MINUTES OF THE AUDIT COMMITTEE HELD ON THURSDAY, 12 MARCH 2026, 7:00PM – 9:53PM

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

ALSO ATTENDING: Reyaaz Jacobs (Independent Member), Reene Deba (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

No apologies were received.

3. URGENT BUSINESS

There was no urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were none.

6. MINUTES

RESOLVED: That the minutes of the meeting held 29 January 2026 be agreed and signed as a correct record.

In relation to a query regarding statutory recommendation, the meeting heard that no notifications had been received from KPMG. If this was to arrive, this would be a letter that will come into either the Corporate Director of Finance & Resources (Section 151 Officer), the Chief Executive or the Leader of the Council. The Council would then need to respond to it depending on the content. A public response would be provided which would likely be to the Cabinet. The Audit Committee would likely get some oversight because KPMG reported into it. Should the Council get a statutory recommendation, the monitoring of the response would come into the Audit Committee. All this was dependant on if a statutory recommendation was made and the wording that was received.

Progress on commercial property had been made in terms of working through the outstanding rent reviews and lease reviews. It was not complete and a deadline for both commercial property and operational property was in June 2026. A paper would be submitted to the Committee which covered all aspects of commercial property.

7. AN UPDATE ON THE VOIDS AUDIT AND IMPROVEMENT PROGRESS

Mr Neehara Wijeyesekera, Assistant Director Housing Management, Ms Rachel Sharpe, Director of Housing and Mr Scott Kay, AD Repairs and Compliance introduced the report.

The meeting heard:

- It was important to track the ‘key-to-key’ process. This was when somebody wanted to terminate a tenancy or leave their property to the point where somebody else gets the keys and moves in. There were a lot of different services involved in this. The Council was trying to break down each bit of the process and look at how each bit worked. To terminate a tenancy, an in-person appointment would need to be made at the customer service centre and there were two forms to fill in. This was before the Council could look at the property to work out what work needed to be done. The intention of the strategic group was to sort out what should be the sensible time targets for each part of the process. The Council had been measuring voids in terms of total numbers at any one time rather than time processes.
- The last part of the process was the point at which the property was ready to be let, go onto the choice based letting system (or allocated by another method) before being signed up by a new tenant.
- The Council had looked at average timescales and the focus in recent years had been on the number of voids needed to be reduced. The review being undertaken would set out the steps individually. The numbers at present would take into account the whole process, but it would also take into account all of the voids, some of which had taken a long time because they were in programs such as regeneration programs or required major works. The Council wanted to be able to report on voids that were genuine turnaround voids as opposed to skewing figures from voids that would be put into a holding pattern for regeneration schemes.
- A query was raised that it was not clear how many voids there were, how long it took for an evaluation. It was also not clear how many people were on the waiting list. Generally, more information was required. In response, the meeting heard that a paper would be circulated and the queries could be raised at the next Committee.
- There were some difficulties in coming up with reliable data. There was reference to some changes needed on the NEC system. Voids were being tracked. There were 403 voids, but that was not all the voids. Only a certain number of properties were counted. The Council was committed to try and make an improvement with the issue.
- The new build properties were becoming available and this was a positive for the Council. In 2024/25, 451 new build properties were signed up. Up to the end of January, there were another 151 new build properties signed up. Around about 40% to 50% of all new build properties had an impact on the stock from

where people who had an offer in a policy decision that was made probably 10 years ago before development plans were being put forward. This was to allow those tenants who were living in certain conditions to be able to move. The impact of this meant that there more properties becoming available adding to the amount not-completed. The properties also needed to be matched and keep pace with the 500 properties per year from the normal stock, but also the additional stock (around 40% of the numbers of the existing stock).

- The Council reacted to a situation enhanced by the Neighbourhoods Move Scheme and had been managing the situation since. Numbers had gone down over the years and the Council put various supply chain partners in place, but these were short term contracts which had to keep renewing. Cabinet in the future would see a request to go out to procurement for a long-term partnering contractor for voids who could help the Council supplement this. The intention was to deal with voids through in-house teams to keep the core numbers down. Progress would see the Council plan ahead and follow the development pipeline. Having a flexible supply chain partner on a long-term contract was ideal and this was the plan to help cope with demand.
- People moving into new properties came from a variety of circumstances. There was a lot of dependence on where people were in terms of their priority need at the time. The number of applications from neighbourhood move schemes and the level of the applications meet the priority requirements was quite a complex set of layers in a holistic process. In the long term, having a bigger stock would be better for the borough. The borough needed affordable housing.
- Recording systems were not set up the way the Council needed it to be. The staff were having to do things in a manual way, taking longer and keeping files on local drives or on spreadsheets. Therefore, it was more difficult to get hold of data. The Council wanted to improve the system so that the reporting could be improved along with the transparency of data and the visibility of what void sat where.
- Improvement in systems had a dependency on the Council's IT team. It was one of a large number of projects for improving systems in housing. The Council was trying to prioritise the system project improvements with IT to make sure the right resources were in place. The use of spreadsheets was not ideal as the Council needed access to data in a more immediate manner such as knowing how many voids were waiting to be allocated.
- Most organisations would use a system such as 'NEC'. Upgrades were being implemented into the system to make sure it was up-to-date. It was a large system with multiple different elements to it.
- The system needed to be able to work under all criteria and be designed appropriately so that the controls, the audits, the functions, the different types of property, different types of reasoning as to why a property becomes void could then be managed better. The system review would need to be corrected over the next couple of months.
- The policy was ready, but would not be presented until the summer of 2026. This had gone through the residents' voice board and a continuous improvement group.
- The project had already been commissioned and the project management was in place.
- Digital support was already in place to make sure no mistakes were made.

- There was the re-procurement work along with the improvement works on the system as it stands. It was not clear when this would be completed.
- Many procurements were planned over the next couple of years and there was a particular focus on Housing and Adult Social Care. A different process was in place in terms of digital governance and how projects got established. Resource allocation had been very clearly identified for every project budget. They were closely monitored with a series of internal governance steps. This was to ensure that the Council was specifying the requirements from a digital and service perspective. How digital projects was procured was very different to how adult social care services were procured. This was recognised under the new framework which had been in place for 18 months.
- In relation to voids, it was likely that the data was correct, but the system was unable to provide the reports it needed. There were minor day-to-day voids, major voids, sheltered voids, temporary accommodation voids, PSL voids, voids for Homes for Haringey and voids for HCBS. Some of those were not even managed directly by the housing service. Within the key to key process, there were various stages along the way. IT was working with the team to map out the process to deliver it in the best way, before systemising the process.
- The team had been reorganised so that the right management structure was in place. Both the structure and the resources appeared to be right in relation to coping with demand.

The Audit Committee RESOLVED:

That the report be noted.

8. TREASURY MANAGEMENT QTR3 REPORT 2025/26

Ms Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer) introduced the report.

The meeting heard:

- In relation to the Civic Centre, this was just one of the capital schemes within the overall capital program and the full details of this was not included in the report, but had been reported in the quarterly report that was submitted to Cabinet and to the Overview and Scrutiny Committee. There had been no ‘slippage’ in relation to the Civic Centre, but there had been some around schools’ estate, roads and some around the regeneration schemes.
- In relation to the LOBO loans, the Council had £100 million worth of it, before reducing it down to £50 million. This consisted of £40 million with one provider and £10 million with another. There was also a possibility that the Council might buy off the £40 million. The Council periodically engaged with its advisers, ArlingClose, who acted on the Council’s behalf and approached the providers of the loans. So far, the response from the providers was that buying out would be quite expensive and not in the Council’s interest. The Council periodically engaged with its advisers to progress the matter.
- In relation to exceptional financial support, there was a £10 million loan related to the financial year 2024/25. When the Council closed the accounts, it was £10

million short. In 2025/26, when the Council set its budget and it got the in-principal agreement in March 2025, this was for £37 million. When the Council forecast its position in 2025/26, the Council forecast an overspend on top of the £37 million. The quarter 3 report submitted to Cabinet and the Overview and Scrutiny Committee reported this at £19 million - a significant improvement since quarter 1. It seemed all the actions that the Council was taking was starting to have an impact. However, this position would still be £19 million higher than the £37 million. As the Council only had £37 million in-year agreed by Government, it needed to submit a revised application. At that point in time, which was around mid-December 2025, the Council thought the overspend would have been slightly higher, so it submitted an application for £54 million. On 2 March 2026, in order to set a balanced budget for 2026/27, the Council had forecast that it needed £84 million. This was still only a forecast and was based on what the Council thought were its pressures going into 2026/27. The Council's aspiration had to be to minimise the use of the £84 million as it was an in-principal agreement as Government would only give the Council what it actually needed. In 2024/25, the Council applied for £28 million of exceptional financial support. However, by the end of the year, the Council only needed £10 million. An in-principal agreement was very different to the final outcome when the accounts were closed at the end of the year.

- In relation to the PFI (Private Financial Initiative) and the leases, when the Council set the treasury management strategy statement for 2025/26 (agreed in March 2025), it did not account for the change in the accounting standard - how the Council accounted for PFI and leases. The Council had addressed this for 2026/27, but did not make the change in time before the current in-year strategy was finalised. This was why the Council had to report a 'non-compliance', because the accounting standard had changed. Overall, the Council was compliant across all of the debt. The impact of the change in reporting relative to the accounting standard had not been known then. It would have been impossible to account for it at the time.
- The five-year financial forecast that was presented to Council and the five-year Treasury Management Strategy Statement made some assumptions - similar to a worst-case scenario - around interest. The Council needed to account for interest costs associated with future exceptional financial support. It was important that the Council tried to do everything it could to keep this to a minimum. The funding could either be funded through borrowing or capital receipts. Government was very clear in the letter they sent the Council containing the in-principal agreement that they would expect the Council to look at where there could be surplus of assets to fund through capital receipts rather than defaulting to just borrowing. However, they were also clear that the Council had to honour the best value duty. Selling properties simply due to exceptional financial support would not be acceptable as the Council needed to demonstrate and provide evidence that the assets were surplus to requirements and best value duty had been taken into account.
- In response to a query that this simply would run-down the assets of the authority, the meeting heard that the Council was engaging in good asset management. There was nothing specifically that the Council was doing around disposals or capital receipts that was specific for exceptional financial support. The approach that the Council was taking would be in line with best value duty. The Council had a duty to look at all of its assets to ensure that they were

offering good value for money. Community assets could not be disposed of for purposes for exceptional financial support (EFS). Reviewing asset portfolio was part of good asset management. Even if the financial position was better, the Council would still be actively encouraging to not hold onto assets that were surplus to requirements because that would not be good value for money. The Council would ideally look at its whole estate because it would want to assure itself that it was not borrowing for EFS when it did not need to.

- The Council had disposed of community assets in the past. This meant that the Council did not have a town hall or a civic centre at present. All other properties had been released. The Civic Centre currently under renovation was a Grade II listed building and had an asbestos problem. It had to be fixed and was extremely expensive. The decision was to build an office block in the car park, so that the Council could release a number of office buildings that it had across the borough that were not fit for purpose. They would be too expensive to upgrade. The project was within budget and was being very closely monitored.
- A query was raised regarding energy supplies, international trade and other world events and the importance for the Committee to know what assets the Council had as it would need regular updated reports about the position in which it found itself. These reports should include something around the level of risk and how that had changed over a period so that informed decisions could be made. In response, the meeting heard that risk register was in place to make sure that the Committee had visibility on the risks including financial sustainability. There may need to be some reports containing more detail on specific risks.
- In relation to borrowing costs, these had been factored into the MTFS (medium-term financial strategy) which was only over a five-year period. Borrowing costs were high. A forecast of the borrowing based on the capital program over the next five-years included assumptions around exceptional financial support. The MTFS agreed by Council included the borrowing cost of the assumptions. There were still budget gaps in future years, but given what was driving the EFS requirement - statutory services, demand and price costs – the Council needed to do everything it could to bring down the EFS requirement and reduce borrowing cost. This included EFS and schemes within the capital program. If interest rates went higher, the Council would need to think about whether it would defer some of the capital expenditure to reduce some borrowing costs. A lot of the borrowing would be under equal instalments payments. Although the loan may mature over a period of time, there would be no sudden urgent need for large amounts of cash to repay all the debt. When taking advice from ArlingClose, the Council was aware to consider the most cost-effective borrowing. This meant looking at the structure and duration of the loan. A twenty or thirty year loan would cost more because there were fewer of these on the market. This pushed up costs. The Council then factored in what it anticipated the refinancing risks to be. Given to what degree the Council could forecast, it would consider interest rates over the duration of time to when the Council would need to refinance the debt.
- The duration, but also the loan type (whether it was paid off in equal instalments every ten years or repaying the entire debt at the end) had an effect on the cost of borrowing. This, therefore, had an effect on the interest rate. The Council had structured its debt the way it did because it was trying to manage down the cost of borrowing and manage the refinancing risk. This was why the

Council had shorter duration loans of a ten-year EIP (Equal Instalments of Principal loans). This was the bulk of the Council's recent borrowing. This was the appropriate balance between cost and refinancing risk.
- The Council had a detailed financial model that tracked all of the borrowing that it took on when the repayments were made. It fed into the Council's cash flow position and this fed into the revenue budget. The Treasury Management Strategy Statement covered a five-year period, but the Council would be looking at almost the total length of time of all of the borrowing including ones between forty and fifty years. EFS could only be borrowed over a twenty-year period, so the Council would need to have it repaid by the end of the twenty years. However, there were other forms of borrowing. For example, a loan could be taken out over a forty-year period, but based on interest rates, it may not be as cost effective to borrow across forty years. It may be more cost effective to borrow across ten. However, this would mean the Council would have to refinance in ten years' time. Financial plans always took into account repayment and the additional borrowing.
- Advice from ArlingClose was taken regarding having a long-term fixed rate or a short-term fixed rate as they would have a better insight to the market and the future forecast.

The Audit Committee RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 31st December 2025 and the performance achieved which is attached as Appendix 1 to the report.

2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

9. INTERNAL AUDIT PROGRESS REPORT

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

The meeting heard:

- In relation to the evidence presented to the auditors over the completion of the mandatory training and the inspection records available, the auditors were looking for evidence to show that all those involved in the operation of leisure centres had the mandatory training to carry out their operations. It was found that there were "gaps" in how this was being done. The service had said they would implement some of the recommendations by the end of March 2026.
- The "not applicable" statements on page 54 of the agenda papers were audits which were not audits where opinions were being given on the systems of control. The audits were more like fact finding interviews or regularity audits.
- A manager was assigned to the Council from Mazars who acted as the Council's liaison between all the auditors and the Head of Audit and Risk Management.

- The Council was behind on its audits. It was at 68% in the middle of February 2026. By the end of March 2026, most of the work would be done and finalisation of reports would happen in April 2026.
- As the Council's long-term partner in the delivery of audit functions, Mazars had been asked to attend the Committee and outline any significant issues. They were to highlight to the Committee the areas where they thought the Council should be focused. From an internal audit perspective, it was important that the Head of Audit and Mazars come to the Committee and provide insight and foresight into what was happening in the organisation and the sorts of areas of risks that the Council faced.
- A management response time of one month for audit reports was the average in most cases. About 75% of the management responses was quicker. This year, there had been at least two or three audit reports where Mazars had reported their findings. The service disagreed with some of the suggestions, so some of the delay was a period where discussions were taking place between the service, Mazars and officers to try to understand the nature of the risk and whether the auditors or the service needed to redefine the criteria. They needed to understand the nature of the risk very clearly to be able to come up with a proper solution.
- The reason for the adequate level of assurance for maintenance contracts was because the recommendations were all in priority 2. The high priority findings had been classed as medium risk. Had any of those been a priority 1, it would have been classed as limited assurance.
- The value of the contract was around £40,000. Mazars had reported that there was no signed contract, but throughout the audit there was within the HPCS system terms and conditions agreed by both the contractor and the Council which constituted a contract and money was paid against that. There were issues around how it had been procured, but in terms of the sort of service delivery, the quality, the inspections on the work and the value allowed the assurance to be classified as adequate.

The Audit Committee RESOLVED:

To note the audit coverage and follow up work completed.

10. ANNUAL INTERNAL AUDIT PLAN, STRATEGY AND CHARTER 2026/27

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

The meeting heard:

- The audit dealing with complaints was on the plan because a risk had been identified from talking to the services that a number of responses at stage two - where the Council had responded - was then taken to the ombudsman who would then find against the Council. At stage two, the Council had an opportunity to review its original response and be satisfied that the response met the threshold. If the ombudsman was finding against the Council, this meant that the stage two complaint did not work as well as it should have. So that was the purpose, but I'm happy to expand that into the entirety of the

complaints process. At stage two, 90- 95% of responses should be agreed to by the ombudsmen, not overturned.
- Page 73 of the agenda papers referred to the North London Waste Authority. One of the highest areas of risk for the Council was the potential levy that it could incur from the North London Waste Authority. The audit was trying to give assurance to that risk. It needed to be clarified if the Council had properly appraised itself of all the different facets of risk and what steps it was taking to try to manage the risk for including for other authorities in the in the neighbouring boroughs to mitigate the potential for the levy to rise.

The Audit Committee RESOLVED:

To approve the updated Annual Internal Audit Strategy and Plan for 2026/27 (Appendix A), the Internal Audit Charter (Appendix B) and note the Internal Audit Protocol (Appendix C) and the Assurance Risk Map (Appendix D).

11. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER

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

The meeting heard:

- A number of local authorities who used the North London Waste Authority were potentially exposed to a financial risk of the levy being a lot higher than they thought. It could be millions. There was a governance framework set up to try to understand how the North London Waste Authority got to the position it had done and the potential exposure for Councils. The intention was to use the audit process to understand the detail and manage the risk. The Council was subject to potential increases in the levy year on year in line with inflation, but the particular risk highlighted was around the development of a new energy facility that was to replace the current facility which was out of date.
- In relation to the cost control over the housing delivery program, the left hand-side was the actual risk and on the right-hand side where it said “internal audit assurance” was trying to give assurance over the management of the risk. Due to the financial position of the Council, steps had been taken to try to manage spend better. There was a spend control panel with oversight of all spend across the Council. The audit was trying to support the work of the panel by taking a sample of payments that are made and ensuring or testing that actually it followed the right path before the spend was committed. The Council was trying to give assurance as to the effectiveness of the arrangements that the authority set up and whether there was any leakage in the way the process was being used by officers in the Council.
- The Assurance Map of Corporate Risks had some blanks. When the annual report was brought to the committee, some of the blanks would be filled in addition to detailing if there was any assurance given from the previous couple of years where the audit work could inform the management of the risks.
- A lot of Councils were finding it hard to fill Planning vacancies. For Haringey, it was quite an important area of operations because of the Tottenham Hotspur Stadium. The service was trying a lot of things to try to fill the vacancies to meet

their statutory duties. As at 30 November2025, the risk exposure was high and further mitigations would have to be found.

- In relation to building controls, the exposure to risk was high and on its way to becoming a serious issue.
- Councils were struggling to be able to attract staff that they wanted. These included accountants, lawyers, technicians on digital services and others. A number of people had moved into other sectors for financial reasons. Others had decided to go and work through an agency. The Council had a vacancy for a Claims Manager for two years.
- The review of our governance and the identification of significant governance issues was one which the Council went through the entirety of the Council operations and assessed the significance of each one. The Head of Audit and Risk Management would speak to the appropriate director of the service and try to get empirical information that will help inform the significance of the issue.

The Audit Committee RESOLVED:

To note the Corporate Risk Register as at 30 November 2025, attached at Appendix A.

12. ANNUAL GOVERNANCE STATEMENT 2024/25 UPDATE REPORT

The Deputy Head of Audit and Risk Assurrance, Ms Vanessa Bateman, introduced the report.

The meeting heard:

- Each specific action got reviewed as part of the sort of year end cycle and into the next year. The actions were not likely to be fully completed by the end of the year.
- In response to a query that it was difficult to validate progress if milestones were not present, the meeting heard that the AGS looked at a target dates. Some had spanned more than a couple of years and various of the actions were large in scale.
- The review of the governance and the identification of significant governance issues was one where the Council went through the entirety of the council operations and tried to assess the significance of each one. The Head of Audit and Risk Assurance would speak to the appropriate director of the service and try to get some empirical information on issues that may involve significant governance issues.

The Audit Committee RESOLVED:

To note the progress reported.

13. ANY OTHER BUSINESS

There was no other business.

CHAIR: Councillor Tony Powell

Signed by Chair ………………………………..

Date …………………………………