                                                                                                                                     |  | Your Strategic Risk<br><br>Failure to deliver quality services to residents.                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Your Strategic / Tactical Objective<br><br>Reliable, customer-focused resident housing services.                                                                                                       |
| Summary of our opinion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                        |
| <div>Limited Assurance<br/>See Appendix A1 for definitions</div> <div><div></div><div></div><div>X</div><div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                        |  | <div><div>Priority 1 (High)</div><div>1</div></div> <div><div>Priority 2 (Medium)</div><div>6</div></div> <div><div>Priority 3 (Low)</div><div>-</div></div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <div><div>Actions agreed by you</div><div>100%</div></div> <div><div>Priority 1 completion</div><div>January 2026 / July 2026</div></div> <div><div>Overall completion</div><div>July 2026</div></div> |
| Summary of findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                        |
| Highest Priority Findings <ul style="list-style-type: none"><li>Lack of evidence to support KPI reporting and high number of open responsive repairs cases.</li><li>Lack of standard and documented process for contract management.</li><li>Timescales in the Responsive Repairs Policy and Service Connect are not aligned.</li><li>Insufficient narratives recorded for jobs within SAP.</li><li>Inconsistent approach taken to photos for post inspections.</li><li>Updates required for scripts in Repair Finder.</li></ul> |  |                                                                                                                                                              | Key root causes <ul style="list-style-type: none"><li>Longstanding repairs backlog due to diagnosis and scheduling issues.</li><li>Vacancy for Contracts Manager open for over a year. As the Commercial Team is newly formed, processes and procedures are being formulated.</li><li>Configuration of the repairs system, when creating the</li><li>Responsive Repairs Policy or lack of subsequent revision of timings within the repairs system.</li><li>Lack of internal IT expertise on Service Connect.</li></ul> |                                                                                                                                                                                                        |

## Forvis Mazars

**Mark Chalkley**  
Associate Director  
Tel: +44 (0)7811 036 681  
Mark.chalkley@mazars.co.uk

**Sana Arshad**  
Assistant Manager  
Tel: +44 (0)7580 601 378  
Sana.arshad@mazars.co.uk

### Statement of Responsibility

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

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our 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 our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or reply for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterperatation amendment and/or modification by any third party is entirely at their own risk.

Registered office: 30 Old Bailey, London, EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.

This page is intentionally left blank

**Report for:** Audit Committee – 10<sup>th</sup> November 2025

**Item number:** 10

**Title:** Anti – Fraud, Bribery & Corruption Report – Quarters 1&2 2025/26

**Report authorised by:** Taryn Eves – Corporate Director of Finance and Resources

**Lead Officer:** Minesh Jani, Head of Audit and Risk Management  
Minesh.Jani@Haringey.gov.uk  
07817 617839

**Ward(s) affected:** N/a

**Report for Key/  
Non-Key Decision:** N/a

**1. Describe the issue under consideration**

This report details the work undertaken by the in-house fraud resources in the Audit and Risk team and communicates a first update on completion of the work plan for 2025/26.

**2. Cabinet Member Introduction**

Not Applicable.

**3. Recommendations**

The Audit Committee is recommended to note the activities of the team during quarters one and two of 2025/26.

**4. Reasons for decision**

The Audit Committee is responsible for monitoring the effectiveness of the policies on Anti-Fraud, Bribery and Corruption and receiving assurance with regard the Council's internal control environment and mechanisms for managing fraud risk. To facilitate this, progress reports are provided on a quarterly basis for review and consideration by the Audit Committee with regards Anti-Fraud, Bribery & Corruption.

**5. Alternative options considered**

Not Applicable.

**6. Background information**

The information in this report has been compiled from information held by Audit & Risk Management.

**7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes’?**

The Audit & Risk team makes a significant contribution through its pro-active work in ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all strategic priority outcomes.

**8. Carbon and Climate Change**

There are no direct Carbon implications arising from this report.

**9. Statutory Officers comments on behalf of Corporate Director Finance and Resources & Director of Legal and Governance**

**Corporate Director: Alex Altman - Business Partner Finance**

There are no direct financial implications arising from this report.

**Procurement**

There are no direct contract and/or procurement implications arising from this report.

**Director for Legal & Governance: Haydee Nunes De Souza - Head of Legal Services**

The Council's Head of Legal Services has been consulted in the preparation of this report, and in noting the progress made with delivering the Audit Plan, and the activities undertaken in relation to risk management and anti-fraud, advises that there are no direct legal implications arising out of the report.

**Equality**

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.
- advance equality of opportunity between people who share those protected characteristics and people who do not.
- foster good relations between people who share those characteristics and people who do not.

The Audit & Risk team is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010 and this is built into the team's operational procedures. Ensuring that the Council has effective counter-fraud arrangements in place will assist the Council to use its available resources more effectively.



**10. Use of Appendices**

Not Applicable

**11. Background papers**

Not Applicable

## **12. INTRODUCTION**

- 12.1 This report covers the period from 7<sup>th</sup> April 2025 to 3<sup>rd</sup> October 2025 and summarises the work of the Audit & Risk Service in relation to anti-fraud and corruption.
- 12.2 The work of the team is driven by the Council's Anti-Fraud, Bribery & Corruption Strategy, which was approved in 2024, following an external review against best practice. The Strategy is supported by a risk assessment and operational work plan, which is annually reviewed, this was completed in quarter one. More information is provided in section 13 of the report.
- 12.3 The Fraud structure within the Audit & Risk Service consists of a Head and Deputy Head of Audit & Risk who has operational line management responsibility for six investigator posts filled by circa equivalent to 5 FTEs as two team members are part time/flexibly retired.
- 12.4 Fraud risk is considered when scoping all audit assignments, undertaken by Mazars, and where there is a high inherent risk of fraud in the system and process additional focus is included in the scope. The in-house resources investigate issues that arise, or concerns referred to the team by management or members of the public, or other risk areas identified in the audit planning process. The results of all this work feeds into our assessment of fraud risk in the council.
- 12.5 Annually the governance of the organisation is reviewed, and this informs the Annual Governance Statement. This review considers the system of internal control which helps to inform our overall risk assessment. The Annual Report and Head of Internal Audit Opinion outlines weaknesses in internal control. There are a number of areas of the council where our first and second line of defence controls are not robust enough to prevent and detect fraud, in these areas proactive and preventative work is planned by the team, however the number of reactive referrals puts pressure on the finite resources to deliver against all objectives.

## **13. RISK ASSESSMENT 2025/2026**

- 13.1 Fraud risks, both internal and external threats, are well known in public sector organisations and efforts to quantify them show that whether the economy is in recession or boom the fraud threat remains high. However, we must acknowledge that in times of economic downturn individuals will find it easier to justify that act of fraud. In the 2020s the threat of organised crime and cybercrime are more prominent than ever; these are areas that all Council's struggle to mitigate with their available resources but robust preventive action through risk management is ongoing and audit assurances are obtained circa every two years with follow up in the interim years. In Haringey the highest risk fraud areas, with regards specific business areas, after assurances with regards effective controls are listed below. Reactive referrals and cases identified via data matching work have increased across all the high-risk areas of the council. This is in part due to improved awareness and abilities to identify fraud within processes.

### 13.2 Housing

Tenancy Fraud – The fraud team undertake some proactive fraud checks to try to help housing mitigate fraud risk. However, these have been reduced in 2025/26, and the onus been on training Housing officers to use data available to them to prevent and deter fraud. Despite these proactive efforts the risk remains high and weaknesses in housing processes historically, and the challenges during Covid, left us more vulnerable to fraud risk. Data Matching and the National Fraud Initiative are used to help detect fraud. Many referrals are received from the residents of the Borough each year and from the Tenancy Officers responsible for the patches across the Borough. We meet with the Senior Leaders in Housing regularly to feed back insights re process and control from the referrals and investigations we undertake to support the Housing Improvement Programme.

Temporary Accommodation – Our risk rating increased for this area as we had some referrals re frauds detected by management controls. A proactive project started in 2024/25 but will end November 2025. Investigator resources have been deployed to this area of risk as part of the 2025/26 work plan. The outcomes of this project are included later in this report see 15.12.

Right to Buy - Every Right to Buy application is checked to ensure there is no housing fraud occurring and that Money Laundering Regulations are being adhered to. Every year this work identifies referrals for housing fraud not only for Haringey but also for other Boroughs. This risk is heightened in 2025/26 due to the change in government policy in November 2024. However, once the spike in applications has been processed resources, used to review applications, will divert back to increase our capacity to investigate other housing fraud cases.

### 13.3 Enforcement

Blue Badge – There continues to be a high incidence of blue badge fraud in the Borough and despite some efforts to deter as part of a fraud project, the developments in recent years in parking enforcement means the number of PCNs issued monthly remains high. This will continue to be a workstream for the team in 2025/26 but there is a project which involves colleagues from Parking and Digital Services to automate the process so that outcomes can be optimised and fraud resources can focus on the prosecution of most serious offences and focus efforts on identifying organised crime behind the offences.

### 13.4 Social Care

Direct Payments – due to the expenditure this is a high inherent risk area, historically proactive fraud and audit work had indicated that we were managing the risk robustly however there has been an increase in referrals re direct payments which indicates that the current risk levels are rising. The team have been working with colleagues in Social Care, and the National Fraud Initiative from 2025/26 will again, after many years of social care being excluded, include data sets relating to Social Care Fraud Risk. The first two data sets matched will be Residential Placements and Direct Payments and the results of the matching will be received by the Council in January 2026.

Care Service Providers – we have had some referrals with regards care providers in the Borough and work with commissioning/social care colleagues to investigate all aspects of concerns raised. These reactive cases enable us to support management to embed greater fraud prevention controls in their processes. There is also corporate work relating to commissioning as part of the Council's financial recovery efforts which will help to improve governance and control relating to commissioning and contract management.

No Recourse to Public Funds – the fraud team undertake proactive checks where the No Recourse team have concerns or where there are fraud flags in an application. This intelligence helps to ensure that the application process is robust. We will continue this work in 2025/26.

### 13.5 Corporate

Internal Fraud – is high when the cumulated impacts are considered. Controls like pre-employment screening; segregation of duties in processes; governance around conflicts of interest and delegated authority etc help to mitigate. We have had a large increase in cases at the end of 2024/25 which has continued into 2025/26. These investigations can be challenging where controls and records are not robust. The team will accept all internal cases, if they fit the relevant criteria. For all cases we report not only re the specific allegations raised but also root cause control issues for corporate stakeholders/control owners. We work closely with colleagues in Employee Relations Team. as for many internal fraud cases a disciplinary case will run alongside the criminal investigation. The increase across the public sector for dual working / polygamous worker cases has been significant. The team will also prepare prosecution standard evidence packs to support other councils who are pursuing their employee(s) or agency workers for fraud, the council who has experienced the highest financial loss tends to lead the investigation. Since the success of a pilot exercise in this area the NFI will in future facilitate a match between public sector payrolls and agency providers to help identify individuals with multiple employment contracts nationally. Overtime this will deter the fraudsters, however in the short term the number of cases identified is not declining.

Procurement – Procurement related fraud is inherently high in the public sector. Limited Assurance audit reports have confirmed this to be a high-risk area due to significant control weaknesses. The threat in this area can be external from companies and suppliers looking to exploit governance and control weakness. Some of our employee related bribery & corruption cases involve contract and procurement activity and collusion with private companies, so this continues to be an area of concern however the team does not have capacity to deploy any proactive fraud resources in 2025/26. Strategic Procurement changed their operating model in April to reduce the threshold for corporately overseen procurement activity, these changes and the financial recovery workstreams should reduce the risks in 2025/26. Reactive investigations into bribery & corruption will be investigated as a priority. The evidential burden is high in prosecuting fraud, so these are challenging and resource intensive cases to pursue. To satisfy external audit requirements the team have again undertaken a data driven fraud risk assessment for all activity via the HPCS procurement system. The outcome of this work will also be shared internally to support the development of more robust procurement controls.

Business Rate and Council Tax – The Covid Business Grant projects helped to bring business rate data up to date for the Borough, which flagged issues with tax avoidance. The base data now is much more robust and will enable more robust fraud prevention activity to occur. Data matching tells us we have a high level of SPD fraud or error in the Borough, however in recent years revenues have procured a service to ensure that there is more challenge to entitlement for discounts in the control environment as well as withdraw discounts that are no longer applicable. Due to the values of individual frauds in this area we have raised recommendations to management to ensure the controls are there to prevent these frauds as this is the most efficient way to manage this risk area. As part of our strategy, we have communicated to Management that we are keen to prosecute cases in this area to add a deterrent factor into the control environment. This will not be a priority in 2025/26 though unless a referral is received from Management.

Grants – the Covid Business Grants Project was very high risk of fraud and due to proactive risk management and fraud expertise on the project the successful frauds were very low. Since 2021 the team has completed a number of annual projects to support some teams who are allocating grants to organisations or individuals in the community to ensure risk is managed. Requests for our support increase year on year as teams in services acknowledge higher fraud, and other risks, to their work.

#### **14. ANTI-FRAUD, BRIBERY AND CORRUPTION WORKPLAN FOR 2025/26**

14.1 Due to capacity in the team delivery of our proactive fraud plan often is hindered by reactive referrals and/or other advice or guidance required. The list of proactive assignments is reviewed annually and prioritised and will remain in the work plan until completed.

14.2 The key projects planned for 2025/26 include:

- **National Fraud Initiative** – see 15.9.
- **Temporary Accommodation** – during quarters 1 and 2 one team member has been seconded part time into a project to identify frauds and any fraud cases identified will be allocated for investigation - see 15.12.
- **Fraudulent payment of PCNs** – there are high numbers of PCNs paid using stolen card details which causes significant resource wastage for the council and could indicate organised crime in the Borough. Audit work to initially analyse this and put in more robust governance is underway. This needs to be completed before any fraud resources can be allocated proactively on investigating, however the fraud team do deal with reactive referrals and data protection requests from banks and would support the services if any referrals for fraud were generated in this area.
- **Hidden Assets in Financial Assessments** - this was a project agreed in 2023/24 – some work was undertaken, and this work was put on hold, whilst management tackled control issues which were barriers to successful data driven fraud work. This will be a project for 2025/26,

subject to capacity once follow up audit and risk work confirms that management have taken the agreed actions and as a result more robust processes are in place and operating effectively across teams.

- **Procurement due to the fraudulent activity identified in 2023/24.** A fraud risk analysis of all 2024/25 spend has been commissioned from Mazars to determine if other similar frauds have occurred and satisfy again the request from External Audit. Our work to analyse the outcomes is on-going but to date has noted none, however there was some non-compliance or poor practice that increases fraud risk in the Council, and we are working with Strategic Procurement on these.
- **Squatting** – due to the criminality involved in Squatting and the links to the proactive housing fraud work we do re occupancy we continue to link with management from an audit and risk perspective with regards the threat of squatting in the Borough. We continue to look for indicators of internal corruption in this risk area as new cases of squatting are identified.
- We were unable to complete the audit work regarding the **Use of Death List information** planned in 2024/25, our aim was try to ensure that the Council has the information and promptly stops services no longer required, preventing those identities, public funds, and properties from being misused. The concerns we had were raised with Housing Management in 2023/24 and 2024/25 and some actions agreed. The team have reviewed all the NFI matches in 2025/26 relating to matches with death registrations, and cases have been generated. We continue to identify individual cases where services or payments are still being made post death as part of our daily case work and these are communicated to management and tracked until actions are complete. The team have noted however, that the death information lists are now being proactively worked on in Housing services and cases raised as a result of NFI are being processed in timely fashion. The NFI data matching in social care will help to assess the use of death lists outside of Housing in other high risk service areas. More information on outcomes in this area is contained later in the report, see 15.9 and 15.11.

## **15. ANTI-FRAUD, BRIBERY AND CORRUPTION ACTIVITY**

- 15.1 The team undertakes a wide range of anti-fraud activity and has two performance indicators to monitor its work relating to tenancy fraud and the right to buy fraud. These targets have in the past been consistently achieved, apart from the Covid affected years. There is a recognition that over the last year, there has been a significant increase in the number, type, and scale of frauds the team is responding to, and this has put pressure on the deliverables of the team. The housing fraud outcomes in particular, are affected. The increase in internal cases and our inclusion of blue badge cases has reduced the resources available for housing fraud. The team continue to track all historical cases until the property is recovered into stock. Although some cases are complex and continue to take a number of years for the recovery to happen there is a noted improvement in timelines for the more straight forward cases, however further work is needed to minimise the rent lost in these interim months between legal tenants.



- 15.2 Financial values are assigned to these outcomes based on the discounts not given and the estimated value of providing temporary accommodation to a family. The Cabinet Office support a valuation for the recovery of a tenancies of £42,000 per property. The value assigned to the Right to Buy work links to the cost of discount not applied to our asset.

**15.3 Table 2 - Local Performance measures – anti-fraud activity**

| Performance Indicator      | Q1/Q2 | YTD | Annual Measure |
|----------------------------|-------|-----|----------------|
| Properties Recovered Q1    | 8     |     |                |
| Properties Recovered Q2    | 20    | 28  | 50             |
| Right to Buys prevented Q1 | 20    |     |                |
| Right to Buys prevented Q2 | 15    | 35  | 80             |

**15.4 Tenancy Fraud – Council properties**

- 15.5 The Corporate Anti-Fraud Team works with Housing colleagues to target and investigate housing and tenancy fraud. Housing continues to fund 0.6FTE of Tenancy Fraud Officer co-located part time within the Corporate Anti-Fraud Team. There are plans to do cross team proactive tenancy fraud campaigns and use data matching however this work will not be completed until the Housing Improvement Programme has improved systems, process, and technology across Housing. It is hoped that this and the planned proactive work will ensure our annual targets are achieved and try to shift the Council's work on tenancy fraud to a more proactive and preventive approach.
- 15.6 The Corporate Anti-Fraud Team works with the Housing team to identify the most effective use of fraud prevention and detection resources across teams to enable a joined-up approach to be taken, especially where cases of multiple fraud are identified e.g., both tenancy fraud and right to buy fraud. There are still a large number of cases that need action. Of the 433 open cases at period end 242 currently sit with other teams for action. The team have no live housing fraud prosecutions currently; there are a number of possible prosecution cases within the caseload.

**15.7 Table 3 - Tenancy Fraud (Council/Secure) Activity and Outcomes**

|                        |     |  |
|------------------------|-----|--|
| Opening Caseload       | 452 |  |
| New Referrals received | 92  |  |
|                        |     |  |
| Total                  | 544 |  |
|                        |     |  |

|                        |  |                |
|------------------------|--|----------------|
| Properties Recovered   |  | <b>28</b>      |
| Case Closed – no fraud |  | <b>83</b>      |
|                        |  |                |
| Total                  |  | <b>(-) 111</b> |
|                        |  |                |
| Closing Caseload       |  | <b>433</b>     |

### 15.8 Right-to-buy (RTB) applications

As of 3 October, there were 447 ongoing applications with 72 under investigation as part of the statutory money laundering stage of the process. During quarters 1&2, 35 RTB applications were withdrawn, timed out or refused either: following review by the Corporate Anti-Fraud Team or due to failing to fully engage with the money laundering stage of the processes. The applicants are served reminders, by legal, regarding timescales and the Corporate Anti-Fraud Team work flexibly with applicants and their solicitors to gather the required evidence to satisfy the money laundering regulations. 214 new applications were received in this period; 25 ongoing applications remain in process awaiting re-valuation of the property value. 24 applications ceased for reasons other than the Corporate Anti-Fraud Team's direct intervention and 47 properties were sold.

### 15.9 National Fraud Initiative is a statutory function (under Local Audit and Accountability Act 2014, Part 6). £477.5M has been the reported savings across all local authorities for the 2022/24 accounting periods.

The Public Sector Fraud Authority established in 2022 works under the Cabinet Office and HM Treasury to enhance governments counter fraud function. There is a 2024-2028 strategy being delivered and planned developments to NFI will enhance the data matches available for local authorities to identify fraud and pursue. The exercise runs every two years with some pilots and 're-checks' periodically in between.

The results of the NFI were received in January 2025 and reports received are analysed by the intelligence resources in the team and/or service key contacts. The team use a risk-based approach to focus on key reports that need to be reviewed, where we can more efficiently consider the fraud risk the team retain responsibility for the reports and matches. The benefit of the NFI is unlike any locally driven proactive data matching activities the intelligence is across a wide range of public sector held data sets.

There were eight new 'high risk' cases identified from the 'payroll to payroll' data match which is a key one due to the heightened risk of dual working since covid. The team led on intelligence gathering to assess the fraud, two cases were closed and the others where the individual was still employed all were passed into the disciplinary process, with by Haringey or the current employer. There were circa 30 other matches for payroll to review, and this work is on-going.



In line with our risk assessment and work plan the focus of the team has been related to high-risk housing reports. This review has flagged 68 cases for further investigation with housing; any fraud cases will be identified as part of this work.

A match of Housing Tenants to HMRC property ownership flagged 78 matches of these 41 cases require further investigation 16 by the fraud team and 25 initially by housing colleagues to determine if there are concerns remain and principal home.

Reports relating to Pensioners and Blue Badges are still being worked on by management. The team will support colleagues when capacity allows to work on the NFI reports and provide some fraud advice and guidance. The team have been supporting social care in quarter 2 with generation of the data sets required for data matching and these were submitted on time in October 2025, results are expected in January 2026 and key service contracts will be briefed and trained ready for the cross team working on matches.

At the end of quarter two there were minimal outcomes captured in the portal to report but further updates will be provided later in 2025/26 when more match reports are closed.

#### 15.10 Blue Badge Fraud

To date there have been 280 cases accepted as part of the fraud prevention project. Outcomes from cases to date:

- 85 closed, no further action;
- 4 prosecutions;
- 4 cases with legal;
- 50 cautions administered; and
- 136 live cases.

The project has proven to be successful and achieved the deterrent factor desired to try to support Parking in reducing this fraud in the Borough.

Capacity is hindering the outcomes of this work however there is an agreed project to automate the process, and it is hoped by 2026/27 this will be embedded.

The following is the notional cost to the public purse used in prosecution cases Blue Badge fraud is significant and, by claiming exemption from the congestion charge, a blue badge holder saves £2,500 per year. They may also avoid having to pay for a resident's parking permit, at £50 - £250 a year. If the motorist avoids paying hourly on-street parking charges of £3 per hour for 40 hours a week, this adds up to a further £6,000 a year (this could be even higher if commuting to central London). Fraudulent misuse could be costing local government (TfL and the boroughs) £5,000 - £10,000 a year per badge, in addition to the extreme inconvenience for disabled motorists and passengers.

#### 15.11 Pro-active counter-fraud projects

### **Void Property Project update**

A proactive exercise to identify void properties / tenancies that need terminating, using death list data and council tax records that had a class F exemption (in the name of 'executors of') was completed in 2023/24.

The 69 cases identified by IA have been reported to Housing. 41 of them were known to Housing but were either not being pursued or were complex cases for resolution; for 13 of these anti-fraud officers were already assisting.

As at end September 2025, only seven cases remain open, two are with legal and five are with housing for action.

24 properties have been recovered, to date, following the proactive work of the team.

The recoveries generated by this project are not included within the tenancy fraud performance.

### **15.12 Temporary Accommodation**

The Head of Audit & Risk Management and one investigator have worked on a project with Housing demand in this area during quarter 1 and 2 to try to identify savings and potential fraud cases for investigation. The project has led to 15 referrals into the team. Six have been closed; four frauds confirmed, and five cases remain open.

### **15.13 No Recourse to Public Funds (NRPF)**

In quarter one, 25 referrals have been received and responded to by the Corporate Anti-Fraud Team. The role of the Corporate Anti-Fraud Team is to provide a financial status position for the NRPF team to include in their overall Children and Family Assessment.

The average cost of NRPF support per family (accommodation and subsistence for a two-child household) is around £20,000 pa.

### **15.14 Ad hoc requests**

The team deal day to day with many ad hoc requests from management for advice and guidance. They also respond to data protection requests from other teams and organisations. In quarters 1 and 2 there were some interesting requests for assistance. We undertook some proactive fraud prevention checks with regards decanted families and their right to return to the Broadwater Farm estate after regeneration. We have supported management to analyse application fraud so that intelligence can be shared with this Home Office and MCHLG with regards the Homes for Ukraine sponsor scheme.

### **15.15 Internal employee investigations (excluding dual working)**

The Audit & Risk team are responsible to investigating all allegations of fraud, corruption, and financial irregularity against employees.

At the start of quarter 1 the team had three employee cases open all cases remain open at the end of quarter two. Two cases are criminal in nature and relate to ex-employees, one is with legal for advice on the prosecution case the other file is being prepared for legal review. The third is an employee corruption case, the investigation and is on-going.

In quarter 1 there were no new employee related cases, in quarter 2 there have been seven new referrals. Two are live cases at the end of the quarter; two were closed with no case to answer; two have been passed into the disciplinary process due to insufficient evidence of fraud the final case has concluded in disciplinary process with a dismissal and the case will go to court in quarter 3.

The Audit and Risk service work closely with officers from HR and the service area involved to ensure that the appropriate investigation, following a referral, is completed as quickly as possible. The cases are prioritised according to risk to the council and severity of the allegations.

For all cases there is consideration of root causes and where weaknesses in our control environment have contributed or enabled fraud, corruption, or other breaches of code of conduct and other rules and procedures to occur. These audit observations are highlighted to management.

#### **15.16 Dual Employment Cases / Agency Worker cases**

At the start of quarter 1 we had one live ex-agency worker dual employment case which, following legal advice the lead authority is now requesting our support to produce the prosecution file. There was also one employee case open, gain the objective is prosecution, and the file is being prepared for legal.

The eight new cases flagged by NFI have all been closed by the team, however as required an investigator will provide evidence for the disciplinary processes (Haringey or other Employer) or prosecution files (other employer), none of these new cases are being pursued to prosecution by the team.

In addition to those identified via NFI there are two other cases (from 2024/25) where other councils are leading a prosecution case against their employee.

In quarters 1 & 2 there have been eight new dual worker cases referred internally or from other councils. The team has completed all evidence gathering required re these cases and continue to work with Human Resources or the lead authority to support the action they are taking. One case has been taken on by the police for investigation.

#### **15.17 Whistleblowing Referrals**

The Head of Audit and Risk Management maintains a record of referrals made using the Council's Whistleblowing Policy. At the start of quarter 1 the team had one referral open relating to an external organisation providing

services commissioned by the council. The case remains open and an investigation is underway across fraud and Management.

Eight new whistleblower allegations have been accepted since April under the policy. Two cases have been investigated and closed with no case to answer and lessons learned noted; two are being investigated by the team, and the other four management are responsible for investigation, but the cases will be tracked until a satisfactory outcome can be recorded.

**Report for:** Audit Committee – 10 Nov 2025

**Item number:** 11

**Title:** Updated Corporate Risk Register

**Report**

**authorised by :** Taryn Eves, Corporate Director of Finance and Resources

**Lead Officer:** Minesh Jani, Head of Audit and Risk Management

Tel: 020 8489 5973

Email: [minesh.jani@haringey.gov.uk](mailto:minesh.jani@haringey.gov.uk)

**Ward(s) affected:** N/A

**Report for Key/**

**Non Key Decision:** N/A

**1. Describe the issue under consideration**

- 1.1 The Audit Committee is responsible for providing assurance about the adequacy of the Council's Risk Management Framework and Policy and monitoring the effectiveness of systems for the management of risk across the Council and compliance with them as part of its Terms of Reference.
- 1.2 Under its terms of reference, the Committee is also required to note the Council's Corporate Risk Register and be satisfied appropriate mitigating actions are being completed in a timely manner.

**2. Cabinet Member Introduction**

- 2.1 Not applicable.

**3. Recommendations**

- 3.1 The Audit Committee is asked to note the Corporate Risk Register as at 30 September 2025, attached at Appendix A.

**4. Reasons for decision**

- 4.1 The Corporate Risk Management Policy and Strategy sets out the assurance framework of the Council; how risk management fits with other management and operational functions; and the roles and responsibilities of members and officers in the risk management process. The Audit Committee is responsible for reviewing and approving the Risk Management Policy as part of its Terms of Reference and the committee approved the Policy in October 2024. The Committee also receives regular updates on the Council's Corporate Risk Register and the accompanying guidance (attached at Appendix B).

**5. Alternative options considered**

- 5.1 Not applicable. The requirement to have a corporate risk management policy and strategy is recommended best practice and forms part of the overall assurance framework of the Council. Further, the identification of risks as part of a risk management process is considered essential as part of a good governance framework.

## 6. Background information

- 6.1 The Corporate Risk Management Policy and Strategy has been reviewed to incorporate changes to the Council's approach, to ensure it is fit for purpose for the future and meets current good practice requirements.
- 6.2 The full Corporate Risk is attached at Appendix A. The Corporate Leadership Team last reviewed and discussed the full register on 2 October 2025. The profile of the Council's residual risk is shown in the table below.

|                            |                     |             |                 |                 |                 |                          |
|----------------------------|---------------------|-------------|-----------------|-----------------|-----------------|--------------------------|
| I<br>M<br>P<br>A<br>C<br>T | Catastrophic<br>(5) |             |                 | 6,8             | 2, 9,<br>10, 12 | 1                        |
|                            | Severe<br>(4)       |             | 4               | 11, 13          | 5               |                          |
|                            | Material<br>(3)     |             |                 | 3, 7            |                 |                          |
|                            | Minor<br>(2)        |             |                 |                 |                 |                          |
|                            | Negligible<br>(1)   |             |                 |                 |                 |                          |
|                            |                     | Rare<br>(1) | Unlikely<br>(2) | Possible<br>(3) | Probable<br>(4) | Almost<br>Certain<br>(5) |

### LIKELIHOOD

- 6.3 The most significant "Red" risks and changes to the corporate risk register are as follows:

**Risk 1** - Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings – this risk remains at the highest level and any failure to implement mitigating actions likely to result in the risk becoming an issue. The risk has been comprehensively updated, including for recent corporate actions requiring further checks over spend. The Corporate Leadership (CLT) team is actively engaged in the management of this risk.

**Risk 2** - Non-delivery of transformational change due to lack of corporate change functions. The risk wording has been updated with emphasis on lack of corporate change. CLT also emphasised that any transformation has to deliver savings agreed in the annual budget.

**Risk 9** - Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat). This risk remains at the same level since last reported.

**Risk 12** - Unable to attract and retain scarce skills or those in high demand. The Council does not have the appropriate skills, capacity and capabilities in place and/or recruited to deliver the Corporate Delivery Plan effectively. This risk remains at the same level since last reported.

**Risk 10** – Building Control. This is a new risk added to the corporate risk register that highlights a variety of risks experienced within building control due to the service being unable to recruit to established posts.

**Risk 5** - Failure to meet housing / achieve full regulatory compliance for Council Housing Stock standards. The risk score remains unchanged though the risk mitigations and current status to achieve regulatory compliance has been updated.

6.4 The most significant “Amber” risks but should they occur, they could be catastrophic for the authority: -

**Risk 6** - Serious Cyber Security Incident leading to all or multiple council systems shutdown and/or council unable to undertake business and/or significant ICO fine & reputational damage due to data breach, malware outbreak, phishing or ransomware attack. The Impact is “5” and Likelihood is “3”. This risk remains unchanged since the last report.

**Risk 8** - Adequate processes are not in place to safeguard vulnerable children and adults within the borough who were or should have been in receipt of services, either from the council or a partner agency. The Impact is “5” and Likelihood is “3”. This risk remains unchanged since the last report.

**Risk 11** - Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings). The risk remains unchanged from the last report.

**Risk 13** - Integrated delivery models for local health & care services does not deliver. The risk remains unchanged from the last report.

**Risk 3** - Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents. This risk needs to be brought up to date update and CLT asked for an updated risk at its next meeting.

**Risk 7** - Failure to transform insourced leisure services including culture and operations to improve performance. CLT considered this risk and asked that the risk can now be managed at directorate level. The risk will be moved to the Environment and Resident Experience directorate.

**Risk 4** - Potential health and safety incident affecting employees or member of the public. CLT has asked for this risk to be reviewed and refreshed.



**7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes**

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key priority areas.

**8. Carbon and Climate Change**

- 8.1 There are no direct Carbon implications arising from this report.

**9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)**

9.1 Finance and Procurement

**Finance**

There are no direct financial implications arising out of this report as the work associated with updating and monitoring the Council's corporate risk approach is included within service areas' revenue budgets.

The risks included in the corporate risk register could have significant financial implications for the Council if they were to materialise. Regular review and monitoring of existing and emerging risks helps to mitigate any potential financial implications.

**Procurement**

Strategic Procurement note the contents of this report and have been consulted on the relevant audits where required.

Actions arising related to procurement and the letting of contracts are contained within the relevant audit reports and will be actioned accordingly.

9.2 **Director of Legal & Governance – Haydee Nunes De Souza, Head of Legal Services**

Approval of the Corporate Risk Management Policy is a matter for Audit Committee, whose terms of reference and statement of purpose provide –

*The Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.*

*The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.*

Accordingly, there are no legal reasons why Audit Committee should not approve the recommendations in this report.

9.3 Equality



The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

There are no direct equality implications arising out of this report.

**10. Use of Appendices**

Appendix A – Corporate Risk Register as at 30 September 2025

Appendix B – Risk Management Guidance

**11. Background Information**

None

This page is intentionally left blank

CORPORATE RISK REGISTER

Latest Review - 30/09/2025

| No. | Risk Event Description                                                                                              | Risk Owner                                         | Current Impact | Current Likelihood | Current Risk Score | Proximity             | Mitigating Actions In Place                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Future Impact | Future Likelihood | Future Risk Score | Action Owner(s)                                    | Future Actions / Update                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Date                   |
|-----|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------|--------------------|--------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|-------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| 1   | Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings. | CLT<br>Corporate Director of Finance and Resources | 5              | 5                  | 25                 | Short and Medium term | The Council’s financial position is challenging and necessary action has taken place to protect its long term financial sustainability and reduce reliance on Exceptional Financial Support. During 2024/25 this has included: <ul style="list-style-type: none"><li>• Establishing a set of budget and financial planning principles.</li><li>• An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position.</li><li>• Review of financial pressures increasing the use of data and evidence to forecast pressures, scenario planning and a more realistic view of risks with the estimates.</li><li>• Review of all current and proposed savings to test their validity and assurance on delivery.</li><li>• Improvement in forecasting and a focus on delivery of savings.</li><li>• Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years.</li><li>• Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication.</li><li>• Review of the Capital Programme which is undertaken annually as part of the budget process and its governance. This includes the newly established Strategic Capital Board to oversee the development, monitoring and reporting of the whole programme and improve the decision making of all schemes</li><li>• A move towards medium term financial planning and starting the process earlier by delivering Budget Series 2025 over the course of 3 months (April to June). This was a two-day Budget Sessions each month with a focus on increasing awareness and accountability of Leadership Network and time over the Budget Series for identifying budget proposals and delivery plans for 2026/27 and beyond. Focus is now on providing assurance on the existing savings for 2025/26. For 2026/27 savings, pressures and budget gap has been articulated as at Sept 2025. Leadership Team has been asked to: Focus on the delivery of existing savings and getting our internal processes and procedures in place. Develop and implement clear plans for the delivery of the £6.5m of new savings 2026/27 now supported by Cabinet. Continue to focus on getting the basics right and to identify efficiencies and management actions:</li></ul> | 5             | 5                 | 25                | CLT<br>Corporate Director of Finance and Resources | <b>Future actions:</b><br>External support to: <ul style="list-style-type: none"><li>- provide Strategic Advice to the S151 and Leadership Team, aligned to the financial recovery and response plan and the MTFs.</li><li>- help the delivery of Adult Social Care savings and help deliver key MTFs cross cutting savings projects such as Procurement and Contracts</li></ul><br>Further strategic decisions will be needed to determine how best to utilise limited resources to deliver the priorities in the CDP. Through budget planning we will give Members choices for them to prioritise. This will also mean providing assurance of good value for money and our service provision is in line with others (costs and quality).<br><br>Continue to Lobby and engage Government through various channels for future funding, provide evidence on the importance of relative need in funding allocations. This includes through consultation responses, various professional networks and MPs. Meeting with MHCLG to discuss latest financial position. Government review expected Nov to March - we will need to demonstrate we are delivering. For 2027/28 - Internal officer planning for 2027/28 to commence shortly in preparation for new administration – planning for an emergency budget in Summer / Autumn 2026. CLT will develop a suite of proposals for the new administration to consider. | 31/3/2025 and on-wards |
| 1   |                                                                                                                     |                                                    |                |                    | 25                 |                       | 1. Procurement and contracts 2.Improving end to end processes 3.Reducing agency spend. 4.Improving collection of all income due to us. 5. Identify grant funded services - risk where grant ceases in 2026/27, assumption that service stops. Regular review of ‘committed’ reserves and other historic balances to identify any which can be transferred to manage risks and uncertainties. A full financial response and recovery plan has been developed and overseen by the Chief Executive and Corporate Director of Finance and Resources which has established an organisation emergency response to the financial position. The emergency response has been in place since April and has been reviewed after 6 months. Updated arrangements consists of: <ul style="list-style-type: none"><li>- Financial Recovery Board , a single board - bi-weekly meeting of Corporate Directors and Directors chaired by the CEX to provide accountability and assurance in respect of progress against the delivery of the plan and the savings</li><li>-Financial Recovery Cabinet Group continues to meet 6-weekly, chaired by the Leader to ensure clear political oversight of the emergency procedures</li></ul> In addition to the Recruitment Board, a Spend Control Panel has been put in place to review council discretionary spend and commitments for amounts of £1,000 and above. This includes spend on Purchasing Card, Internal Payments Requests, one-time vendors, variations to contracts and all other purchase orders. The emergency arrangements have been in place since early 2025 to deliver the plan which overall objective is to reduce the reliance on EFS in the future and improve the Councils financial resilience and sustainability. Link to response and recovery plan to be inserted when available. Finance Recovery Plan review planned. Purchase to Pay Group established Re-directed dedicated resources to support delivery . Support to Section 151 and FRB.With a focus on delivery and unblocking any barriers to delivery. More structured communications plan with the whole organisation on the position and changes required i.e. Dedicated Web Page on the Financial Recovery (Taking control of our future   Intranet) , Let’s Talk Sessions, Leadership Network Briefings/Updates etc                                                                                                        |               |                   | 25                |                                                    | Ongoing Spending Controls: Tighter controls will be implemented:<br><br>Tighter control of recruitment through Recruitment Panel.<br><br>Only essential spend agreed by SCP. Previous Cabinet decisions will be taken account of.<br><br>Controls on system to stop payments not agreed through SCP – internal audit review has shown areas of non compliance.<br><br>Removal of other payment channels to reduce non compliant purchasing.<br><br>All purchase card limits reduced to £1,000 except for emergencies.<br><br>Remove all services reserve, unspent grants reserve, budget stabilisation reserve that cannot be evidenced as formally committed.<br><br>All General Fund related decision reports and procurement activity over £25,000, including delegated reports, to be signed off by Section 151 (or delegate).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                       |   |   |    |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |   |   |    |                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---|---|----|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 2  | <b>Non-delivery of transformational change due to lack of corporate change functions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | All                                   | 5 | 4 | 20 | Short and Medium term          | <p>The Change Framework for Category A programmes was established following CLT approval in January 2024 and sits with the Digital and Change team under the Chief Digital and Innovation Officer.</p> <p>This Framework has established a change function that covers the following:</p> <ul style="list-style-type: none"><li>• Led by 2 ‘Heads of Change’, they consist of a core team of permanent officers who are configured to deliver outcomes and impact.</li><li>• Equal focus given to implementing change, service redesign and benefits as well as traditional project management.</li><li>• Standardisation across both areas with shared business resources.</li><li>• Each Head will manage their project pipeline, resourcing, reporting and risk management.</li><li>• Exception reporting will continue to come to CLT.</li><li>• This function focuses on Category A projects (although some Category A projects are delivered directly by services)</li><li>• Regular reporting of projects status to CLT.</li><li>• Core funding agreed for 25/26, funding in future years tbd</li><li>• Change Delivery Group in place and validating reporting over past year.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4 | 4 | 16 | Chief Digital & Innovation Officer     | <p>Summary of all Category A projects is reported to Change Delivery Group (monthly) and CLT (quarterly as part of performance monitoring)</p> <ul style="list-style-type: none"><li>• Two ‘Heads of Change’ appointed and team recruitment completed.</li><li>• Teams lead, manage and oversee delivery of Cat A projects delivered by Change function. Also provide assurance across Cat A projects delivered by services.</li><li>• Change Framework criteria refreshed with more focus on those projects delivering cross council savings.</li><li>• Revised list of Cat A projects agreed with CDG, CLT and Members in May 2025.</li><li>• Team Resources in place for current Cat A projects but there is a lack of dedicated resource for the 3 new Cat A projects added to the portfolio in 2025. Resource review across all Cat A projects underway to manage this as far as possible.</li><li>• Current funding for change expires in Mar 26. Discussions are underway to identify future funding options (one of which could involve alignment with aspects of the Enabling services programme and specifically the review of PPM, but this is very much in discovery stage and will not offer a solution from Apr 26). Interim funding options are being explored here which offer the potential to ‘bridge’ funding until a longer term solution is in place. The Team are already starting to experience some staff turnover due to lack of certainty around future funding (with 3 leavers in the last quarter).</li></ul> | Sep-25    |
|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                       |   |   |    |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |   |   |    |                                        | <ul style="list-style-type: none"><li>• Change Delivery Group to have Board status to ensure sufficient challenge and grip across all Cat A/B work.</li><li>• Capacity building offer to organisation to be launched ready for new financial year.</li><li>• MTFS targets will require robust diligence/challenge to ensure they remain realistic to deliver and there should be a vehicle to reforecast savings for future reporting</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |
| 9  | <b>Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Corporate Director Env & Resident Exp | 5 | 4 | 20 | Medium term                    | <p>Responding to the Climate Emergency is one of the council's corporate priorities and is monitored through the Corporate Delivery Plan (CDP).</p> <p>Mitigations include producing long-term strategies and plans to reduce the risk and consequences of climate change in the borough.</p> <p>A range of strategies and policies exist detailing the Council's approach to mitigate against the impact of Climate Change, such as the Local Plan, the Haringey Climate Change Action Plan (A Route Map for a Net Zero Carbon Haringey), Pollution Control - Contaminated Land, the Flood Risk Management Strategy, Parks &amp; Green Spaces Strategy and the Affordable Energy Strategy.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5 | 4 | 20 | Programme Director Wellbeing & Climate | <p>1) Develop a Risk Map and Action Plan (set out within CDP) for the Council and the Borough.</p> <p>2) Integrating in the London Council’s Resilience Toolkit including:</p> <ul style="list-style-type: none"><li>* Building on Heatwave JSNA.</li><li>* Highways Flood Maps.</li><li>* Emergency Planning Response.</li><li>* Community outreach on adaptation measures.</li><li>* Building in community resilience to events.</li></ul> <p>3) Engagement with the community through the Haringey Climate Partnership, facilitating local climate action.</p> <p>4) Joint work with Public Health on a Climate Adaptation and Resilience Plan - in progress.</p> <p>5) New Wellbeing &amp; Climate Corporate Board established to give governance and oversight</p> <p>6) Restructure complete to bring a whole-council response to the climate emergency, with resources aligned with relevant teams across the council</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 31-Oct-25 |
| 10 | <b>Building Control reforms</b> <ul style="list-style-type: none"><li>• Newly-regulated profession to perform certain statutory functions</li><li>• High levels of retirement across the country, major shortage of qualified staff nationally</li><li>• Currently 3 qualified permanent staff, out of structure of 11 posts (vacancy of 73%) (as of July 2025). 1 senior officer left in July 2025.</li><li>• Agency staff rates reaching extreme levels e.g. £95/hr, not sustainable</li><li>• Risk of not being able to recruit &amp; retain staff</li><li>• Risk not meeting statutory requirements</li><li>• Risk of failing audit inspection by the Building Safety Regulator (BSR)</li></ul> | Rob Krzyszowski                       | 5 | 4 | 20 | Immediate, short & medium term | <ul style="list-style-type: none"><li>• Staff achieved relevant qualifications and registration with BSR</li><li>• Restructure completed in Spring 2025 following staff consultation, followed by advertising of all updated posts</li><li>• Working with Recruitment Team for 'videos' and targeted recruitment/headhunting as part of recruitment campaign</li><li>• 1x Market Supplement request submitted, rejected. Redrafted and re-evaluated post</li><li>• 3x further Market Supplement request drafted for other posts, subject to HR &amp; Finance comments</li><li>• Working with Matrix to get more agencies with wider talent pool to work with Haringey for short term agency staff solution</li><li>• 2x LABC Trainees (funded externally) working through qualifications. 1 recently qualified and appointed into permanent post</li><li>• Workforce Plan "Trailblazer" being drafted, presentation to Corporate Director July 2025</li><li>• Training some staff in Structural Engineering Team to support 24/7 dangerous structures emergency planning rota cover</li><li>• Briefings for senior management e.g. Cabinet Member, CEO, Corp Directors of E&amp;RE, F&amp;R, CSC, Chief People Officer, Leadership Network (re Grenfell Tower disaster)</li><li>• Convened London Directors of Planning &amp; Building Control meeting June 2025. Exploring London HR Directors meeting and potential London CEO meeting</li><li>• External support: Exploring options with north London Boroughs of Enfield and Waltham Forest, also Hertfordshire Building Control</li><li>• Increase fees further at next opportunity through corporate Fees &amp; Charges</li><li>• Quarterly Building Control performance is reported to Strategic Planning Committee</li></ul> | 4 | 4 | 16 | Rob Krzyszowski<br>Denis Ioannou       | Update provided in Mitigating Actions as of July 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Jul-25    |

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |   |   |    |                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |   |   |    |                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                        |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---|---|----|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| 10 (Cont) | <ul style="list-style-type: none"><li>• Risk to safety &amp; emergency critical work of the Council</li><li>• Risk of not fulfilling 24/7 emergency planning / dangerous structures call out rota e.g. devastating fires, vehicles colliding into buildings etc</li><li>• Risk of not coordinating Safety Advisory Group (SAG), signing off Building Safety Certificates &amp; fulfilling Safety at Sports Grounds Act statutory obligations for major events with strategic partners e.g. Tottenham Hotspur Football Club Stadium events (crowds up to 65,000 people), Alexandra Palace events, Finsbury Park events</li><li>• Risk of not providing advice to blue light emergency services including London Fire Brigade, Metropolitan Police for major events to support public safety</li><li>• Risk of delayed Building Control approvals for Council corporate projects e.g. Civic Centre, Council Homebuilding programme</li><li>• Risk of increased complaints</li></ul> | Rob Krzyszowski                          | 5 | 4 | 20 | Immediate, short & medium term |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 4 | 4 | 16 | Rob Krzyszowski<br><br>Denis Ioannou                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Jul-25                                 |
| 12        | <b>Unable to attract and retain scarce skills or those in high demand. The Council does not have the appropriate skills, capacity and capabilities in place and/or recruited to deliver the Corporate Delivery Plan effectively.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Corporate Director Culture Strategy Comm | 5 | 4 | 20 | Short and Medium term          | <p>New Workforce Development Strategy 2024 has been approved and launched in September 2024.</p> <p>Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place.</p> <p>Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required.</p> <p>Template and workshops designed to assist Directors in formulating workforce action plans</p> <p>New approach to Manager training has been designed and the pilot has launched in September 2024, which will inform future activity.</p> <p>Human Resources reviewed additional employee benefits</p> <p>New purchasing annual leave scheme launched in April 2025</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 5 | 3 | 15 | Chief People Officer                                                                                    | <p>Directorate workforce plans are being developed during 2025, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning</p> <p>New recruitment methods, such as video applications, are being investigated for future potential.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | December 2025<br>Ongoing<br>March 2026 |
| 5         | <b>Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Corporate Director Adults Housing Health | 4 | 4 | 16 | Short and Medium term          | <p>Housing improvement Plan in place as agreed by Cabinet April 23 in place and delivery overseen by housing improvement Board</p> <p>Agreed a target to achieve housing decency by March 2028 with the Regulator and exceeded our interim target of 1000 homes made decent for 23/24</p> <p>We also achieved our target of developing a new Housing Asset Management Strategy, agreed by Cabinet December 2023, including £627m of investment in the stock over the next 10 years. This will be delivered through 4 new partnering contracts</p> <p>We have procured and are implementing a new compliance management system that will remove the manual data handling, manipulation and human error risks associated with using spreadsheets of complex data management. The system is expected to be fully operational by the end of December 2024 to manage the main 6 compliance areas of Gas, Fire, Water, Electric, Asbestos &amp; Lift safety.</p> <p>The Housing Quality Network has been commissioned to carry out a mock Housing inspection of Housing Service's compliance with the Regulator's consumer standards, to assist with action planning and preparation for housing inspection in Autumn 2024</p> <p>A project team has been established to assist with action planning and preparation for inspection. Project leads are Programme Manager (HSBS) &amp; Transformation Portfolio Manager (Housing)</p> <p>Cross-cutting Senior Management steering group with representation from across the Council established from July 24 to oversee preparation for inspection and action planning, to meet 6 weekly.</p> <p>The Repairs Board oversees a number of workstreams in the Housing Improvement Plan to improve the repairs service to residents.</p> | 4 | 2 | 8  | Corporate Director Adults Housing Health & Housing and Operational Director - Housing & Building Safety | <p>We have made 791 homes decent in 2024/25, exceeding the target of 700. Mitigating actions to achieve target include planned internal works, Fire Door Replacement and Electrical Works and a programme of validation surveys. We completed our 3-year Stock Condition Survey in May 2024 with 75% of the stock surveyed.</p> <p>The procurement of four new Partnering Contracts to deliver £560m work over 10.5 years has been completed with the revised Contract Award due to be approved in September 2025, following original approval by Cabinet in June 2025. Following mobilisation, go live is expected in March 2026. This is a key factor to support the achievement of 100% decency by 2028 in line with the asset management strategy agreed by cabinet in 2023.</p> <p>All 'Big 6' (FRA, EICR, LGSR, Asbestos, WRA and LOLER) modules are set up on the new compliance system, with full inspection programme information uploaded.</p> <p>All FRA actions have been integrated into the system, removing the use of spreadsheets to manage actions. Training with users is ongoing around receiving and managing actions.</p> <p>Regular sessions have been arranged with officers running the 'Big 6' programmes to ensure that inspection certificates are being uploaded to the system and that reconciliations are being carried so that the programme is up to date.</p> <p>Integration with NEC/Northgate is now being progressed to update C365 with new property information, duplicates, voids etc.</p> <p>Further development of the reporting dashboards to present future KPI information.</p> <p>We are progressing additional modules including the Asbestos Register, Building safety Manager Inspections and Fire Door Inspections, as Building Safety Cases and FRAEW (external Wall Surveys) and Structural Surveys as well as domestic asbestos surveys. All of these are in progress however our current primary focus is on the core 6 compliance areas.</p> |                                        |

|          |                                                                                                                                                                                                                                                                   |                                                                                       |   |   |    |                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |   |   |    |                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---|---|----|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|----|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 5 (Cont) |                                                                                                                                                                                                                                                                   |                                                                                       |   |   | 16 |                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |   |   | 8  |                                                                                       | <p>Development of the data integration with NECH and our reporting dashboards is on-going. We are also developing the Building Safety Case module and QR Coding of all communal fire doors. Due to the need to re-align all lift assets with our lift maintenance programme, we are asset tagging and re-numbering all our residential, communal passenger lifts. We have started to re-number our assets based on an agreed format which will be progressed to link to QR codes. This is a detailed piece of work initially and is being progressed along side our priority areas for the main 6 compliance areas and additional modules.</p> <p>The HQN mock inspection of the housing service took place Sept/October 2024. Action plan developed in response to identified areas of improvement which is reported to the Member Housing Improvement Board six weekly, with the action plan having been overseen by the board since March 2025. HQN have recently been commissioned to carry out an assessment of the actions within the plan against their recommendations from the mock inspection and the evidence against completed actions to provide assurance.</p> <p>Changes to the Repairs Management structure have been implemented with permanent Team managers now appointed. A high-level review of the Housing Repairs service delivery model was undertaken in March 2025, with a report recommending an options appraisal of delivery models approved by Cabinet in July 2025. This initiative is to reduce costs, improve efficiency, and achieve better value for money. A timescale of 6-months was agreed when the report was agreed. A costed proposal for the next phase has been received and is being evaluated to determine next steps.</p> <p>Work is continuing on procurement of a supply chain for the short and longer-term to support out in-house delivery and ensure future repairs are delivered in line with policy commitments and improve both jobs completed in target time and customer satisfaction.</p> <p>A Damp and Mould CRM system to provide better reporting and understanding of all cases that have damp and mould is being developed and implemented which will also ensure we are compliant with the new Regulations under AWAAB's Law.</p> <p>October 2025</p> | Dec 2025   |
| 6        | <b>Serious Cyber Security Incident leading to all or multiple council systems shutdown and/or council unable to undertake business and/or significant ICO fine &amp; reputational damage due to data breach, malware outbreak, phishing or ransomware attack.</b> | Chief Information Officer & Corporate Director of Finance and Resources               | 5 | 3 | 15 | Short and Medium term | <p>Digital architecture reviewed and key controls established.</p> <p>Systems we manage are all backed up so we can revert to a clean version - albeit with some loss of work/updates (however sometime infection is also on the backups due to "sleeper" viruses).</p> <p>Regular internal audits to seek independent assurance</p> <p>Technical solutions for firewall , firmware/soft/ware/hardware solutions are in place.</p> <p>Mandatory training for all staff on Cyber Security Awareness (but not mandatory).</p> <p>Staff Awareness on cyber security via regular posts by Digital Compliance Manager.</p> <p>Pentest Partners procured to provide technical expertise in the management / control of a cyber event.</p> <p>Cyber-Security in My Learning is Mandatory.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 5 | 3 | 15 | Corporate Director of Finance and Resources / SIRO / Director Digital and Change      | <p>We can put in place controls, testing and all the security measures we can to reduce the likelihood we will be subject to a major attack, but the risk and impact will never go away. As a government body we will always be a target for attack and the threat vector is changing constantly.</p> <p>We will however:</p> <ul style="list-style-type: none"><li>- Clarify the process and procedures for when a major incident occurs.</li><li>- Continue to raise awareness in the organisation.</li><li>- Continue to migrate data and platforms to the cloud</li><li>- Seek independent assurance from internal audit</li><li>- Explore backups for our data held in Microsoft, (OneDrive, SharePoint, Teams etc)</li><li>- We are only available to monitor events during office hours via our SIEM and Microsoft /Palo Alto admin pages. We need to replace our SIEM (expires December 2025 &amp; not fit for purpose) to improve our detection of “odd” events and as far as possible automate reactions, such as texting an on-call employee.</li><li>- Improve our knowledge and approach to Zero-Day vulnerabilities linked to systems we use are very likely to be exploited and could be undetectable, until the hacker does something deliberate or accidental that is visible to us..</li><li>- Security Team conduct Phishing simulations – a proportion of staff fall for them each time.</li></ul> <p>Unfortunately many are repeat-susceptible and the percentage seems to have plateaued. Will look at the next stage of comms and training to improve this.</p> <ul style="list-style-type: none"><li>- Develop an AI policy that takes into account emerging AI platforms and our security.</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 31/03/2025 |
| 8        | <b>Adequate processes are not in place to safeguard vulnerable children and adults within the borough who were or should have been in receipt of services, either from the council or a partner agency.</b>                                                       | Corporate Director of Children's Services<br>Corporate Director Adults Housing Health | 5 | 3 | 15 | Medium Term           | <p>A developed quality assurance system is constantly reviewed</p> <p>Quality Assurance Framework in place</p> <p>Performance monitoring on national KPI's every quarter with good outcomes</p> <p>Strong Learning framework in place from deaths of service users with good involvement of family members or representatives</p> <p>Strong focus on early intervention and safeguarding prevention</p> <p>Arrangements in place to mitigate the risk of death or serious injury to a child arising from abuse or neglect, in addition to those covered above, include caseload monitoring, quality assurance activity including case audit, maintaining low levels of vacancies for social workers.</p> <p>Multi-Agency-Safeguarding-Hub, Local Safeguarding Children Partnership (LSCP) Annual Report; Child Protection Report; Quality Assurance team in Adults, reviewing contracted services and council services.</p> <p>Adults and Children safeguarding - Mandatory safeguarding training for all staff.</p> <p>Positive assurances from external inspections of Children's Services.</p> <p><b>Adults</b> - The CQC rated Safeguarding as 'Good'. They highlighted the recent changes made to pathways to improve the experience not meeting s.42(2) thresholds. The role of the Safeguarding Adults Board was highlighted for its positive partnership approach to strategic safeguarding across the borough. of residents including increased response times. Strong practice in 'Making Safeguarding Personal', positive support for practitioners through training and workshops, good multi-agency working and preventative interventions for those residents</p> <p>Positive assurances from external inspections of Children's Services.</p> | 5 | 2 | 10 | Corporate Director of Children's Services<br>Corporate Director Adults Housing Health | <p><b>ADULTS</b></p> <p>Adults - A robust adults board is in situ and will continue to provide assurance for multi-agency management. Multi-agency systems and pathways are in place to ensure that clear provision and support is provided where necessary. Policies, procedures and training matrix, demonstrate high levels of efficiencies in this area.</p> <p>Additionally, our newly implemented ASC Improvement Board and associated governance will support continuous improvement in this area.</p> <p><b>CHILDRENS</b></p> <p>Ensure thresholds clearly understood by all professionals. Opportunities provided for shared learning through audits and training events/conferences.</p> <p>Ongoing training opportunities provided to frontline staff via children's academy and other external offers.</p> <p>Regular supervision is provided to staff to ensure all work is reviewed by managers on at least a monthly basis.</p> <p>Ensure competent and timely completion of assessments, conferences and reviews completed in line with statutory guidelines. Checked Monthly</p> <p>Ensure all performance remains at least in line with national and statistical neighbours through benchmarking activity. To be checked weekly, monthly or annually depending on the indicator.</p> <p>Regular audits are undertaken as part of our quality assurance framework. This gives an additional lens on practice and allows strengths to be noted and areas for improvement to be considered and addressed by managers.</p> <p>Advise and check that maintained schools have risk assessments in place, covering all safety matters that pertain to children, young people and staff.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 31/3/25    |



|    |                                                                                                                                                                   |                                          |   |   |    |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |   |   |                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |             |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---|---|----|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 11 | <b>Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).</b>                       | Corporate Director Finance and Resources | 4 | 3 | 12 | Medium term | <p>The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains focused Action plans, based on the SAMPIP objectives.</p> <p>Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings.</p> <p>Appropriate governance is now established .</p> <p>Progress is then taken through our property governance process on a monthly basis. Reporting on statutory compliance is provided quarterly.</p> <p>The transformational nature of this work means the Corporate Property Model, which is fundamental to the implementation of the action plans; is part of the councils change programme, reported monthly and to Corporate Leadership Team on a quarterly basis.</p> <p>Internal Audit resources are allocated to monitor and report independently on progress.</p> <p>An annual update of the progress against the SAMPIP action plans is taken to cabinet.</p> <p>As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 4 | 2 | 8 | Director for Capital Projects & Property               | <p>Implement the Property Improvement Plan.</p> <p>Review actions in the improvement plan and determine whether updates required.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 31/012/2026 |
| 13 | <b>Integrated delivery models for local health &amp; care services does not deliver</b>                                                                           | Corporate Director Adults Housing Health | 4 | 3 | 12 | Medium term | <p>The CQC inspection rated Partnership and Communities as 'Good'. The report highlighted strong collaboration with various partners, including the Integrated Care Board (ICB), Health services, and the Voluntary, Community, and Social Enterprise (VCSE) sector.</p> <p>There were clear structures and roles within the Haringey Borough Partnership (HBP) and Health and Wellbeing Board support shared objectives and strategic alignment. Teams like the Integrated Reablement team and Multi-Agency Care and Coordination Team (MACCT) work closely with health partners to provide coordinated care, reduce hospital admissions, and support independence. The local authority engages with the VCSE sector to understand and meet local needs, supporting grassroots organisations and involving them in decision-making processes.</p> <p>Integrated Services within Neighbourhoods will be a key component of our phase 2 development of Localities, aligned to the Independence and Early Intervention Team .</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3 | 2 | 6 | Director - Adult Social Care                           | <p>Ongoing regular communication and engagement with ICB, health services, and the Voluntary, Community, and Social Enterprise (VCSE) sector to align goals and expectations. This is of particular significance as the NCL ICB undergoes its merger with NWL ICB.</p> <p>Involvement in the development of Neighbourhoods as one of the integrator organisations for Haringey along with Whittington Health and Haringey GP federation.</p> <p>Clearer pathways and processes under development to ensure continuous learning opportunities related to integrated care practices and system navigation.</p> <p>Additionally, our ASC Improvement Board, Borough Based Partnership, and Health and Wellbeing Board are overseeing and supporting continuous improvement in this area.</p>                                                | 31/12/2025  |
| 3  | <b>Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.</b> | All                                      | 3 | 3 | 9  | Long term   | <p>The main concerns are rising cost of living, recovery of the economy from Covid-19, and the overall economic environment, particularly inflation and interest rates increases. Steps taken so far are:</p> <p>Establishment of a Cost of Living Support to provide advice, support and access to services to residents (<a href="https://www.haringey.gov.uk/community/here-help-financial-support-residents?utm_source=Media&amp;utm_medium=Press%20release&amp;utm_campaign=Financial%20Support%20Helpline%20HtH">https://www.haringey.gov.uk/community/here-help-financial-support-residents?utm_source=Media&amp;utm_medium=Press%20release&amp;utm_campaign=Financial%20Support%20Helpline%20HtH</a>);</p> <ul style="list-style-type: none"> <li>Connected Communities is a programme designed to improve access to council and voluntary support in Haringey</li> <li>Close monitoring of inflationary pressures and the impact on contracts and services;</li> <li>Continued monitoring of impacts on construction costs and supply chain</li> <li>Review of Business Continuity Plans;</li> <li>Work across services on plans to support the local economic recovery, which includes a focus on supporting local business and employment;</li> <li>considering the impact of demand led services in to the medium and longer term from Covid-19 and changing economic conditions;</li> <li>Identify inequalities within the borough that have been exposed through Covid-19, and who will be most impacted by the rising cost of living and to address these as part of the Recovery Framework.</li> <li>Continuous monitoring of the economic environment, including through our Treasury advisors, Arlingclose, other advisors and through professional networks.</li> </ul> | 3 | 3 | 9 | Corporate Director of Finance, Chief Executive and CLT |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | on-going    |
| 7  | <b>Failure to transform insourced leisure services including culture and operations to improve performance</b>                                                    | Corporate Director Env & Resident Exp    | 3 | 3 | 9  | Short term  | <p>Insourced workforce being restructured onto Haringey terms and conditions - opportunity to address culture change.</p> <p>Capital works transformation programme in place - phase 1 complete and phase 2 planned approved and underway.</p> <p>Recruitment to vacant lifeguarding posts complete - improves service reliability and opening hours</p> <p>Management resource capacity being created through restructure.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3 | 2 | 6 | Programme Director Wellbeing & Climate                 | <p>Governance for all related workstreams is now in place including a Wellbeing &amp; Climate Board and a steering group. Leisure Transformation Programme has been developed and a in development following appointment of Leisure Transformation Manager has been appointed.</p> <p>Management restructure has completed and new Head of Service role is out for recruitment. ion which creates more capacity to deliver transformation and harmonise workforce.</p> <p>Culture change programme being developed with HR, alongside restructure of insourced workforce.</p> <p>Performance management indicators for the service developed, in line with industry leisure standards.</p> <p>Re-procurement of leisure management system underway to provide better customer journeys and improved commercialisation opportunities.</p> | 31/10/2025  |

|   |                                                                                   |                                                       |   |   |   |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |   |   |   |                                                       |                                                                 |            |
|---|-----------------------------------------------------------------------------------|-------------------------------------------------------|---|---|---|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|-------------------------------------------------------|-----------------------------------------------------------------|------------|
| 4 | Potential health and safety incident affecting employees or member of the public. | Corporate Director Culture Strategy Communication CLT | 4 | 2 | 8 | Short & Medium term | Health and Safety arrangements policy in place. Arrangements also in place for the for directorates to carry out risk assessments and assess risk exposure for staff. All reported incidents are reported and the H&S team monitor the incidents. A corporate Health, Safety and Wellbeing Board in place to receive reports from directorate Health, Safety and Well Being Boards every quarter and receive information from the Health and Safety team. | 4 | 2 | 8 | Corporate Director Culture Strategy Communication CLT | Development and implementation of a new Corporate H&S Strategy. | 31/12/2025 |
|---|-----------------------------------------------------------------------------------|-------------------------------------------------------|---|---|---|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|-------------------------------------------------------|-----------------------------------------------------------------|------------|



Guidance

This document has been developed as a generic template for all risks managed within Haringey Council.  
It should be adopted by the risk owners.

Appendix B

| Definitions                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------|
| A <b>Risk</b> is 'uncertainty of outcome'. Something that may happen and could throw the programme off track.                                  |
| An <b>Issue</b> is 'a concern that cannot be avoided'. Something that has happened or are current situations that are a cause for concern now. |
| A <b>Threat</b> is 'a factor which could lead to a risk being identified'.                                                                     |
|                                                                                                                                                |

| Risk likelihood |                              |       |                       |
|-----------------|------------------------------|-------|-----------------------|
| Probability     | Definition                   | Score | Likelihood percentage |
| Almost Certain  | Is almost certain to occur   | 5     | 95%                   |
| High            | Is likely to occur           | 4     | 75%                   |
| Medium          | Is as likely as not to occur | 3     | 50%                   |
| Low             | May occur                    | 2     | 25%                   |
| Very Low        | Unlikely to occur            | 1     | 5%                    |

| Definitions of risk impact classifications |                                                    |                                        |                                             |                                       |       |
|--------------------------------------------|----------------------------------------------------|----------------------------------------|---------------------------------------------|---------------------------------------|-------|
| Impact                                     | Impact on cost                                     | Impact on quality                      | Impact on time                              | Impact on savings realisation         | Score |
| Catastrophic                               | Increased costs threaten viability of the project. | Project outcomes effectively unusable. | Delay jeopardises viability of the project. | >20% project cashable savings at risk | 5     |
| Major                                      | Requires significant additional                    | Failure to meet the needs of a         | Failure to meet key deadlines in            | 15%-20% project cashable              | 4     |
| Moderate                                   | Requires significant additional                    | Significant elements of scope or       | Delay affects key stakeholders              | 10%-15% project cashable              | 3     |
| Minor                                      | Requires some additional funding                   | Failure to include certain 'nice to    | Slight slippage against key                 | 5%-10% project cashable savings       | 2     |
| Insignificant                              | Variations manageable within                       | Slight reduction in quality/ scope     | Slight slippage against internal            | < 5% project cashable savings at      | 1     |

Risk Scoring and Matrix for RAG Status

|        |               | Probability |     |        |      |                |
|--------|---------------|-------------|-----|--------|------|----------------|
|        |               | Very Low    | Low | Medium | High | Almost Certain |
| Impact | Catastrophic  | 5           | 10  | 15     | 20   | 25             |
|        | Major         | 4           | 8   | 12     | 16   | 20             |
|        | Moderate      | 3           | 6   | 9      | 12   | 15             |
|        | Minor         | 2           | 4   | 6      | 8    | 10             |
|        | Insignificant | 1           | 2   | 3      | 4    | 5              |

Proximity Rating. You should assess the proximity of

- Immediate** – within 1 month
- Short term** – within 2 - 5 months
- Medium term** – within 6 -12 months
- Long term** – greater than 12 months

This page is intentionally left blank

**Report for:** Audit Committee – 10 November 2025

**Item number:** 12

**Title:** Organisational Arrangements for Procurement and the Procurement Act

**Report authorised by:** Taryn Eves, Corporate Director of Finance and Resources

**Lead Officer:** Barry Phelps, Chief Procurement Officer

**Ward(s) affected:** N/A

**Report for Key/  
Non-Key Decision:** Non-Key Decision

**1. Describe the issue under consideration**

- 1.1 In March 2025, the Corporate Director of Finance and Resources attended the Audit Committee to present an update on the Procurement Modernisation Programme, various metrics relating to contracts and spend data, an update on the Council's preparation for the incoming Procurement Act and on internal and external audit recommendations.
- 1.3 This report provides an update in respect of progress with all internal audit recommendations relating to Strategic Procurement, the current position with the implementation of the changes to ensure compliance with the Procurement Act 2023, which came effective on 24 February 2025, progress on the implementation of the Procurement Modernisation Plan and the newly created Commissioning Modernisation Plan.

**2. Cabinet Member Introduction**

N/A.

**3. Recommendations**

- 3.1. The Audit Committee is requested to note and discuss the information contained in this report.

**4. Reasons for decision**

N/A update provided as requested.

**5. Alternative options considered**

N/A

## 6. Internal and External Audit Recommendations

### Internal Audit

- 6.1. Since the mobilisation of the Procurement Modernisation programme in 2023, improvements have continued to be made and these are set out in the remainder of this report and the separate appendix showing completed recommendations of Audit reports.
- 6.2. From April 2025, a further 5 internal audits have been undertaken, which touch upon procurement or contract management activity, providing assurance that improvements have been made in the majority of areas relating to previous recommendations, however we recognise that further work is required.
- 6.3. The key challenge areas that require further focus include;
- Requirement for a new e-procurement and contract management system, with related interfaces into other systems such as Liquid Logic;
  - Ensuring directorates complete quarterly pipeline returns;
  - Contract owners to adopt good contract and performance monitoring practices;
  - The development and monitoring of Key Performance Indicators (KPI's).
- 6.4. There are five audits planned for the remainder of 2025/26 as summarised below and updates will be reported to Audit Committee through the regular quarterly report from the Chief Internal Audit Officer.

| Audit Area                                                                           | Date of Audit | Status              |
|--------------------------------------------------------------------------------------|---------------|---------------------|
| Management and Use of Contract Waivers                                               | 24-Jul-25     | <b>Draft Report</b> |
| Implementation of the New Operating Model for Strategic Procurement                  | 09-Mar-26     | Allocated           |
| Data, Intelligence and Category Management to secure VfM from procurement activities | 19-Jan-26     | Allocated           |
| Arrangements for improving contract management                                       | 08-Jan-26     | Allocated           |

### External Audit

- 6.5. External Auditors KMPG presented their final Annual Auditors Report for 2023/24 to Audit Committee in February, alongside the outcome of the audit on the

Statement of Accounts. The report highlighted that for 2023/24 there were weaknesses within procurement and contract management activity and the findings broadly aligned with that reported through previous internal audit reports. The improvements that have been put in place since this date have been covered in previous updates to Audit Committee and through this report.

6.6. KPMG are currently on site undertaking their fieldwork for the 2024/25 Annual Auditors report and the risk assessment is presented to Audit Committee elsewhere on the same agenda. Although good progress has been made against previous recommendations as set out in Appendix 1 and as detailed in this report, the Council recognises that this remains an area of concerns and procurement and contract management activity has again been highlighted as an area of weakness in the 2024/25 risk assessment. Their risk assessment report has specifically highlighted the following:

- Although the establishment of the Procurement Board has been recognised as a notable improvement from the reporting last year, this was only established in early 2025 and therefore the effectiveness will only be assessed as part of the 2025/26 VFM report.
- The strengthened monitoring and reporting against all procurement activities has been recognised but the lack of an e-procurement system means more manual processes are required and has been noted in their latest risk assessment.

6.7. The Corporate Director of Finance and Resources and the Chief Procurement Officer will be liaising with KPMG as part of their work to develop their final report that will be presented to Audit Committee in January 2026 to discuss the improvements in the procurement weaknesses identified in their previous [Annual Auditors Report](#) (page 33 – see Appendix 2 for extract). This will include the progress that has been made in 2025/26 through the establishment of the Commissioning Modernisation Programme (see paragraph 9.6 onwards) as well as the processes that have been put in place to monitor, report and address non compliance related issues through the work of the Strategic Procurement Team and the Commissioning Board.

## 7. Procurement Act Update

7.1. The report presented to the Audit Committee in March 2025 provided a summary of the key considerations within the Procurement Act. The Council has implemented policies and procedures which align with the Procurement Act. These include:

- A refresh of the Contract Standing Orders approved by Full Council on 24 March 2025;
- A refresh of the Procurement Code of Practice to align with the Procurement Act;

- Centralisation of most procurements above £25,000 to ensure compliance with the Procurement Act can be managed through Strategic Procurement;
- 7.2. All Strategic Procurement Officers are accredited practitioners in the Procurement Act and completed the Central Government College training programme on 'Transforming Public Procurement' courses.
- 7.3. A corporate training programme on the new CSO's and Procurement Act was rolled out from February through to the end of July and will continue as required. Procurement is also a key part of the finance module on the Managers Pathway development course.
- 7.4. The Council has published its pipeline of procurements above £2m through to October 2026, in accordance with the transparency requirements under the Procurement Act. In addition, a significantly improved contracts register is now in place. However, there is further ongoing work with services to ensure the register is complete and capturing all contracts above £25,000. This is utilised by the Strategic Procurement Team to monitor and support upcoming procurements but also for Commissioning Board to determine the tenders it wants to oversee. This is determined by both value and complexity.
- 7.5. All transparency notices required under the Procurement Act are being published manually by Strategic Procurement because the current technology does not automate the publication of these notices. This is not unusual, as most technology providers have struggled to publish these notices due to the ongoing changes and updates being made by the Cabinet Office. Options for automating this process will be considered as part of the new ERP which the Council is exploring (see Paragraph 9.5).

## **8. Role of Strategic Procurement in the Council**

- 8.1. Strategic Procurement now manage most of the procurements valued at £25,000 and above (some exceptions in Care and Digital Services). This is to ensure compliance with the Procurement Act, improve category management and to support the wider Procurement and Commissioning Modernisation Programmes (referenced in paragraph 9.6 of this report).
- 8.2. Directors are now provided with a copy of the contracts register for their service and are required to review this information and inform Strategic Procurement on whether these contracts are to be repurchased, along with any other contracts that may be required over the next 12 months. This enables Strategic Procurement to maintain a pipeline of activity, which can then feed into the category strategies.

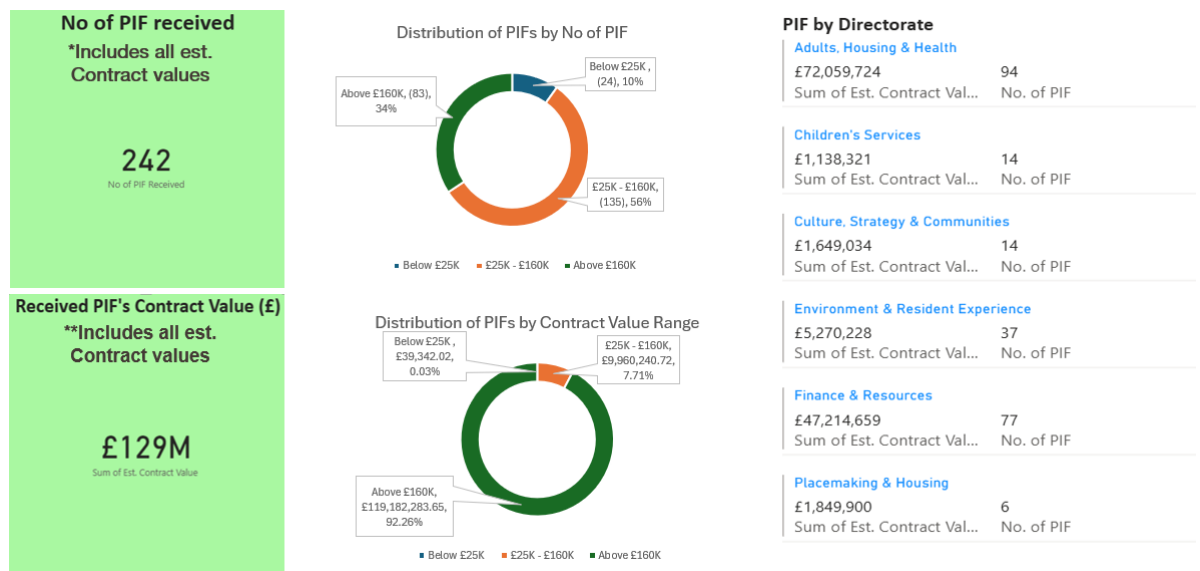


- 8.3. Strategic Procurement manage the procurement process through to contract signature, which includes retaining a copy of the signed contract within the current procurement system, before handing over to the service to manage the contract.
- 8.4. Monthly compliance reports are produced and discussed with the Chief Procurement Officer. This information is presented to the Procurement Board (now Commissioning Board) on a quarterly basis (examples provided in paragraph 9.3 of this report).

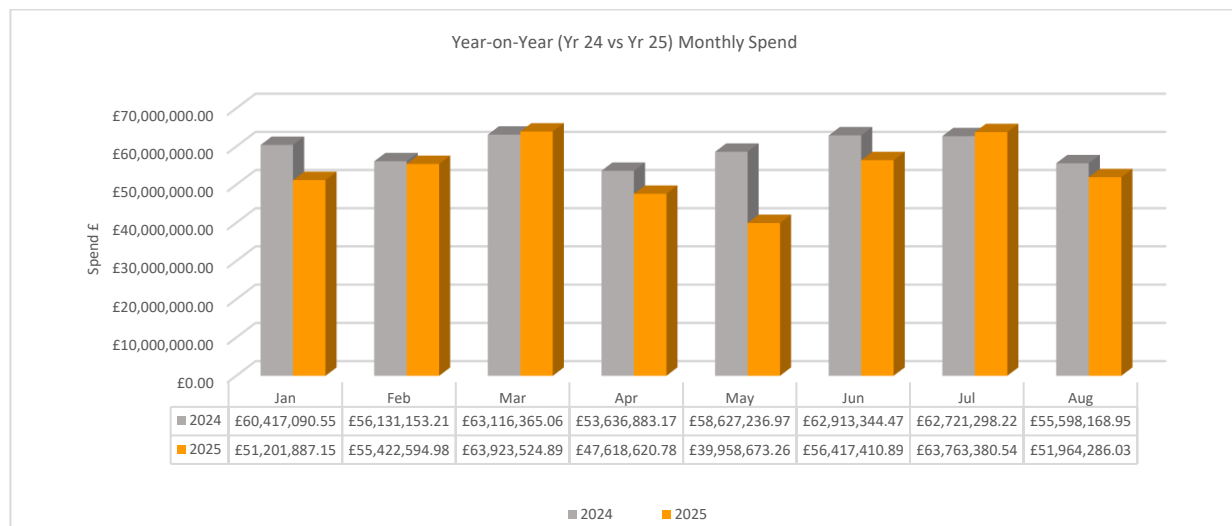
## 9. Procurement Modernisation Plan

- 9.1. In 2023, the Procurement Modernisation Plan was agreed and progress is reported quarterly to the Corporate Leadership Team and Cabinet through the Corporate Delivery Plan reporting. The last update was published in September [Appendix 3 CDP Q1 activity update Cabinet 16 09 25.pdf](#). Since the last update to Audit Committee in March 2025, enhancements have been made to the current procurement system which now allows key documents such as signed contracts, contract review meetings, delegated reports etc. to be stored within the relevant contract records. This addresses many previous audit recommendations.
- 9.2. A new contract management tool kit has been introduced that aligns with Central Government best practice. Officers can access foundational courses free of charge from the Central Government College on contract management. The expectation is that all contract managers will undertake the necessary training through the workforce workstream of the Commissioning Modernisation Programme and a skills analysis is underway of all staff involved in all stages of the Commissioning Cycle.
- 9.3. Enhanced compliance monitoring has been introduced by Strategic Procurement to detect trends such as, multiple low value contract awards to the same supplier, direct awards using waivers and over utilisation of contracts in relation to their term. Good progress has been made but there remains work to do if we are to address the non compliance concerns with the Contract Standing Orders. The latest trends are set out below and will continue to be monitored regularly by Strategic Procurement Team and reported quarterly to Commissioning Board. Areas of concern highlighted by the Board are then escalated to the relevant senior officer in the service for appropriate action.

### 9.3.1. Directorate activity data - Number of PIFs received, number of contracts awarded and value

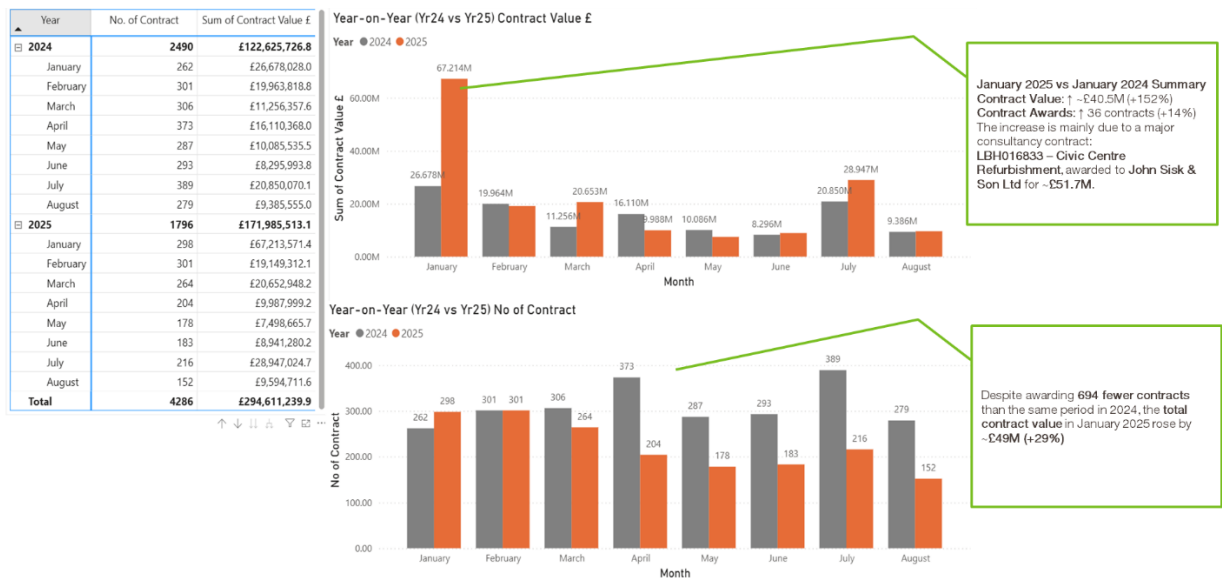


### 9.3.2. Year on year monthly spend.

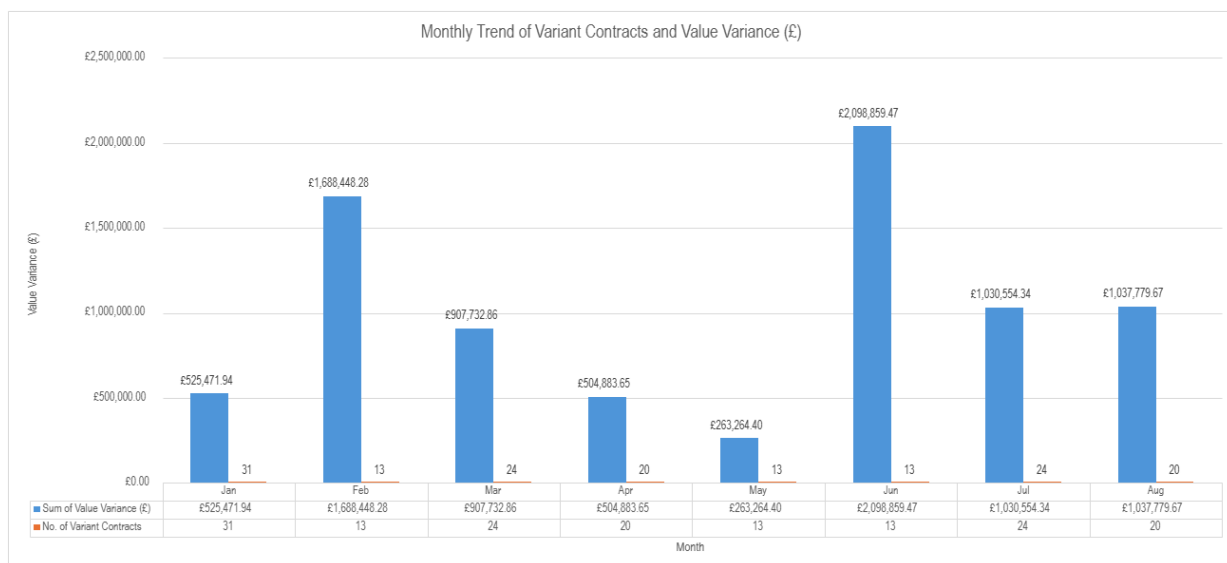




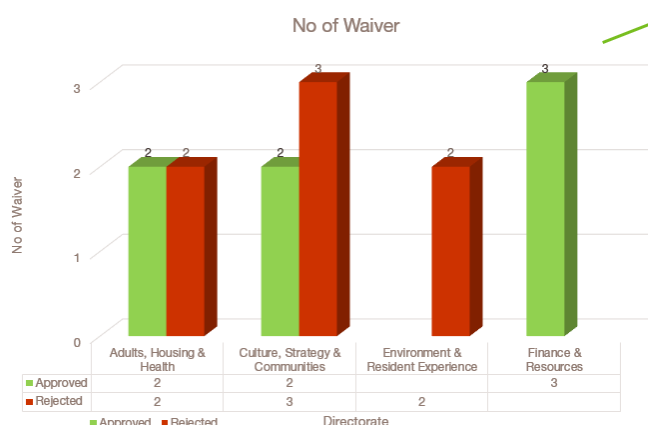
### 9.3.3. Year on year contract awards



### 9.3.4. Contract variations data monthly trend



### 9.3.5. Waivers since April 2025



#### Waiver Summary – Directorate Breakdown

- 14 waivers were processed across four directorates: 7 approved, 7 rejected
- Total contract value associated with waivers: £753,745
- Approved: £596,955
- Rejected: £156,790

#### Directorate Highlights:

- Finance & Resources had the highest approved value: £257,955 across 3 waivers
- Culture, Strategy & Communities submitted the most waivers (5), with £220,000 approved
- Adults, Housing & Health had a balanced outcome: 2 approved, 2 rejected, totalling £275,790
- Environment & Resident Experience had 2 rejected waivers, with no associated contract value

With effect from April 2025, all waivers require approval from Strategic Procurement prior to entering into any agreements with suppliers.

- 9.4. Directors are now completing quarterly contract pipeline information to assist Strategic Procurement manage demand and publish any relevant transparency notices and to align with the Procurement Act requirements.
- 9.5. Work relating to the new e-procurement system has now been incorporated into the replacement of the corporate ERP (Enterprise Resource Planning) programme (currently SAP). This will essentially bring together under a single system finance, HR and procurement activity.

### Commissioning Modernisation Programme

- 9.6. In recognition that improvements are still needed across procurement and a more Council wide approach, the Commissioning Modernisation Programme has been recently launched. This builds on the progress through the Procurement Modernisation Plan but recognises that a more holistic approach is needed across the whole Commissioning Cycle – from commissioning to contract management.
- 9.7. The programme is cross Council to deliver the improvements needed to ensure consistency, compliance, that all contracts are delivering good value for money and deliver the £9.2m of savings on contracts required over the next three years to support the Council's Medium Term Financial Strategy. The programme Sponsor is the Corporate Director of Finance and Resources and Senior Responsible Officer, the Director of Commissioning within Children's Services who has stepped into this role alongside BAU but to embed the learning and improvements that have already been put in place within Children's Services over the last two years.

- 9.8. There are two primary workstreams as summarised below.

**Workstream 1 – Contracts Review**

- 9.9. Contract Savings – this incorporates a comprehensive review of the Councils contracts to identify whether savings can be realised through adopting a 4 C's approach (Cancel, Consolidate, Change, Create);
- 9.10. Category Management – this incorporates a review of how we managed categories across the Council and will align with the revised Commissioning Strategies. Opportunities to work in collaboration with other local authorities and public sector organisations will be explored, to maximise the use of public funds and encourage new suppliers onto the market.

**Workstream 2 – Commissioning and Practice**

- 9.11. This programme focuses on introducing best practice within our commissioning activity and our workforce across the Council. This will be implemented through a corporate framework and tool kit for commissioning and a training and development plan for all relevant staff involved in all aspects of the stages of the Commissioning Cycle.
- 9.12. Looking at service redesign and to ensure services commissioned are needs led and evidence based and delivered in the most cost effective and efficient way. All Commissioning activity over £160,000 across all services will be subject to review and challenge by a newly formed Commissioning Panel.
- 9.13. Ongoing work to establish a full and complete comprehensive consolidated contracts register.
- 9.14. Enhancing contract management, building on the work to date under the previous Procurement Modernisation Plan, ensuring that clearly defined key performance indicators (KPI's) are incorporated and reported on as part of the newly developed governance processes

**10. Link to Wider Council Controls**

- 10.1. Given the Council's deteriorating financial position, additional spending controls have been in place since April 2025 and have recently been further strengthened. These controls on all non essential staffing and non staffing costs will be in place for some time. Controls relating to contract spend includes:
- A spend control panel, reviewing non-essential spend above £1,000.

- Section 151 Officer approval for all essential and non essential expenditure above £25,000, including contracts. This will be implemented through the approval of all Key and delegated decisions taken in services by the Section 151 Officer.
- Commissioning Panel review of contracts above £160,000 prior to going to Market. Longer term, this threshold will be reduced to £25,000.
- Commissioning Board (previously Procurement Board) reviewing all contracts of £500,000 and above prior to going to market.

**11. Contribution to strategic outcomes**

N/A

**12. Statutory Officer Comments (Corporate Director of Finance and Resources (procurement), Head of Legal and Governance, Equalities)**

**Finance**

- 12.1 There are no direct financial implications arising from the contents of this update report. The improvements being put in place to improve procurement and contract management processes across the organisation and fully embed the requirements of the new Procurement Act 2023 is expected to improve value for money on contract spending and contribute towards the Council's financial recovery plan to reduce non-essential spending and the reliance on Exceptional Financial Support from 2026/27.
- 12.2 The 2025/26 draft budget for approval by Council on 3 March 2025 has assumed savings of £3.25m on contract spend (£9.2m over the next three years) and the improvements set out in this report will contribute towards the delivery of these savings.

**Strategic Procurement**

- 12.3 The Chief Procurement Officer has been consulted in the preparation of this report and confirms the information contained in this report is an accurate reflection of the progress made to date.

**Legal**

- 12.4 The Assistant Director for Legal and Governance has been consulted and confirms that there are no direct legal implications arising from this report. The terms of reference for Audit Committee provide that its audit functions include "providing assurance about the adequacy of the Council's Risk Management Framework and Policy and monitoring the effectiveness of systems for the management of risk across the Council and compliance with them." Accordingly, consideration of this report falls within the remit of Audit Committee.

**Equality**

N/A

**11 Use of Appendices**

Strategic Procurement Audit Report Tracker October 2025

**12 Local Government (Access to Information) Act 1985**

N/A

**Appendix 1 - Strategic Procurement Audit Report Tracker October 2025**

The agreed audit actions within this table are owned Corporately, by Strategic Procurement or by Management/Risk Owners within the relevant services. At the time of producing this report there are management assurances that circa another eight of the agreed actions have been implemented but these have not yet formally been followed up by Internal Audit and therefore the actions remain open.

| <b>Audit Report Title</b>                                                                    | <b>Number of Recommendations</b> | <b>Outstanding Recommendations</b> |
|----------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|
| Letting Contracts (Limited Assurance) May 2021                                               | 6                                | 2                                  |
| Contract Management (Limited Assurance) June 2021                                            | 6                                | 1                                  |
| Waivers (Limited Assurance) May 2021                                                         | 5                                | 0                                  |
| Purchase Cards (Limited Assurance) August 2024                                               | 3                                | 1                                  |
| DPS (Nil Assurance) May 2024                                                                 | 6                                | 1                                  |
| Procurement Act 2024                                                                         | 3                                | 0                                  |
| Arrangements for Securing Social Value from Lettings Contracts (Adequate Assurance) May 2024 | 3                                | 0                                  |
| Contract Management (Limited Assurance) June 2024                                            | 9                                | 1                                  |
| LCP (Adequate Assurance) May 2024                                                            | 3                                | 0                                  |
| Arrangements for Managing Contracts within Housing Services (Limited Assurance) July 2025    | 3                                | 1                                  |
| Management and Control of Contract Register Final Report (Limited Assurance) July 2023       | 11                               | 1                                  |
| Review and Management of Off Contract Spend (Limited Assurance) January 2025                 | 6                                | 3                                  |
| Kenneth Robbins & Stellar House (Substantial Assurance) March 2025                           | 1                                | 0                                  |
| Implementation of Panacea (Limited Assurance) April 2025                                     | 7                                | 0                                  |
| Arrangements for Managing Contracts within Housing Services (Limited Assurance) July 2025    | 7                                | 7                                  |
| <b>Total</b>                                                                                 | <b>79</b>                        | <b>17</b>                          |