

NOTICE OF MEETING

AUDIT COMMITTEE

Thursday, 12th March, 2026, 7.00 pm - George Meehan House, 294 High Road, London, N22 8JZ (watch the live meeting [here](#) and watch the recording [here](#))

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

Co-optees/Non Voting Members: Reyaaz Jacobs (Co-Optee) and Reene Deba (Co-Optee)

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 - 14)

To confirm and sign the minutes of the Audit Committee meeting held on 29 January 2026 as a correct record.

To review the action tracker.

7. AN UPDATE ON THE VOIDS AUDIT AND IMPROVEMENT PROGRESS (PAGES 15 - 24)

This report provides Audit Committee with details of the progress made by Housing Services in progressing the recommendations made by the audit conducted by Mazars, the Council's independent internal auditors, that was undertaken on Voids and Follow Up of Lettings and received a Limited Assurance rating.

The report also provides a summary of the work that has been undertaken to improve our position and approach to voids, including the key risks that are being managed by the service.

8. TREASURY MANAGEMENT QTR3 REPORT 2025/26 (PAGES 25 - 40)

This report provides an update to the Audit Committee on the Council's treasury management activities and performance for the six months ending 31st December 2025, in accordance with the CIPFA Code.

9. INTERNAL AUDIT PROGRESS REPORT (PAGES 41 - 62)

This report details the work undertaken by Internal Audit in the period 1 January to 15 February 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. ANNUAL INTERNAL AUDIT PLAN, STRATEGY AND CHARTER 2026/27 (PAGES 63 - 92)

The Audit Committee is responsible for reviewing and approving the annual internal audit plan as part of its Terms of Reference.

11. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER (PAGES 93 - 106)

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.

12. ANNUAL GOVERNANCE STATEMENT 2024/25 UPDATE REPORT (PAGES 107 - 126)

To update the Committee and provide assurance on the progress to address the significant governance issues identified within the 2024/25 Annual Governance Statement (AGS).

13. ANY OTHER BUSINESS

Any other business.

Nazyer Choudhury, Principal Committee Co-ordinator
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Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Sunday, 08 March 2026

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MINUTES OF THE AUDIT COMMITTEE HELD ON THURSDAY, 29 JANUARY 2026, 7:00PM – 10:10PM

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

PRESENT ONLINE: 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 Reyaaz Jacobs (Independent Member) and Reene Deba (Independent Member).

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 10 November 2025 be agreed and signed as a correct record.

In relation to the Action Tracker, the issue in relation to voids required an update. Additionally, it was requested that the update regarding staff turnover be provided. In relation to housing recommendations, it was not clear what the management reassurances were and if the reports shared with the Housing Improvement Board could be shared with the Committee. In response, the meeting heard that there were two stages of follow ups. The first was carried out by management and they update their position in relation to the recommendations. This was then audited separately. This finding would be presented to the Committee.

A query was also raised in relation to meanwhile use and co-location use. At the next committee meeting in March 2026, the Committee would be able to review an all-encompassing report on commercial property to the March 2026 meeting. Some good progress had been made in the area. Commercial property still had some way to go to understand the commercial portfolio and the income. However, it was a priority as it was a key income source particularly for financial sustainability. The meeting noted the need for the data at more immediate notice.

The meeting heard that issues in relation to the commercial property audit and the audit voids had not yet been addressed and had taken a considerable amount of time.

7. FINANCIAL ASSESSMENTS AUDIT - UPDATE & ADULT SOCIAL CARE INCOME COLLECTION

Ms Rebecca Cribb, Head of Commissioning and Quality Assurance and Ms Jo Baty, Director of Adult Social Care introduced the report.

The meeting heard:

- A complex case could include anything from international bank accounts and property involvement through to safeguarding concerns with residents.
- In relation to the legal and high-risk cases, the internal legal team was used where possible, but external providers were used when there was additional capacity.
- The team was still working through its backlog. However, there had been an increase in the amount of time it was taking to complete. The amount of waiting time for the assessments had decreased from 200 days to 100 days.
- In relation to the variable direct debits, the work to introduce it was underway. All required teams in the Council were involved and were being led by digital colleagues. There were various system changes, process changes and the links between the case management system and the finance system that needed to be made. Staff were in the discovery stage of this. There would then need to be some communications with residents. There was evidence from other boroughs that allowing people to pay a direct debit that would vary from month to month, particularly if they were in receipt of home care, would improve income collection significantly. An update would be provided to the Committee in due course.
- Social work practice was important and there was a significant undertaking in terms of workforce development to get assurance in that area. The sooner respectful conversations could be held around residents having to pay a contribution to their care and support, the better. This would naturally start with anyone new to the service via an assessment and anyone known to the service at an annual review. How people have that conversation in a compassionate, caring and efficient way was a skill. Staff always would need a refresher about how this would need to be done. The borough had a very strong disabled people's organisation - Disability Action Haringey - who played a critical role in supporting disabled residents and wished to be involved. The organisation recently won some contracts for information, advice and guidance and it would be a great service to work with because it was adversarial and challenging of

the authority. More work was also being done on improving the information, advice and guidance the Council provided. The website and leaflets reflecting the information needed to ensure that the tone of the language did not sound punitive. Work was also being done on communicating with residents when they approached with queries.

- When the project was started, it had been recognised that additional capacity was needed in all of the teams. There had been additional capacity that had gone into Legal, the Financial Assessments team, the Debt Recovery team and the frontline Social Care team. This was on a time-limited basis. There were a number of assessments that needed to be cleared, so the waiting list was significantly higher. Therefore, the additional resource would need to be in place for some time before considering what the business-as-usual resource should be. This would be considered for all of the teams, not just the Financial Assessment team. The specific amount of time had not been set. There were around two or three specific work streams linked to the project. One was around looking at the age debt. Work was being done looking at over a thousand cases examining how much money was recoverable. and then, realistically, what was not. It was a requirement to work through those cases with input from all four teams. A further update would be provided to the Committee.
- Payment using a standing order would be the same amount each month Some residents managing their finances would find the instability of a direct debit very stressful. Some sessions needed to be done with residents to understand the impact to residents and improve on being person-centred. Starting at the earliest stage would be beneficial in the long term. Some would like to have the option of a variable direct debit because they knew that their care package could vary from week to week. At present, there was no variable direct option.

The Audit Committee RESOLVED:

1. To note progress made against the Financial Assessment Audit recommendations, as summarised in this report.
2. To note the updated position on Adult Social Care income collection and debt.
3. To note the integration of audit actions within the ASC Improvement Plan and governance arrangements.

8. 2024/25 STATEMENT OF ACCOUNTS - EXTERNAL AUDITORS ANNUAL REPORT

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

The meeting heard:

- Expectations to the Council was being driven by two main factors. Firstly, the level of savings being approved and whether they were transformational or

small level savings and, secondly, the degree to which the agreed savings within the budget were also being delivered. The budget may say that there was around £60 million of savings that had been identified, but a lot of these related to the undelivered savings from the last two financial years. The Council had the ability to truly transform. Adult Social Care was a good example where larger value savings could be made. However, there was also the management capacity capability to actually execute those plans.

- The onus could not be put solely on management, because the degree to which some of the transformational savings were being approved was still important. KPMG would observe what happened at the March 2026 budget process and then respond accordingly.
- KPMG's role as local auditors was to give assurance to the taxpayer. There was a situation at the Council which was deteriorating due to the increased reliance on resilience funding to balance the budget as this created a debt that would sit on the Council's balance sheet and would require servicing for the foreseeable future. This would need escalating and highlighting. The statutory recommendation would involve a report from KPMG to the Council. This would be part of the escalation process. It was likely that Cabinet would respond and this would be publicly shared and copied to the secretary of state.
- After an issue had been highlighted, it was then up to other parties to decide on what the appropriate response was.
- The Council was aware of the challenges relating to its commercial property. There were a number of leases and rents that needed review. Much work was focused on this and had been pointed out as part of the report by KPMG. It had been reported that pace had picked up in the last six months or so. All options were being considered. No options had been ruled out in terms of additional capacity. The reviews could either be done with a smaller amount of resources and take longer or with a larger amount of resources, but quicker. These options were being tested, including if it would be cost effective to bring in some external support to the internal team given the work still required. The Council wanted to get to a position where all rent reviews and lease reviews were current and then return to a more business as usual stance. Ensuring that the Council collected all the income that it was due was going to be an important indicator in improving its financial sustainability. Additional capacity was needed, but how it would be done was still under consideration.
- If the Council was going to significantly increase the level of savings that it delivered, 80% of that total expenditure related to service lines, including statutory services. It was not possible to avoid such service lines with a hope to closing the financial gap. A large proportion of the Council's budget went on statutory services. Statutory services and outcomes could be delivered in a number of different ways. The Council should not look at any service that it provided to make sure that it had been delivered in the most efficient and cost-effective way. This included the Council's statutory services particularly Adults, Children's and temporary accommodation, which the Council knew were its big drivers for cost pressures. There were still statutory responsibilities that were not changing unless there was a reform or changes in legislation. Such services were not exempt from looking at the way they were delivered.
- Long-term debtors had been previously disclosed a net. The underlying information pointed to a £45 million gross and a £41 million provision and then

there was a net. The vast majority of that long-term debtor was that that long-term data. There was not much else that we that KPMG had raised yet.

- Various financial situations existed within the London boroughs. There were several London boroughs who had never received a disclaimer. Their auditors kept their audits up to date without any modification. These would continue with the normal annual audit process as they had before. In relation to being able to restore assurance ultimately and remove disclaimers, the number of years that a Council had received a disclaimer was key to the level of materiality risk experienced in those reserves. Haringey would be one of the more challenging authorities to remove the modification simply because the financial position in which the Council found itself meant it was likely that there was material risk to reserve levels because they were so fundamental to the Council's financial sustainability at present. There was also the number of disclaimers the Council had received over a period of time. The Council found itself with two disclaimed years. The Council needed to get to a point where it could assure all of its closing balance sheet and the INE, then it could rebuild. KPMG could not assure the reserve movements until there was a fixed end point.
- It was not valid to proclaim that the state of the Council's pension fund could support the Council in its current position. This was a decision on what level of contributions the Council was expected to make within any tri-annual period. The pension fund custodians needed to set those contribution levels at a prudent level which protected the interests of the pension fund. The movements between surplus and deficit from year to year did not get taken into account in the Council's operating position. The Council had a pension reserve which largely absorbed the impacts of the surplus or deficit. The surplus or deficit was largely driven by a variety of factors that did not impact the Council on a cash basis year to year. This would include CPI assumptions, mortality figures and other long-range assumptions which would not necessarily drive the Council's INE and cash position on any given period.
- The Council had two separate actuaries, one that had been appointed by the pension fund and one that had being appointed by KPMG. These views differed slightly, but none of them to any material degree. Arguably, the pension fund actuary had far more information at their disposal to make certain assumptions than KPMG. All KPMG did was confirm if it was materially correct. The pension fund was managed completely independently of the Council. The Council had its actuary and took the advice of the actuary. They examined the Council's liabilities, assets and made some recommendations around employer contributions. The Council was just one employer out of 86 in the pension fund but that was made completely independently by the recommendation of the actuary and the recommendation to the Pension Committee and Board.
- The Council was aware that exceptional financial support was not sustainable. The £10 million borrowed in 2024/25 and £37 million so far in the current year was not sustainable. This was borrowing for the future which was adding borrowing costs including interest cost and minimum revenue provision over the next 20 years. Upon getting into debt, it was difficult to make the level of reductions to not be reliant on exceptional financial support. Some work would be done over the next six months to understand how to tackle this issue. There would be no further funding from Government. The financial position was driven by the increase in the demand and the increase in the price. There had been a small increase in government funding. It may be possible to generate income

locally, but Haringey was more limited than other boroughs. It would be difficult to confirm that the Council would close its budget gaps over the next five years. The use of exceptional financial support was the only option for the Council at the moment.

- In terms of asset disposal, the Council had a disposal strategy. Good asset management was about disposing of surplus assets and investing in assets that the Council needed. Regardless of the financial position, this was good asset management. The Council's disposals did follow its disposal strategy that had been agreed by Cabinet in June 2025. Exceptional financial support came with significant costs, borrowing costs and particularly when interest rates were still approximately 5% or 5.5% (rather than at 2%). The Council needed to be critical in seeing if there were assets that were surplus to requirements and therefore would avoid the borrowing cost for the next 20 years. The Council needed to make the most of the assets that it had both operationally and commercially, but could not hold onto assets that were not of a financial benefit to the Council. The Council could not dispose of a significant number of assets that could cause problems in future. The Council was applying a pragmatic asset management approach to its portfolio.
- The previous auditors, BDO delivered three successive disclaimers (2021, 2022 and 2023). KPMG had since delivered two disclaimers (2024 and 2025). For the three years which were disclaimed by BDO, no audit work was delivered for those periods other than the minimum required to deliver a disclaimer.

The Audit Committee RESOLVED:

1. To note the Audit Findings Report of the auditors, KPMG and the management responses in the KPMG action plan contained within the report.
2. To give the Chair of the Committee and the Corporate Director of Finance & Resources (S151 Officer) authority to sign the letter of representation to the Auditor.
3. That the Committee delegates the approval of the Statement of Accounts 2024/25, subject to any final changes required by the conclusion of the audit, to the Chair and to the Corporate Director of Finance & Resources (S151 Officer).

9. DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27

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

The meeting heard:

- Table 1 in the report listed the capital expenditure. It was not the total borrowing position associated with the exceptional financial support. It would be unrealistic to assume that no exceptional financial support would be needed in future years. The Council had made an assumption based on available data, because to assume nothing probably would provide a false picture and therefore the Council had assumed that the £100 million would continue throughout the next five years. This also assumed that the Council would identify cost reductions, income savings in-year to close in-year budget gaps,

but if the Council was to use the £100 million, it would still have the structural deficit that the Council would need to borrow every year. When exceptional financial support was applied for, only one year's worth of approval was ever given. There had still been no response to the 2026/27 application, but to not assume any use of exceptional financial support over the next five years would provide a false position in terms of the levels of debt.

- Exceptional financial support would be available for the next five years. The Council still had to apply every year, but this was a facility that would be available to local authorities for the next five years. The Council would revisit its assumptions every single year. In 2024/25, the Council applied for £28 million of exceptional financial support. When the account was closed, the Council only needed £10 million. So only £10 million was formally agreed by Government. The Council had also made an assumption that all exceptional financial support would be funded by borrowing. However, this may not be a reality, partly because of the conversation that there could be further capital receipts for the Council's normal disposals program that it could utilise. The Council did borrow until the point it had to. This was a budgeted position if the Council had to borrow the whole £100 million. In-year, the Council would decide what balances and reserves it had and borrow when absolutely necessary. The report showed that the Council held a £30 million balance. Quarterly updates would provide updated positions on actual borrowing.
- The borrowing within the treasury management strategy was driven by the capital scheme. The Council had to match its borrowing to it. The department itself could not simply decide for the borrowing to be lower.
- Table 1 which stated areas listing £100 million for exceptional financial support was outlining the amount of borrowing needed to plug the gap. This was for the general fund. There was no exceptional financial support on the HRA.
- If the Council did not have exceptional financial support, then it could not set a balanced budget or meet statutory requirements. The Council would be violating statutory requirements. The Council needed to commit to looking at opportunities to minimise the amount it needed. Realistically, the Council needed to focus on prevention and early intervention to avoid some of the high costs. This took time and the Council did not have reserves that would allow the time to do more of the transformative work. However, this work would be completed in any case.
- The Council needed to urgently look at more alternative means for greater income generation.
- The HRA and the general fund were separate accounts. The exceptional financial support and the borrowing costs was all based on the general fund. The HRA was separate. There was always scope to look at improvements and the HRA should be looking at good value for money and the Council should complete its due diligence on the HRA. The Council's debt levels were seen as a totality. The report was intentional in displaying it separately, because the debt levels in the HRA were driven because the Council was significantly investing in new homes and its existing stock. The debt levels on the capital program in the general fund was because the Council was investing in schools and roads. The debt levels for the HRA were high because the Council was investing, but the 30-year business plan showed that the HRA becomes more financially viable in the longer term because of rent.

The Audit Committee RESOLVED:

1. To recommend the proposed updated Treasury Management Strategy Statement for 2026/27 to Full Council for approval.
2. Delegate to the Section 151 officer in consultation with the Chair of Audit Committee, authority to agree any updates to the Treasury Management Strategy Statement for 2026/27 before Full Council for approval.

10. TREASURY MANAGEMENT QTR2 REPORT 2025/26

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

At this point in the proceedings, the meeting agreed to suspend standing order 18 in order to conclude the meeting.

The meeting heard:

- The assessments on table 7 of the agenda papers referred to the credit ratings of the Council's counterparties. ArlingClose did a global rating of the entire local government sphere within the United Kingdom and this was where the ratings came from.
- The operating limits would be revised. There had been work around IFRS and minimum revenue provision um that ArlingClose had undertaken three chances of work. The treasury management strategy would be updated before it was submitted to Cabinet. This was an exceptional case because of a change in reporting requirement (from a change in accounting legislation). The Council would expect the figures that it budgeted for in the strategy to encompass all the requirements.
- The PWLB rates were driven by gilt yields. As central government had sought to reduce its own cost of borrowing and because of uncertainty around long-term rates, it had reduced the supply of long duration gilts within the market. This meant that the gilts that remained in the market would achieve a higher than anticipated return because of contraction of supply and an increase in demand. This was why long-term duration gilts were high and this was what drove the Council's long-term borrowing costs.
- The Council had opted for the lower durations. This was in conjunction with ArlingClose who had been advising the Council to opt for the 10-year equal instalment loans from PWLB. Those were better costs for local authorities and so the Council had not been purchasing ones that lasted 30, 40 or 50 years.
- Regular update meetings were held with advisers and the appropriate strategy was taken from month to month.

RESOLVED:

1. To note the treasury management activity undertaken during the financial year to 30th September 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.

11. INTERNAL AUDIT PROGRESS REPORT

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

The meeting heard:

- The outstanding recommendations from 2023 and 2024 related to the value for money opinions from external audit. These recommendations were ones that would take time to implement because of the nature of the recommendations themselves. They fell into the two broad areas; Procurement and Commercial Property.
- Part of the tracking of audit recommendations was setting a revised timeline with management, ensuring officers were realistic and provided an accurate indication from management of the status over the implementation of recommendations before being independently audited by internal audit. When internal audit carried out their follow up audit, the control would be tested to see if it was working. For the financial assessment audit, this would be tracked via a live document and the same was true for Housing. It was possible to examine the progress of actions. It would also be subject to discussion at management team meetings.
- There had been a backlog of where things had not been done the way they should have been done, but the culture on this had shifted. Some in-year actions were being closed off.
- Residents claiming housing benefit would report a change of circumstance to the Council and the Council had a certain time frame within which the Council had to make the change. If the change was not made quickly enough, there may be an overpayment of housing benefit. The DWP had strict criteria for determining whose fault it was when overpayments occurred. If the fault was attributed to the local authority if that fault exceeded a small threshold, then the amount of subsidy to the authority would be reduced resulting in a financial loss. To minimise any potential loss, the Council needed to act as soon as it became aware of a change of circumstance.
- In relation to housing benefit overpayment, a change of circumstances was not always predictable and service had to anticipate and manage the change as soon it could at a level that was comfortable for the Council. There had been some issues around housing benefit overpayments many years ago and the Council was able to get an external provider to support the management of the housing benefit system. There was however an issue with staff capacity. The Council had no power to investigate housing benefit fraud. Any submitted would have to be referred to the DWP.
- In relation to the priority 1 recommendations, the Housing service would be asked for an update and the Committee would be informed via email.

RESOLVED:

To note the audit coverage and follow up work completed.

12. ANTI-FRAUD, BRIBERY AND CORRUPTION PROGRESS REPORT QUARTER THREE 2025/26

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

The meeting heard:

- The Council had more staff since quarter three. Due to a backlog of cases, this allowed for a business case to have some additional resources. There were more dedicated housing resources for quarter 4 and starting into next year. These would be for historical cases. Many recoveries had been banked in quarter 3, but probably should have been in prior periods. The properties had the challenge to be put back in a condition ready to be let again.

RESOLVED:

To note the activities of the team during quarter three of 2025/26.

13. ANNUAL GOVERNANCE STATEMENT 2024/25 UPDATE REPORT

This item was deferred to a future meeting.

14. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER

This item was deferred to a future meeting.

15. ANY OTHER BUSINESS

The Committee was asked to stay after the meeting for a short private meeting.

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>Officers are still working to a June 26 date for the production of these meanwhile use and colocation policies, which aligns the conclusion of the 1 year pilot for the VCS social leasing policy, 1 year of corporate landlord operation and data gathering/cleansing and the council’s operational asset review as part of our Asset Management processes within the SAMPIP.</p> <p>Activity in the last 3 months has included - Workshops have been held with each of the council’s corporate directorates to review their service operational need against the current operational assets held by the corporate landlord for use by that service. Opportunities continue to be delivered or operated whilst the development of these policies and data gathering takes place</p> <p>Sites such as the Roger Sylvester centre has been completed and is operational, which has co-located services within the space, between Health and Mind. Pretoria Road continues to operate as a co-located space, which offers meanwhile use, with Rise being the most recent new tenants at the site</p> <p>40 Cumberland continues to operate as meanwhile space, whilst short term meanwhile lets have been completed at Down Lane Park hub, prior to the redevelopment of a new pavilion and there will be a launch of a bidding process for Chestnuts community centre, for which there have been 3 public meetings. The last of these meetings was on Thursday 26th February, which is likely to result in bids from new CIC’s or equivalents from groups who use the centre and co-located space.</p> <p>The council are also working with residents who have formed a community group, to look at the meanwhile use of 100 Tower Gardens.</p>	Director of Capital Projects & Property (Jonathan Kirby)	In Progress

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.	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. This includes the full end to end process now being managed through the Commercial Property Team and close working with finance to ensure all income is correctly allocated. However, officers do acknowledge that there are still improvements and this will remain a priority throughout 2026/27 to improve data quality and record keeping, complete outstanding lease and rent reviews to maximise income and reduce levels of unrecoverable debt.	Director of Capital Projects & Property (Jonathan Kirby)	In Progress
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	Update report provided and will be considered by Committee on 12th March 2026	Rachel Sharpe	Approaching Completion
Nov 2025	A query was raised regarding an annual process where interests were declared and a specific process where interest was declared for specific transactions. In response, the meeting heard that the annual declaration was not fully complete. However, there should be an ongoing process all year round. Generally, when an account was to be paid, there needed to be a trigger in the system stating any internal interests. There appeared to be a weakness in both of these processes, because if no interest was recorded, a	This has been highlighted as a weakness by KPMG as part of the external audit of the 2024/25 accounts. Management have accepted the recommendation and improvement in the process for declaring and ongoing monitoring of declaration of interest and maintaining an up to date register will be in place for 2025/26 closing of accounts process and provide the evidence for the 2025/26 audit by KPMG.	Kaycee Ikegwu / Taryn Eves	In progress

	notification for an internal interest could not be triggered. This issue would be taken away to see how it could be addressed.	It is essential that individual officers take ownership of these completing and returning the required evidence. All officers will receive an email from the Corporate Director of Finance and Resources with the proposed process for 2025/26 and a reminder for DOI and non responses will be monitored and consequences for non responses.		
Jan 2026	Financial Assessments Audit: In relation to the variable direct debits, the work to introduce it was underway. All required teams in the Council were involved and were being led by digital colleagues. There were various system changes, process changes and the links between the case management system and the finance system that needed to be made. Staff were in the discovery stage of this. There would then need to be some communications with residents. There was evidence from other boroughs that allowing people to pay a direct debit that would vary from month to month, particularly if they were in receipt of home care, would improve income collection significantly. An update would be provided to the Committee in due course.		Rebecca Crib / Jo Baty	Initiated
	Financial Assessments Audit: When the project was started, it had been recognised that additional capacity was needed in all of the teams. There had been additional capacity that had gone into Legal, the Financial Assessments team, the Debt Recovery team and the frontline Social Care team. This was on a time-limited basis. There were a number of assessments that needed to be cleared, so the waiting list was significantly higher. Therefore, the additional resource would need to be in place for some time before considering what the business-as-usual resource should be. This would be considered for all of the teams, not just the Financial Assessment team. The specific amount of time had not been set. There were around two or three specific work streams linked to the project. One was around looking at the age		Rebecca Crib / Jo Baty	Initiated

	debt. Work was being done looking at over a thousand cases examining how much money was recoverable. and then, realistically, what was not. It was a requirement to work through those cases with input from all four teams. A further update would be provided to the Committee.			
Jan 2026	The Audit Committee highlighted its serious concerns to the cabinet about the level of reliance on exceptional financial support and for the Cabinet to report to the audit committee on potential alternatives.	Full update to be provided at the next meeting in July	Taryn Eves (to co-ordinate)	In Progress

Report Title: An Update on the Voids Audit and Improvement Progress

Report for: Audit Committee

Item number: 7

Title: An Update on the Voids Audit and Improvement Progress

Report authorised by: Rachel Sharpe, Interim Director of Housing Services

Lead Officer: Scott Kay, Assistant Director for Repairs and Compliance
Neehara Wijeyesekera, Assistant Director for Housing Management

Ward(s) affected: All

**Report for Key/
Non-Key Decision:** For information.

1. Recommendations

1.1 That the report be noted.

2. Describe the issue under consideration.

2.1 This report provides Audit Committee with details of the progress made by Housing Services in progressing the recommendations made by the audit conducted by Mazars, the Council's independent internal auditors, that was undertaken on Voids and Follow Up of Lettings and received a Limited Assurance rating.

2.2 The report also provides a summary of the work that has been undertaken to improve our position and approach to voids, including the key risks that are being managed by the service.

3. Audit recommendations

3.1 An audit of Voids and Follow Up of Lettings was completed in August 2024 by Mazars which provided an overall assurance rating of Limited Assurance.

3.2 The areas reviewed in this audit were:

- Policy and procedure framework
- Adherence to procedure
- Performance monitoring and reporting
- Analysis of voids and performance data

- 3.3 There were six recommendations, with 2 of these being deemed as having fundamental priority and 4 having significant priority.
- 3.4 In respect of the two recommendations with fundamental priority:

3.4.1. Monitoring the End-to-End voids process

It was recommended that reports should be reviewed from the NEC system periodically to identify gaps in date and confirm key activities for voids have taken place. In addition, the Council should also implement automation in the NEC system to highlight when the next stage in the voids/lettings process is ready for completion with notifications in place between the key teams involved in the process.

This recommendation has been partially implemented, where all teams involved in the voids process attend a 2-weekly meeting. This meeting covers the end-to-end process, where each void is tracked through the current process and for how long. This is currently monitored and tracked on a spreadsheet using information from the NEC system. Further work to fully implement this recommendation is reliant on the NEC system development. This requires support from Digital Services to ensure the monitoring is fully automated, where this work will be liaised

3.4.2. Voids Policy and Procedure

This recommendation advised that if the Council is to reduce voids, then there is a need for a considered policy and procedures that staff understand and over time becomes business as usual. This policy should document the entire process and include key milestones and responsibilities.

This recommendation has been partially implemented. We have developed a Repairs Voids Manual and process maps for each relevant service. A Voids Management Policy has been drafted in conjunction with our Repairs Resident Continuous Improvement Group (CIG) where residents worked with us to identify issues which has been factored into the policy.

The Policy will be considered by Cabinet after the local elections in May 2026 and will include any changes arising from the current process review.

- 3.5 In respect of the 4 recommendations that have significant priority:

3.5.1. Voids work being issued

This recommendation was that the Council should ensure all work is booked promptly following the cost inspection.

This recommendation has been implemented. Once the Repairs Service are notified that a property is void and requires work, the void is allocated to the next available resource which is either one of our dedicated in-house teams or a sub-contractor. Voids are also now grouped geographically to ensure the most efficient use of available resources and maximise efficiency from the voids budget. Future development of the voids process in the NEC system and the end-to-end process review will also improve the booking of voids works and overall delivery.

3.5.2. Tenant Satisfaction is not monitored

This recommendation advised that the Council re-introduces tenant satisfaction surveys for new tenants to identify themes to improve the process and should be used as standard for each new tenant.

This recommendation has been implemented. Tenant Satisfaction is collected as part of the sign-up process and as of September 2025 the survey is mandatory for officers to discuss with tenants at the end of the sign-up to increase response rates. The surveys ask questions on the general condition of the property, the lettings, viewing, and sign-up processes, the level of information provided, and the professionalism of staff. This is noted as partially implemented as further work is needed to improve the analysis and reporting of the information gathered through these surveys.

3.5.3. Timescales for key voids stages

It was recommended that the Council should set timescales for each part of the voids process and monitor against these, to help improve underperforming stages that should be included in the new improvement plan. It also recommended that the Council should investigate whether NEC can automatically populate target dates.

This recommendation is partially implemented. Timescales for void turnaround by the Repairs Service is measured and can be reported upon in terms of average turnaround times for each stage. We have introduced a Voids Power BI dashboard showing real time performance across the end-to-end process helping to provide detailed oversight at an operational level. The end-to-end review and the development of the NEC system will allow for more transparent and immediate reporting of figures direct from system generated source data that can be used for formal reporting.

3.5.4. Pre-Inspection properties

This recommendation was that the Council should seek to use the pre-inspection process to help reduce the time taken to complete the voids process, considering automating the pre-inspection

process through use of the NEC system instead of individual forms and spreadsheets.

This recommendation has not been implemented. The automation of the NEC system has not been completed as previously referenced. However, the pre-inspection part of the process will be included as part of the end-to-end process review so that resources can be aligned to ensure efficiencies can be realised as per the audit recommendation.

4. Improvements

- 4.1 Since the audit was undertaken, there has also been significant work to improve our approach to voids more generally.
- 4.2 Housing Services exceeded the 2024/25 Corporate Delivery Plan target of 400 voids being made ready for let per annum, with 464 made ready for let in 2024/25.
- 4.3 For lettings for the 2024/25 period, 754 lets were carried out which was made up of 451 new build properties, 207 Re-lets, and 96 for Sheltered Housing.
- 4.4 From April 2025 to 25th January 2026 there have been 536 General Need and Sheltered Housing lets:
 - 68 Sheltered Housing
 - 317 Re-lets
 - 151 New build properties.
- 4.5 We will be moving the oversight of the overall voids process to Housing Management, where this previously sat entirely with Repairs and Compliance. This now reflects the entirety of the end-to-end process, and not just the voids works. However, Repairs and Compliance still have a significant part in the process and so both services will continue to work together.
- 4.6 Our Repairs Service, who complete the majority of the works required to voids, have restructured allowing for better management and efficiencies overall within the service, including voids. As referenced in the audit recommendation update, voids are also now grouped geographically which allows for the most efficient use of available resources and voids budgets.
- 4.7 We have also introduced a Senior Voids, Lettings and Decants Manager who is within Tenancy Services and manages a new viewings and sign-ups team. This team have supported the introduction of the surveys completed at sign-ups and have helped to coordinate and standardise the lettings process, in addition to added efficiency by having a dedicated team. The higher volume of sign-up activity is being tracked, with standard voids, neighbourhood moves, and new builds to ensure resources match demand

for viewings, lettings and tenancy sign up once properties are repaired and made ready for let.

- 4.8 As referenced in the audit recommendation update, we have drafted our Voids Management Policy in conjunction with our repairs Resident Continuous Improvement Group (CIG) where residents worked with us to identify issues which has been factored into the policy. This is due to go to Cabinet after the local elections in May 2026.
- 4.9 In addition to the Policy, we have developed a Repairs Voids Manual which sets out the expectations of Housing Services from when first notification a property has become voids to the handover of keys when a property is marked ready for let. This manual allows new and existing members who deliver the service to work to a clear and consistent approach, understanding responsibilities and taking accountability.
- 4.10 We have also introduced a Voids Power BI dashboard showing real time performance across the end-to-end process allowing for each stage and across different tenures, helping to provide detailed oversight at an operational level. The long-term intention is to move to using this for our formal performance reporting.
- 4.11 In October 2024, an end-to-end voids managements stakeholders group was established to review and improve the process from an operational standpoint, including develop the new Voids Policy. This includes staff members from repairs, customer services, lettings, tenancy services, the sign-up team, rent accounts, asset management, and our repairs CIG through resident engagement. This group helped to review the end-to-end process and develop a process map across all teams involved.
- 4.12 In addition, the Housing Service Management Team have launched a comprehensive review of the end-to-end voids process, establishing a new strategic voids working group to oversee this with the first meeting held in February 2026.
- 4.13 The strategic voids working group is comprised of the Director of Housing, AD for Housing Management, AD for Repairs and Compliance, AD for Asset Management, Head of Repairs, and the Head of Lettings & Rehousing. They will oversee:
 - 4.13.1. A deep dive review of the end-to-end voids management process across the Housing Revenue Account and Temporary Accommodation, including General Needs, Sheltered, Haringey Community Benefit Society (HCBS), Private Sector Lettings (PSLs), and hostels/lodges.
 - 4.13.2. Work to address poor quality systems data on voids with the identified need to improve data governance, ownership and reconciliation of voids data across housing, repairs, and finance systems, reducing the reliance on spreadsheet-based monitoring in several areas.

- 4.13.3. Analysis of whether the management arranges for different tenure types are working effectively.
 - 4.13.4. Analysis of the current causes of voids, including reviewing the impact of Move On and the Neighbourhood Moves Scheme.
 - 4.13.5. As assessment of current plans in place, financial impacts and work with other Council teams to oversee improvements to voids management in all areas.
 - 4.13.6. A proposed change in reporting focus from the overall number of voids to a focus on turnaround times at each stage of the process.
- 4.14 The Resident Voice Board regularly receive Housing Services' Key Performance Indicators (KPIs) on a quarterly basis, where General Needs and Sheltered Housing voids as a percentage of stock are reported. These KPIs are also shared with the Housing, Planning and Development Scrutiny Panel and our internal Housing Improvement Board as a standard agenda item.
- 4.15 Whilst there is still work to be done, structures have been set up at different levels that allow us to retain better oversight of performance, identify issues, and drive improvements. Housing Board, chaired by the Corporate Director of Adults, Housing and Health, is also receiving regular updates on progress of the voids review and the work of the new Strategic Working Group.

5. Key Risks

Different types of voids and contracts

- 5.1 There are a number of types of voids, managed across various teams both within Housing Services and the wider Council with differing allocations, lettings, works, contracts and management processes. This allows for different approaches and service levels with no complete oversight across all types of property. Voids, regardless of type could be managed in a more streamlined and standardised way that also provides better value for money.
- 5.2 We are developing longer term plans to try and refocus the management of voids within the Housing Service and to harmonise contracts and standards that will ensure consistent service delivery of all void properties.

Growth of Housing Supply

- 5.3 Haringey has seen a growth in housing supply, through purchased and new-build property. Whilst this is essential and positive movement, it generates more lettings and thereby more voids through the Neighbourhood Moves Scheme (NMS).

- 5.4 As a result, demand for void works can exceed resource availability during spikes which will affect average turn-around times.

Neighbourhood Moves Scheme (NMS)

- 5.5 As referenced above, because of the growth in housing supply the NMS poses a risk to the voids process.
- 5.6 For General Needs and Sheltered Housing, the expected annual turnover of voids is approximately 500 per year. Within this number, there are seasonal variations and this number can fluctuate depending on both internal and external circumstances.
- 5.7 One factor in this fluctuation is the NMS, that enables local residents with a tenancy to move to new build developments within a certain proximity of their existing home providing that certain criteria is met.
- 5.8 Whilst there are benefits, the scheme does mean there are more void properties than if the new build properties had only been let to those on the housing register. This extra level of stock turnover increases void numbers and additional pressures on the overall voids process and therefore there is an associated impact on performance.
- 5.9 The risk is that the service may not have the level of resource needed when it is over the expected annual turnover and will ultimately impact on the length of time properties are left void. However, this risk is being assessed as part of the working group to ensure they can manage an increase in voids effectively and as part of business as usual.

Data and Systems

- 5.10 It is clear from an operational standpoint and from the audit recommendations, that development on our systems and data is required. Whilst we have made improvements, such as implementing the Power BI Dashboard, there is still work to be done and therefore this remains a risk to the voids process.
- 5.11 We intend to develop our systems to have clearer reporting categories so that we can record and report the different and more detailed stages of the voids process on and through the system, and as per the audit recommendation, better understand the areas in which there is specific delay and need for improvement.
- 5.12 These system improvements would help improve efficiency and oversight but will need to be informed by the end-to-end process review. This will then allow the intended NEC system developments to be completed with support from Digital Services, which will provide improved configuration, workflows, and reporting.

Financial Impact

- 5.13 There is always an ever-present financial risk around voids. Void properties means there is a loss of rental income, in addition to the cost of the works to return them to a lettable standard. Whilst this is accounted for with assumptions in the Housing Revenue Account (HRA) Business Plan and budget, there is always a risk that we have a higher level of voids than estimated and therefore a lower level of rental income which is potentially compounded by the other risks noted above.
- 5.14 In addition, there is an increased cost of works owing to the historical lack of investment in our properties and the condition in which properties are left void. This risk will be reduced by the future major works programme due to commence in 2026 supporting our Asset Management Strategy 2023-2028, however this risk will continue until the investment in our stock has been realised.
- 5.15 Current regeneration programmes will also increase void numbers due to the need to decant buildings in time for demolition or other major works. The risk can be mitigated to a limited extent through appropriate use of properties for temporary accommodation where feasibly and cost effective to do so. However, it can also increase demand on the existing resources available to deal with void properties so will need to be appropriately forecast and managed.
- 5.16 Budgets continued to be monitored to manage this risk, and it will inform the work of the Strategic Voids Working Group.

6. Contribution to the Corporate Delivery Plan 2024-2026 and High Level Strategic Outcomes

By delivering improvements to housing conditions, supply, and services, Housing Services are contributing to meeting Theme 5 of the Corporate Delivery Plan – Homes for the future.

7. Carbon and Climate Change

N/A

8. Statutory Officers comments (Finance, Procurement, Legal and Governance, Equalities)

8.1 Finance and Procurement

Finance

There are no direct financial implications arising from this report.

Procurement

Not required.

8.2 Head of Legal & Governance

There are no legal implications arising from the content of this report.

8.3 Equality

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- 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 three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The voids process is an internal process in how we return our properties to a lettable standard, to which the impact on residents is limited in respect of protected characteristics. However, by reducing the number of voids this would increase housing supply and would in turn have a positive impact on those waiting on the housing register and therefore those with protected characteristics.

9. Use of Appendices

None.

10. Background papers

None.

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Report for: Audit Committee – 12th March 2026

Item number: 8

Title: Treasury Management Qtr3 Report 2025/26

Report authorised by: Taryn Eves, Corporate Director of Finance & Resources (Section 151 Officer)

Lead Officer: Sam Masters, Head of Finance – Treasury and Banking
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 six months ending 31st December 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 31st December 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 3rd 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. Early in the first quarter was dominated by US trade tariffs and the negative impact on equity and bond markets. While this was reversed somewhat in the second quarter with equity markets making gains, it also saw a divergence in US and UK government bond yields. UK yields persisted at higher levels as investors demanded higher returns in the form of term premia due to the more uncertain UK fiscal and economic position

6.8. The latter part of the period included the government's November autumn Budget. Despite much speculation and drip-feeding of potential policies in the weeks leading up to the event, what was ultimately announced was generally deemed more muted than had been anticipated, helping ease investors' fears of significantly higher government borrowing.

- 6.9. The Bank of England's Monetary Policy Committee (MPC) voted 5-4 to cut Bank Rate to 3.75% in December 2025, as was expected. Policymakers wanting a cut judged that disinflation was established while those preferring to hold Bank Rate at 4% argued that inflation risks remained sufficiently material to leave it untouched at this stage.
- 6.10. The November BoE Monetary Policy Report projected GDP would expand by a modest 0.2% in calendar Q4 2025. Estimates of inflation in the report were quickly out of date when CPI fell quicker than expected in November. Predictions of a modestly growing economy were echoed by the Office for Budget Responsibility in its Economic and Fiscal Outlook published with the Autumn Statement which revised down its estimate of annual GDP to around 1.5% between 2025 and 2030.

Borrowing Activity

- 6.11. 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.
- 6.12. After substantial rises in interest rates since 2021 central banks have now begun to reduce their policy rates, albeit slowly. Except in the much long term gilt yields have decreased slightly over the period, reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal position following tax rises in the autumn budget.
- 6.13. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.34% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. 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%.
- 6.14. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,141.9m in loans on 31st December 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.
- 6.15. 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

- 6.16. 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.
- 6.17. Throughout the quarter the Council's investment balances ranged between £54.2m million and £126.6m due to timing differences between income and expenditure, ending at £73.0m on 31st December 2025.
- 6.18. Overnight deposit rates for the Debt Management Account Deposit Facility ranged between 3.70-3.95%. Money Market Fund rates ranged between 3.70–3.93%
- 6.19. 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%
30.09.2025	4.23	AA-	68%	1	3.84%
Similar Local Authorities	4.74	A+	83%	7	3.96%
All Local Authorities	4.46	AA-	60%	12	3.94%

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

- 6.20. 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.
- 6.21. 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.
- 6.22. A detailed assessment of the Council's compliance with the agreed upon Treasury Management Indicators can be found in section 8 and 9 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 in the preparation of this report. The report 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. The Council's Constitution, at Part 3, Section B – Responsibility for Functions provides that the remit of the Audit Committee includes consideration of reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code and reviewing and monitoring treasury management arrangements in accordance with Treasury Management in the Public Services: Code of Practice.
- 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 – Qtr3 2025/26

11. Background Papers

- 11.1. None

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Appendix 1 - Treasury Management Update Report – Qtr3 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 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.

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

Economic background

- 2.1. Early in the first quarter was dominated by US trade tariffs and the negative impact on equity and bond markets. While this was reversed somewhat in the second quarter with equity markets making gains, it also saw a divergence in US and UK government bond yields. UK yields persisted at higher levels as investors demanded higher returns in the form of term premia due to the more uncertain UK fiscal and economic position
- 2.2. The latter part of the period included the government's November autumn Budget. Despite much speculation and drip-feeding of potential policies in the weeks leading up to the event, what was ultimately announced was generally deemed more muted than had been anticipated, helping ease investors' fears of significantly higher government borrowing.
- 2.3. UK consumer price inflation (CPI) inflation was 3.2% in November 2025, down from 3.6% in the previous month and lower than the 3.5% expected, but still well above the Bank of England (BoE) target. Core CPI eased to 3.2% from 3.4%, against forecasts of it staying at 3.6%.
- 2.4. According to the Office for National Statistics (ONS), the UK economy expanded by 0.7% in the first quarter of the calendar year, by 0.3% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP fell by 0.1% In October.
- 2.5. The labour market continued to ease over the period as unemployment rose, vacancies fell and inactivity remained flat. In the three months to October 2025, the unemployment rate rose to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%.
- 2.6. The Bank of England's Monetary Policy Committee (MPC) voted 5-4 to cut Bank Rate to 3.75% in December 2025, as was expected. Policymakers wanting a cut judged that disinflation was established while those preferring to hold Bank Rate at 4% argued that inflation risks remained sufficiently material to leave it untouched at this stage.
- 2.7. The November BoE Monetary Policy Report projected GDP would expand by a modest 0.2% in calendar Q4 2025. Estimates of inflation in the report were quickly out of date when CPI fell quicker than expected in November. Predictions of a modestly growing economy were echoed by the Office for Budget Responsibility in its Economic and Fiscal

Outlook published with the Autumn Statement which revised down its estimate of annual GDP to around 1.5% between 2025 and 2030.

- 2.8. Arlingclose, the authority's treasury adviser, held a central view that Bank Rate would be cut further in 2025/26 with most BoE policymakers remaining more worried about weak GDP growth than higher inflation. In line with Arlingclose's central forecast, Bank Rate was reduced to 3.75% in December. Further cuts are expected in 2026, with the central forecast being that Bank Rate will be eased to around 3.25%.
- 2.9. The US Federal Reserve continued cutting rates, reducing Fed Funds Rate target range by 0.25% at its December meeting to 3.50%-3.75%. The meeting minutes noted that most policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.
- 2.10. The European Central Bank (ECB) held its key interest rates in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

Financial Markets

- 2.11. After declining sharply early in the period, sentiment in financial markets has been mostly buoyant, but risky assets remained volatile. Bond yields initially declined early in the period, but increasing uncertainty around the UK's economic and fiscal outlook caused medium and longer yields to rise. Yields remained elevated until the third quarter when the potential negative impact of the UK Budget were deemed less than expected and yields eased modestly.
- 2.12. Equity markets gained the previous declines seen in the April sell-off and have continued to rise, even in the face of ongoing uncertainty around the existence of an AI-related 'bubble' and concentration in US and global stock markets.
- 2.13. Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.48%. However, these nine months saw significant volatility with the 10-year yield hitting a low of 4.39% and a high of 4.82%. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.11% with a low and high of 5.05% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.10% over the nine months to 31st December.

Credit Review

- 2.14. Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.15. Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.
- 2.16. In May, Moody's downgraded the United States sovereign long-term rating to Aa1 and affirmed OP Corporate's rating at Aa3. Moody's later upgraded Transport for London, Allied Irish Banks, Bank of Ireland, Toronto-Dominion Bank, DZ Bank, Nordea and HSBC and downgraded Close Brothers.
- 2.17. S&P upgraded Clydesdale Bank, Allied Irish Banks and Bank of Ireland, and assigned Warrington Council a BBB+ rating.
- 2.18. After spiking in April following the US trade tariff announcements, UK credit default swap (CDS) prices trended down before picking up modestly in October and November. They

declined again in December and ended the year in line with levels seen in the first half of the year and most of 2024.

- 2.19. European banks' CDS prices have generally been flatter and lower compared to the UK, as have Singaporean and Australian lenders while some Canadian bank CDS prices have remained elevated since the beginning of the period in part due to ongoing trade tensions with the US.
- 2.20. 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.
- 2.21. Financial market volatility is expected to remain, and CDS 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 31st December 2025, the Council had net borrowing of £1,068.9m 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 3.

3.2. Table 3: Balance Sheet Summary

	31.03.25 Actual £m
General Fund CFR	704.5
HRA CFR	626.8
Total CFR¹	1,331.3
Less: Other debt liabilities ²	(73.3)
Borrowing CFR - comprised of:	1,258.0
External borrowing	981.3
Internal borrowing	276.8

¹subject to audit

²finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

- 3.3. 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 objective is to minimise interest costs and provide flexibility when deciding whether the Council should take on new borrowing from external sources.
- 3.4. The treasury management position on 31st December 2025 and the change over the six-month period is shown in Table 4.

Table 4: Treasury Management Summary

Type of Borrowing/Investment	31.03.25 Balance £m	Movement £m	31.12.25 Balance £m	31.12.25 Weighted Av. Rate %
Long-term borrowing	906.3	208.7	1,114.9	3.71%
Short-term borrowing	75.0	(48.0)	27.0	3.47%
Total borrowing	981.3	160.7	1,141.9	3.73%
Short-term investment	0.0	0.0	0.0	0.00%

Cash and cash equivalents	13.6	59.4	73.0	3.85%
Total investments	13.6	59.4	73.0	3.85%
Net borrowing	967.6	101.3	1,068.9	

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

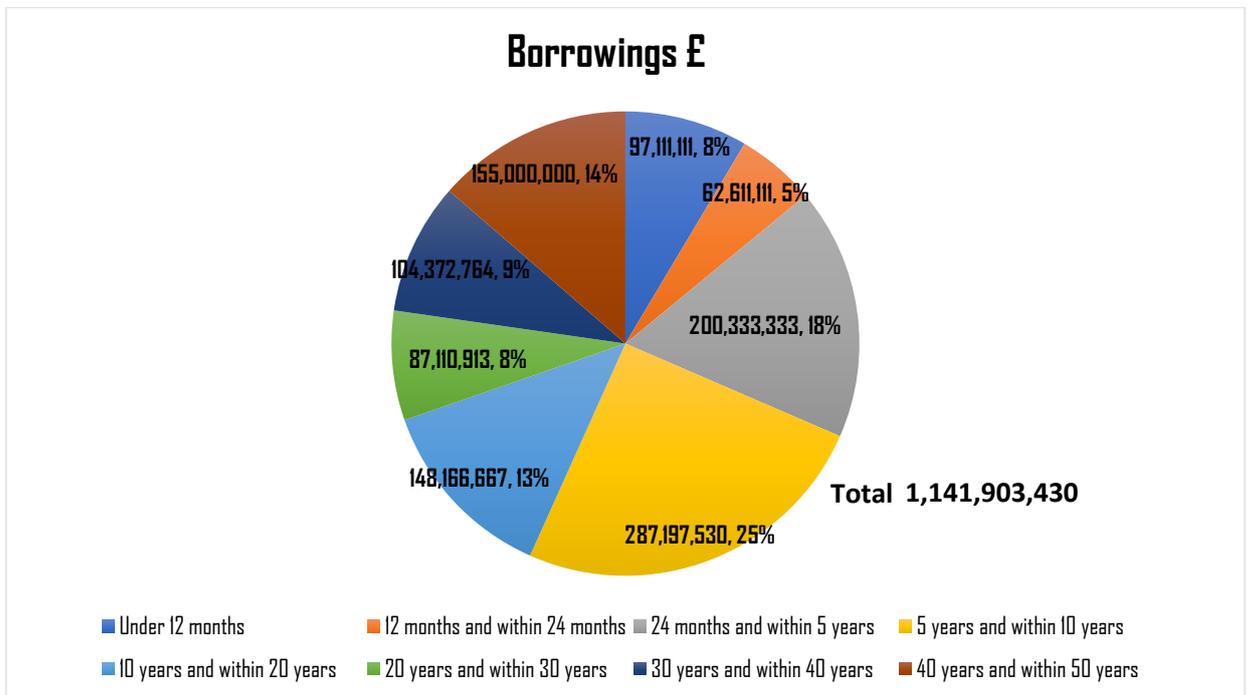
- 4.3. As outlined in the treasury strategy, the Council's primary objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the 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 the longer-term stability of the debt portfolio.
- 4.4. After substantial rises in interest rates since 2021 central banks have now begun to reduce their policy rates, albeit slowly. Except in the much long term gilt yields have decreased slightly over the period, reflecting expectations of lower interest rates, a tepid economy and to some extent an improvement in the UK governments fiscal position following tax rises in the autumn budget.
- 4.5. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.34% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. 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. 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 2025 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.
- 4.7. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,141.9m in loans on 31st December 2025, an increase of £160.7m compared to 31st March 2025. The outstanding loans on 31st September are summarised in Table 6.

4.8. **Table 6: Borrowing Position**

	31.03.25		31.12.25	31.12.25	31.12.25
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Type of Borrowing	Balance £m	Net Movement £m	Balance £m	Weighted Ave. Rate %	Weighted Ave. Maturity years
Public Works Loan Board	806.3	258.7	1,064.9	3.66%	17.4
Banks (LOBO)	100.0	(50.0)	50.0	4.75%	25.3
Local authorities	75.0	(48.0)	27.0	3.47%	0.3
Total borrowing	981.3	160.7	1,141.9	3.73%	17.3

- 4.9. 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.
- 4.10. The maturity profile of the Council's borrowings on 31st December 2025 is shown in the chart below.



LOBO Loans

- 4.11. On 31st December 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.
- 4.12. 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 on 31st December 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
Total borrowing		50.0			

5. Treasury Investment Activity

- 5.1. The CIPFA Treasury Management Code defines treasury management investments as those arising from an organisation's cash flows or treasury risk management activities. 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. Throughout the quarter, the Council's investment balances ranged between £54.2m and £126.6m due to timing differences between income and expenditure. The investment position on 31st December 2025 is shown in Table 7.

Table 7: Treasury Investment Position

Type of Investment	31.03.25 Balance £m	Net Movement £m	31.12.25 Balance £m	31.12.25 Weighted Ave. Rate %	31.12.25 Weighted Ave. Maturity
Debt Management Office	0.0	23.0	23.0	3.70%	1
Money market funds	13.6	36.4	50.0	2.34%	1
Total investments	13.6	59.4	73.0	3.85%	1 days

- 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 period, the Debt Management Account Deposit Facility's (DMADF) overnight deposit rates ranged between 3.70% and 3.95%. The Money Market rates ranged between 3.70 % and 3.93%.
- 5.5. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 8.

Table 8: 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%
31.12.2025	4.23	AA-	68%	1	3.84%
Similar Local Authorities	4.74	A+	83%	7	3.96%
All Local Authorities	4.46	AA-	60%	12	3.94%

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

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 9 below.

- 6.2. Interest costs have been lower budget over the period as we see a lower than anticipated spend across both the HRA and GF capital programmes. The Council has achieved higher than expected income generation due to larger cash balances however, as rates start to reduce, we will see a corresponding reduction in investment income.

Table 9: Treasury Performance

	Actual to date £m	Budget to date £m	Annual Budget £m	Over/(under) £m
Borrowing costs				
General Fund borrowing costs	14.0	14.4	19.2	0.4
HRA borrowing costs	19.1	19.7	26.2	0.5
Total borrowing costs	33.1	34.0	45.4	0.9
Treasury investment income	(2.8)	(1.5)	(2.0)	1.3

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 Corporate Director of Finance and Resources reports that all treasury management activities carried out during the period complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy with the exception of lease as detailed below
- 8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 10 below.

Table 10: Debt Limits

	30.09.25 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied?
Borrowing	1,141.9	1,673.1	1,723.1	Yes
PFI and Finance Leases	73.3	12.7	13.9	No
Total debt	1,054.5	1,685.8	1,737.0	Yes

- 8.3. Although not classed as borrowing, the Council's PFI balances and finance leases 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 debt remained well below this limit throughout the period.

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.

	31.12.25 Actual	2025/26 Target	Complied?
Portfolio average credit score	AA-, 4.23	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.

	31.12.25 Actual	2025/26 Target	Complied?
Total cash available within 3 months	£70.0m	£30.0m	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:

	31.12.25 Actual	2025/26 Target	Complied?
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 new market rates.

- 9.6. For context, the changes in PWLB interest rates during the period were:

	31.03.25 %	31.12.25 %
Bank Rate	4.50	3.75
1-year PWLB certainty rate, maturity loans	4.82	4.57
5-year PWLB certainty rate, maturity loans	4.97	4.98
10-year PWLB certainty rate, maturity loans	5.42	5.54
20-year PWLB certainty rate, maturity loans	5.91	6.08

50-year PWLB certainty rate, maturity loans	5.67	5.91
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Maturity Structure of Borrowing

- 9.7. 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:

	30.09.25 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	8.5%	50%	0%	Yes
12 months and within 24 months	5.5%	40%	0%	Yes
24 months and within 5 years	17.5%	40%	0%	Yes
5 years and within 10 years	25.2%	40%	0%	Yes
10 years and within 20 years	13.0%	40%	0%	Yes
20 years and within 30 years	7.6%	40%	0%	Yes
30 years and within 40 years	9.1%	50%	0%	Yes
40 years and within 50 years	13.6%	50%	0%	Yes
50 years and above	0.0%	40%	0%	Yes

- 9.8. 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.
- 9.9. 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.
- 9.10. 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.

	30.09.25 Actual	2025/26 Limit	Complied?
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	2.36%	20%	Yes

Principal Sums Invested for Periods Longer than a year

- 9.11. 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:

	2025/26	2026/27	2027/28
Actual principal invested beyond year end	nil	nil	nil
Limit on principal invested beyond year end	£5m	£5m	£5m
Complied?	Yes	Yes	Yes

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Report for: Audit Committee – 12 March 2026

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

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 January to 15 February 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 Jan 26 – 15 Feb 26	Year to date	Year end Target
1	Internal Audit work (Forvis Mazars) – Days Completed vs. Planned programme	21%	68%	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 third period of 2025/26 is detailed at Appendix A. Forvis Mazars planned to deliver 479 days of the annual audit plan (710 days) during the period (to 15 Feb 2026) and delivered 147 days audit work during this period. There has been some change to the audit plan to reflect the changing priorities within the Council.

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 November, four internal audit reports have been issued. The audit areas and the level of assurance are detailed below at para 13.4.

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 the end of January 2026 and remains unchanged from the previous report to the committee to December 2025. For information, the status of recommendations is as follows:

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
Recommendations outstanding (31/1/2026)	0	0	2	3	15	20

From the table, most priority 1 recommendations raised to the FY24 have been implemented. Of the seven priority 1 recommendations not implemented as at 31 August 2025, three have since been implemented leaving four recommendations remaining to be implemented.

FY24: The four priority 1 recommendations outstanding relate the Council's use of the Council's Dynamic Purchasing System (DPS) for which the committee received an update at a previous meeting; Complaints Management and the Payroll (SAP).

FY23: The two priority 1 recommendations outstanding relate to the Management of Stocks and Stores within the Housing Service and within Digital and Change Service in respect of Cyber resilience, of which the committee received a briefing in January.

13.4 Significant issues arising in Quarter 3

In this period, there was one final internal audit reports that was assigned a "Limited" level of assurance. A further four areas were assigned "Adequate"

assurance. The nature of the service and key residual risks arising from review are noted below.

Management of Leisure Services – “Limited” Assurance

The objective of this audit was to assess the arrangements in place for managing the in-house provision of leisure services across the Council. The audit was carried out to provide assurance over the strategic risk of failure to transform insourced leisure services including culture and operations to improve performance.

Local authorities have powers to provide and manage leisure facilities under various legislative frameworks, including the Local Government Act 1988 and the Local Government (Miscellaneous Provisions) Act 1976. In addition, the Health and Safety at Work Act 1974 places a duty on councils to ensure that leisure facilities are operated safely for both staff and the public.

The Council's leisure services are delivered through three in-house managed leisure centres plus a community gym, following the insourcing of operations in October 2024. These services play a key role in supporting the borough's wider strategic objectives, including 'Improving public health, Reducing social isolation, and Promoting community wellbeing.' The service is overseen by the Wellbeing & Climate Board and contributes to the Council's Corporate Delivery Plan. The audit reviewed the following areas: -

- Governance and Oversight;
- Staff Training;
- Health and Safety;
- Income Collection and Monitoring; and
- Performance Management

The audit noted good areas of practice in that the leisure fees were reviewed annually and benchmarked to ensure competitive and sustainable pricing, financial monitoring processes, including reconciliations and variance analysis, were consistently applied and well-documented and that the leisure services were aligned with the Council's corporate objectives, with strategic oversight provided through the Wellbeing & Climate Board.

However, the audit highlighted gaps in mandatory training compliance, and some staff had limited staff access to council systems, inconsistent documentation of role-specific training requirements and incomplete maintenance records and lack of evidence to confirm adherence to scheduled inspections across both leisure sites.

The auditors raised 10 recommendations; two “priority 1”, six “priority 2” and two “priority 3”. The priority 1 recommendations are due for implementation by the end of March 2026. The priority 1 recommendations are in respect of significant gaps in mandatory training completion across leisure services and training requirements and records not being clearly defined or maintained.

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LONDON BOROUGH OF HARINGEY

Audit Committee – March 2026

Forvis Mazars Internal Audit Progress Report - DRAFT

Date Prepared: February 2026

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

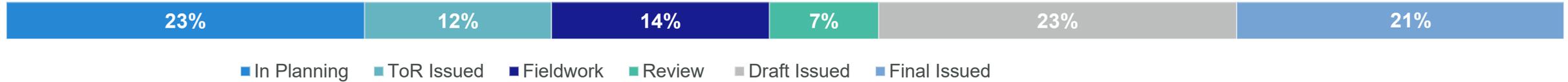
Disclaimer

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, re-interpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, re-interpretation, 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



■ In Planning ■ ToR Issued ■ Fieldwork ■ Review ■ Draft Issued ■ Final Issued



Audit Committee decision needed

Note the progress being reported and consider final reports included separately in the paper pack.

RAG status of delivery of plan to timetable

On Track

Key updates

Following the finalisation of Disrepair, the 2024/25 Internal Audit plan is now complete.

Throughout our work, we have identified early warning signs and common themes, which are summarised in **Section 02**. These include recurring issues around gaps in governance and documentation and issues in the retention of appropriate evidence.

The **2025/26 Plan** is progressing as expected, with the Street Lighting Contract Management, Council Tax Billing, Collection and Administration, Management of Leisure Services, and HCBS Contract Management IAs finalised since the previous progress report. An overview of the 2025/26 Internal Audit Plan is provided in **Section 03**.

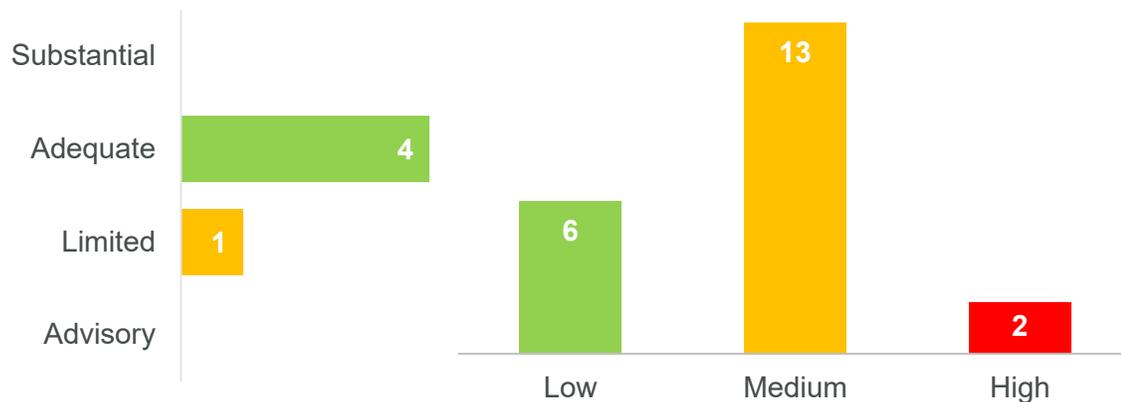
Performance against agreed Key Performance Indicators (KPIs) is reported in **Section 05**.

Finally, **Section 06** includes our most recent thought leadership piece, covering our Annual Local Government Risk Report 2026.

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

We meet with the Head of Internal Audit and Deputy Head of Internal Audit on a weekly basis, with the last meeting held on **05 February 2026**.

Assurance opinions in reporting period Recommendations in reporting period



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:

- Recent audits continue to highlight significant gaps in governance and documentation, including unsigned contracts and missing contractual roles in **HCBS Contract Management**, outdated and uncontrolled policy documents in **Council Tax** and critical operational documents being held on personal accounts **within Leisure Services**. These recurring weaknesses indicate that core governance frameworks are still not consistently embedded, increasing organisational exposure to legal, financial, and operational risk.
- Across all areas reviewed, we identified systemic issues in adherence to required controls and the retention of appropriate evidence. Procurement rules were not followed, and no waiver was documented for the **HCBS contract** award; **Council Tax** identified cases where exemptions lacked supporting evidence, risking revenue leakage and inconsistent application of policy); and **Leisure Services** demonstrated widespread gaps in mandatory training records, maintenance evidence, risk assessments, and KPI documentation, undermining assurance over safety, competency, and service performance. Together, these reflect persistent weaknesses in recordkeeping and control execution across directorates.

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	Final Report	May 2025	July 2025	November 2025	Limited	3	1	1	1
Managing Housing Benefit Overpayments	Delivery Director Tackling Inequality (interim)	Final Report	May 2025	December 2025	January 2026	Limited	3	1	1	1
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	Final Report	July 2025	November 2025	January 2026	Limited	6	2	2	2
Bankline	Director of Finance	Draft Report	August 2025							
Street Light Contract Management	Director of Environment and Resident Experience	Draft Report	August 2025	February 2026	March 2026	Adequate	3	0	1	2
Corporate Arrangements for Commissioning	Director of Adult's Social Services Director of Children's Social Services	Review	September 2025*							
Governance over Delivery of Savings	Director of Finance	Draft Report	September 2025							
Council Tax Billing, Collection and Administration	Delivery Director Tackling Inequality (interim)	Final Report	September 2025	February 2026	March 2026	Adequate	3	0	2	1
Management of Leisure Services	Director of Environment and Resident Experience	Final Report	September 2025	February 2026	March 2026	Limited	10	2	6	2

All draft reports in this table are outstanding, and responses have been chased from management.

* Delivery of this review was split across several months from the start date, expected completion date is February 2026.

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
Fire Risk Assessments (FRAs)	Operational Director – Hsg & Build Safety	Final Report	September 2025	November 2025	January 2026	Adequate	3	0	1	2
Efficient and Effective use of Temporary Accommodation	Operational Director – Hsg & Build Safety	Draft Report	September 2025							
SEN Transport	Director of Children's Services	Review	October 2025							
HCBS – Contract Management	Operational Director – Hsg & Build Safety	Final Report	November 2025	January 2026	March 2026	Adequate	3	0	3	0
IT Audit Needs Assessment	Director of Finance and Resources	Draft Report	November 2025							
HCBS – Property Management	Operational Director – Hsg & Build Safety	Fieldwork	November 2025*							
Digital Transformation Assurance – Residence Connect Project	Director of Finance and Resources	Draft Report	November 2025							
Business Rates Billing, Collection and Administration	Director of Resident and Engagement	Review	November 2025							
Management of Garages	Director of Finance and Resources	Draft Report	December 2025							
Review of Parking Operations (PCN and Pay and Display)	Director of Resident and Engagement	Review	December 2025							
Cybersecurity – Insider Threat Risk Management	Director of Finance and Resources	Fieldwork	January 2026							

All draft reports in this table are outstanding, and responses have been chased from management.

*Delivery of fieldwork impacted by long term sickness of key staff at the Council. Fieldwork to resume in February 2026.

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	
Arrangements for the Acquisition and Disposal of Assets	Director of Finance and Resources	Fieldwork	January 2026								
Data, intelligence and Category Management to Secure VfM from Procurement Activities	Director of Finance and Resources	Fieldwork	January 2026								
Repairs and Maintenance of Commercially Leased Property	Director of Finance and Resources	Fieldwork	January 2026								
HfH Property Management	Operational Director – Hsg & Build Safety	Fieldwork	February 2026								
Compliance with Management of Agency Staff	Chief People Officer	Fieldwork	February 2026								
Arrangements for Improving Contract Management	Director of Finance and Resources	Final ToR	February 2026								
Management and Collection of Client Contributions	Director of Adult Social Care	Fieldwork	February 2026								
Project Management of Non-corporate Savings (Directorate)	Head of Audit and Risk Assurance	Fieldwork	February 2026								
							Total	45	7	22	16

All draft reports in this table are outstanding, and responses have been chased from management.

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	Advisory
Cyber Governance and Risk Management	Chief Digital and Innovation Officer	Final	February 2025	June 2025	November 2025	Adequate	3	0	3	0	0
Regulatory and Enforcement Services	Director of Environment	Final	February 2025	June 2025	November 2025	Adequate	7	0	2	5	0
Arrangements for Monitoring Contracts within Housing Services	Director of Housing	Final	February 2025	July 2025	November 2025	Limited	7	1	4	2	0
Management, Monitoring and Collection of Income	Director of Finance	Final	September 2024	June 2025	November 2025	Limited	5	3	2	0	0
Management of Green Haringey	Director of Environment and Experience	Final	November 2025	June 2025	November 2025	Limited	7	1	6	0	0
Responsive Repairs	Director of Housing	Final	January 2025	May 2025	November 2025	Limited	7	1	6	0	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	N/A
Birchtree Fact Finding	Director of Culture, Strategy and Engagement	Final Report	August 2024	January 2026	March 2026	N/A	N/A	N/A	N/A	N/A	N/A
Sickness Management	Chief People Officer	Final Report	March 2025	December 2025	January 2026	Adequate	5	0	2	3	0
Disrepairs	Director of Housing	Final Report	March 2025	February 2026	March 2026	Adequate*	6	0	1	1	4
Noel Park Pods Fact Finding	Head of Audit and Risk Management	Final Report	May 2025	December 2025	January 2026	N/A	N/A	N/A	N/A	N/A	N/A
Total							42	6	24	8	4

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*Given the recent implementation of the new Disrepair Protocol and the extended timeframe required to progress a disrepair claim from initial report through to completion and closure, our internal audit opinion is limited to the design of the control framework only.

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	19 days*
Management responses received within 10 working days from draft report	10 working days	29 days
Final report issued within 5 working days of management responses	5 working days	3 days
Satisfaction survey results – overall audit satisfaction <i>(n.b. surveys are only issued to schools)</i>	All surveys to be 'Good' or 'Very Good'	N/A – two issued none received

* Average days to deliver a draft report is impacted by several reviews that were affected by the sudden and long-term absence of the key operational Assistant Manager. Cover and contingency arrangements were quickly implemented but this did impact timeliness of draft reports being issued. Since December, the average time to deliver draft reports averages 12 days.

06. Thought Leadership – Annual Local Government Risk Report 2026

Local government is operating in one of the most challenging environments in decades. Financial pressures, structural reforms, rising service demands, and technological disruption have converged to create unprecedented complexity. Added to this the surge in temporary accommodation costs, SEND deficits, and the rapid adoption of AI - all of which are making the risk landscape evolve faster than ever.

Internal audit must step up as a strategic partner instead of just a compliance checkpoint. That means embedding foresight into governance, providing real-time assurance during transformation, and using data analytics to spot early warning signs.

Key Themes from the Report:

AI in Local Government

AI adoption is accelerating rapidly, with embedded and autonomous (“agentic”) capabilities creating both opportunity and risk. Weak data quality, governance, and cyber exposure remain the main barriers, requiring clear strategy and strong guardrails.

Financial Stability

Local authorities face severe and growing financial pressures, driven by rising demand, inflation, and increasing reliance on reserves and emergency support. Key risks include SEND deficits, temporary accommodation costs, and commercial investment exposure.

Local Government Reorganisation

Reorganisation aims to deliver efficiency but frequently introduces governance ambiguity, service disruption, and workforce uncertainty. Early risk planning and clear accountability structures are essential to maintain resilience.

SEND

SEND deficits exceed £6bn and continue to grow, with the temporary statutory override masking true financial risk until 2028. Rising EHCP demand, delayed assessments, and unclear national reforms create significant operational and financial pressures.

Temporary Accommodation

Costs have reached unprecedented levels as homelessness demand rises, exacerbated by policy changes such as reduced move-on periods for refugees. Fragmented systems and limited data hinder strategic planning and effective prevention.

Statutory Compliance – Housing

Most local authority landlords are receiving low regulatory gradings due to poor data quality, weak compliance controls, and large backlogs of repairs. Stronger governance, accurate stock data, and robust assurance processes are urgently needed.

Net Zero & Climate Change

Local authorities face ambitious net zero targets but lack the funding, data, and governance alignment needed to achieve them. Transition planning using TPT/TCFD frameworks is increasingly critical to turn commitments into deliverable action.

Business as Usual Risks

Core risks remain significant: contract management, income collection, workforce capacity, digital infrastructure, and performance management. These areas continue to demand attention even as emerging pressures dominate agendas.

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

Since our last update, we have issued our final report relating to our review of **Street Lighting Contract Management** 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 Council's Street Lighting contract.

Why the Audit is in your 2025/26 Plan	Your Strategic Risk
The Street Lighting contract has not been subject to internal audit review before and there are wider concerns across the Council contract management.	Failure to effectively manage contract costs leading to budget overruns.

Summary of our opinion

Adequate Assurance See Appendix A1 for definitions	Priority 1 (High)	0	Actions agreed by you	100%
	Priority 2 (Medium)	1	Priority 2 completion	December 2025
	Priority 3 (Low)	2	Overall completion	December 2025

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Summary of findings

Examples of good practice	Highest Priority Findings	Key root causes
<ul style="list-style-type: none"> ✓ Review of the Marlborough Highways – Street Lighting and Improvement Works Contract (January 2022) confirmed that the Council holds a signed version of the Contract, and it outlined the responsibilities of the Engineer (designated Contract Manager). ✓ Review of the Council's Contract Register (June 2025) confirmed that the Contract was recorded on the Register. 	<ul style="list-style-type: none"> • Evidence of agreed changes to the Schedule of Rates and KPIs with Contractor not centrally recorded. 	<ul style="list-style-type: none"> • The changes to the contract occurred at the start of the contract (between five and six years ago), and previous management did not centrally record evidence of agreement with the Contractor for the changes.

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

Since our last update, we have issued our final report relating to our review of **Council Tax, Billing, Collection & Administration** 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 review the operations relating to Council Tax to the Council is maximising income and risks relating to the administration, collection and billing of Council Tax are being managed.

<p>Why the Audit is in your 2025/26 Plan</p> <p>Council Tax is a key income stream for the Council and ensuring this income is billed, collected, and accounted for accurately is critical to financial stability.</p>	<p>Your Strategic Risk</p> <p>CORP0001: Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings.</p>
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Summary of our opinion

<div style="background-color: #92D050; padding: 5px; margin-bottom: 5px;"> <p>Adequate Assurance See Appendix A1 for definitions</p> </div> 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #FF0000; color: white;">Priority 1 (High)</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="background-color: #FFD700;">Priority 2 (Medium)</td> <td style="text-align: center;">2</td> </tr> <tr> <td style="background-color: #92D050;">Priority 3 (Low)</td> <td style="text-align: center;">1</td> </tr> </table>	Priority 1 (High)	0	Priority 2 (Medium)	2	Priority 3 (Low)	1	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #92D050;">Actions agreed by you</td> <td style="background-color: #92D050; color: white;">100%</td> </tr> <tr> <td>Priority 2 completion</td> <td style="text-align: center;">31/08/2026</td> </tr> <tr> <td>Overall completion</td> <td style="text-align: center;">31/08/2026</td> </tr> </table>	Actions agreed by you	100%	Priority 2 completion	31/08/2026	Overall completion	31/08/2026
Priority 1 (High)	0													
Priority 2 (Medium)	2													
Priority 3 (Low)	1													
Actions agreed by you	100%													
Priority 2 completion	31/08/2026													
Overall completion	31/08/2026													

Summary of findings

<p>Examples of good practice</p> <ul style="list-style-type: none"> ✓ Reconciliation reports were run from the Northgate Council Tax (NEC) system weekly to confirm that Valuation Office Agency (VOA) changes aligned with Council records, we confirmed this for weeks 13 August to the 3 September 2025. ✓ The annual billing for 2024/25 was completed accurately, with confirmation from Data Analytics that no duplicate bills were issued. 	<p>Highest Priority Findings</p> <ul style="list-style-type: none"> • Exemptions were overrunning, and information was not stored onto Information at Work. 	<p>Key root causes</p> <ul style="list-style-type: none"> • Due to limited capacity within the Revenues team, checks to confirm the continued validity of exemptions were not conducted.
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A1. Latest Reports Issued – Summary of Findings 2025/26 (continued)

Since our last update, we have issued our final report relating to our review of **Management of Leisure Services** 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 arrangements in place for managing the in-house provision of leisure services across the Council.

<p>Why the Audit is in your 2025/26 Plan</p> <p>In October 2024, the Council brought their management of leisure services in house and this has not been subject to internal audit review since. In addition, the service has not been able to meet the initially forecasted income.</p>	<p>Your Strategic Risk</p> <p>CORP0010: failure to transform insourced leisure services including culture and operations to improve performance.</p>
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Summary of our opinion

<div style="background-color: #FFD700; padding: 5px; margin-bottom: 5px;"> <p>Limited Assurance See Appendix A1 for definitions</p> </div> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #008000; width: 20px; height: 20px; margin: 2px;"></div> <div style="background-color: #90EE90; width: 20px; height: 20px; margin: 2px;"></div> <div style="background-color: #FFD700; width: 20px; height: 20px; margin: 2px; text-align: center; font-weight: bold;">X</div> <div style="background-color: #FF0000; width: 20px; height: 20px; margin: 2px;"></div> </div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #FF0000; color: white; padding: 2px;">Priority 1 (High)</td> <td style="padding: 2px;">2</td> </tr> <tr> <td style="background-color: #FFD700; padding: 2px;">Priority 2 (Medium)</td> <td style="padding: 2px;">6</td> </tr> <tr> <td style="background-color: #90EE90; padding: 2px;">Priority 3 (Low)</td> <td style="padding: 2px;">2</td> </tr> </table>	Priority 1 (High)	2	Priority 2 (Medium)	6	Priority 3 (Low)	2	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Actions agreed by you</td> <td style="background-color: #90EE90; padding: 2px;">100%</td> </tr> <tr> <td style="padding: 2px;">Priority 1 completion</td> <td style="padding: 2px;">31/03/2026</td> </tr> <tr> <td style="padding: 2px;">Overall completion</td> <td style="padding: 2px;">30/06/2026</td> </tr> </table>	Actions agreed by you	100%	Priority 1 completion	31/03/2026	Overall completion	30/06/2026
Priority 1 (High)	2													
Priority 2 (Medium)	6													
Priority 3 (Low)	2													
Actions agreed by you	100%													
Priority 1 completion	31/03/2026													
Overall completion	30/06/2026													

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Summary of findings

<p>Examples of good practice</p> <ul style="list-style-type: none"> ✓ Leisure fees were reviewed annually and benchmarked to ensure competitive and sustainable pricing. ✓ Financial monitoring processes, including reconciliations and variance analysis, were consistently applied and well-documented. ✓ Leisure services were aligned with the Council’s corporate objectives, with strategic oversight provided through the Wellbeing & Climate Board. 	<p>Highest Priority Findings</p> <ul style="list-style-type: none"> • Significant gaps in mandatory training compliance, where 128 out of 151 staff members within leisure services (84.8%) had not completed all mandatory training. Contributing factors included limited staff access to council systems and inconsistent documentation of role-specific training requirements. • Incomplete maintenance records and lack of evidence to confirm adherence to scheduled inspections across both leisure sites. 	<p>Key root causes</p> <ul style="list-style-type: none"> • A significant number of staff do not have access to a council email address, which restricts their ability to use the MyLearning e-learning platform. • Inconsistent management of training documentation across Leisure Centres and lack of a central storage system have led to difficulties in accessing role-specific training records. Reliance on personal accounts resulted in document loss following a suspension at Park Road Leisure Centre.
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A1. Latest Reports Issued – Summary of Findings 2025/26 (continued)

Since our last update, we have issued our final report relating to our review of **HCBS Contract Management (Grounds Maintenance)** 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 ascertain the key controls in place for managing the Council’s grounds maintenance contract with Turney Landscapes Limited for the delivery of HCBS services.

<p>Why the Audit is in your 2025/26 Plan</p> <p>There are services for HCBS which are delivered by using external contracts procured and managed by the Council as opposed to the Council using in-house resources. The costs are recharged to HCBS by the Council. This review focused on key controls to manage one of the contracts (grounds maintenance).</p>	<p>Your Strategic Risk</p> <p>Original contract values at award are exceeded throughout the life of the contract.</p>
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Summary of our opinion

<p>Adequate Assurance See Appendix A1 for definitions</p>	<table border="1"> <tr> <td style="background-color: red; color: white;">Priority 1 (High)</td> <td style="text-align: center;">-</td> </tr> <tr> <td style="background-color: orange;">Priority 2 (Medium)</td> <td style="text-align: center;">3</td> </tr> <tr> <td style="background-color: lightgreen;">Priority 3 (Low)</td> <td style="text-align: center;">-</td> </tr> </table>	Priority 1 (High)	-	Priority 2 (Medium)	3	Priority 3 (Low)	-	<table border="1"> <tr> <td>Actions agreed by you</td> <td style="background-color: #92D050;">100%</td> </tr> <tr> <td>Priority 2 completion</td> <td>30/04/2026</td> </tr> <tr> <td>Overall completion</td> <td>30/04/2026</td> </tr> </table>	Actions agreed by you	100%	Priority 2 completion	30/04/2026	Overall completion	30/04/2026
Priority 1 (High)	-													
Priority 2 (Medium)	3													
Priority 3 (Low)	-													
Actions agreed by you	100%													
Priority 2 completion	30/04/2026													
Overall completion	30/04/2026													

Summary of findings

<p>Examples of good practice</p> <ul style="list-style-type: none"> ✓ Spending Control Panel approval was secured, and a Commissioner’s Checklist completed prior to contract award. ✓ A contract specification outlined the required tasks, frequencies, and designated sites. ✓ Invoices were reviewed and approved by the Parks Manager prior to payment. 	<p>Highest Priority Findings</p> <ul style="list-style-type: none"> • Contract is not signed and dated. • Non-compliance with the Procurement Code of Practice, where a non-competitive contract was awarded without evidence of a completed waiver. • Lack of formal contract management meetings, progress reporting and action tracking. 	<p>Key root causes</p> <ul style="list-style-type: none"> • Absence of staff training and awareness regarding the requirement to complete the contract signing process. • Lack of familiarity with the HPCS system, combined with urgency to address health and safety risks. • Informal oversight practices were adopted due to the small contract size, reliance on a longstanding supplier relationship, and lack of formal contract management training.
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A1. Latest Reports Issued – Summary of Findings 2024/25

Since our last update, we have issued our final report relating to our review of **Disrepair** 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 assess whether London Borough of Haringey has in place adequate and appropriate policies, procedures and controls in relation to disrepair. Any work completed on the new protocol is based on design testing only.

Why the Audit is in your 2025/26 Plan	Your Strategic Risk
The Council is spending significant sums defending disrepair cases and procedures for responding to cases have been updated recently.	Financial and reputational harm from failing to respond effectively to disrepair cases.

Summary of our opinion

New Disrepair Process (design only): Adequate Assurance	Priority 1 (High)	-	Actions agreed by you	100%
	Priority 2 (Medium)	1	Priority 2 completion	Complete
	Priority 3 (Low)	1	Overall completion	July 2026
	Advisory	4		

Summary of findings

Examples of good practice	Key root causes
<ul style="list-style-type: none"> ✓ The 'New' General Legal Disrepair Claims Procedure (Sep 2024) includes steps from case initiation to closure: disclosure, expert involvement, compensation and monitoring. ✓ Repairs and Complaints Policies are available for residents on the website, detailing how they can escalate issues. ✓ We were able to see details of all works orders raised across our sample in the notes in the tracker, which is maintained by the Senior Disrepair Manager. 	<ul style="list-style-type: none"> ✓ Post inspections were completed across our sample of old and new cases. <p>Highest Priority Findings</p> <ul style="list-style-type: none"> • Disclosures not made in line with statutory timescale. • No monitoring of response times in KPIs or Legal Disrepair Reporting Dashboard.

Forvis Mazars

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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, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

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Report for: Audit Committee – 12 March 2026

Item number: 10

Title: Annual Internal Audit Plan, Strategy and Charter 2026/27

Report

authorised by : Taryn Eves, Director of Finance and Resources

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

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non-key decision

1. Describe the issue under consideration

1.1 The Audit Committee is responsible for reviewing and approving the annual internal audit plan as part of its Terms of Reference.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the Audit Committee reviews and approves the updated Annual Internal Audit Strategy and Plan for 2026/27 (Appendix A), the Internal Audit Charter (Appendix B) and notes the Internal Audit Protocol (Appendix C) and the Assurance Risk Map (Appendix D).

4. Reasons for decision

4.1 Local authorities are required by law to maintain an internal audit function. In addition, The Accounts and Audit Regulations 2015 reinforce the statutory requirement and re-state the need for the Council to maintain an adequate and effective system of internal audit.

4.2 The annual internal audit plan is a key element in delivering the Council's statutory requirements. The Audit Committee is responsible for ensuring that this is in place and approving the Council's Annual Internal Audit Plan.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 The methodology for developing the Internal Audit Plan focuses upon the quantification of risks associated with achieving corporate and directorate objectives. The provision of Internal Audit is the responsibility of the Head of Audit and Risk Management and the operational delivery of audit assignments is by Mazars, who undertake the majority of the internal audit work in accordance with the contract in place, including Information Technology and procurement audits. The Head of Audit and Risk contract manages Mazars.

- 6.2 The in-house corporate anti-fraud team is responsible for investigations into allegations of financial irregularity, pro-active and reactive corporate anti-fraud work, provision of advice on risk and controls and some grant certification work. The Deputy Head of Audit and Risk Management leads this work.
- 6.3 Appendix A sets out the proposed annual audit plan for 2026/27. The plan is based on a risk based and has been derived following consideration of the Corporate Delivery Plan and related Priorities; organisational changes; risk registers; corporate programmes and projects; changes to legislation and fraud investigation work completed in 2025/26.
- 6.4 In response to the financial challenges, the authority has sought exceptional financial support. This support aims to stabilise the authority's financial position and ensure the continued delivery of essential services. The development of the internal audit plan has been adapted to reflect the new financial landscape and associated risks.
- 6.5 The Head of Internal Audit has considered the implications of seeking exceptional financial support from the MHCLG (Ministry of Housing, Communities & Local Government) that the authority needs to set a balanced budget over the Medium Term Financial Plan. The following key themes have been integrated in developing the internal audit plan, and these recognise the likely additional actions necessary during the next financial year: -
- **Focus on Financial Stability and Compliance** - There remains increased audits focusing on; significant areas of spend and income collection, financial management practices and service redesign and management. This is to ensure that the exceptional financial support is utilised effectively and in compliance with government guidelines;
 - **Enhanced Risk Assessment** - conduct comprehensive risk assessments to identify potential areas of financial inefficiency with priority audits based on the risk assessment outcomes. This approach seeks to identify and mitigate new risks arising from the receipt and utilisation of government support;
 - **Monitoring and Reporting** - implement regular monitoring and reporting mechanisms to track the use of all funds and ensure that audit findings are communicated to relevant stakeholders promptly and acted upon. This provides transparent and timely reporting over the use of Council finances, including the financial support;
 - **Resource Allocation** - The resources available for internal audits are focused on areas impacted by the financial support, though it is recognised this may have to change to accommodate unforeseen events that may arise during the year. The aim is to allocate audit resources effectively to address high-risk areas;
 - **Stakeholder Engagement** - There will be increased communication regarding the audit plan and findings to ensure audits remain focused on high risk areas. The Head of Audit has attended planning meetings with key stakeholders to understand the significance of risks and to share their insights to help focus the scope of audits the most important areas. This will continue into the next financial year; and
 - **Continuous Improvement** - To regularly review and update the audit plan to reflect changes in the financial environment and emerging risks and incorporate feedback from stakeholders to improve audit processes. This is

to ensure the internal audit work remains focused and adapts to the evolving circumstances.

- 6.6 The Head of Audit recognises the financial challenge that has necessitated significant consideration of designing next year's internal audit plan. By focusing on financial internal controls, reviewing enhanced risk assessment processes, and agile internal audit planning, the service aims to provide assurance over the effective use of funds and maintain public trust.
- 6.7 The internal audit strategy is also captured at Appendix A. This report includes the Internal Audit Charter at Appendix B setting out how the internal audit service delivers the Council's internal audit plan. The strategy and charter comply with the statutory 2025 UK Public Sector Global Internal Audit Standards (GIAS), which provide a consistent framework for internal audit services across the UK public sector. The new standards come into force from 1 April 2025 and their implementation required both the audit strategy and charter to be refreshed.
- 6.8 Appendix C is a schematic presentation of the audit process and will be used to ensure the auditees are clear about the audit process and for the timely delivery of internal audit work. This is provided to the Audit Committee for information.
- 6.9 In order to assess the areas of audit assurance, the Council's corporate risks are mapped against the areas of audit work at Appendix D. The purpose of this exercise is to present pictorially, a map of the risks where internal audit work provides assurance. The Audit Committee will note that the planned internal audit work provides assurance against the majority of risk areas.

7. Contribution to strategic outcomes

- 7.1 Internal audit is an important element of the Council's assurance processes. The internal audit and counter-fraud teams make a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Priority areas. The annual audit plan is a key element in ensuring the Council complies with its statutory responsibilities.

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

- 8.1 Finance and Procurement
There are no direct financial implications arising from this report. The work which will be completed by Mazars to undertake the annual audit plan in 2025/26 is part of the contract, which was re-let following Cabinet approval in January 2018 in accordance with EU regulations and subsequently extended. The costs of this contract are contained and managed within the Audit and Risk Management revenue budgets, which are monitored on a monthly basis.

The presentation of the attached draft annual internal audit plan for approval by this Committee meets the Council's statutory requirement under the 2015 Accounts and Audit Regulations.

- 8.2 Legal

The Assistant Director for Legal & Governance has been consulted in the preparation of this report.

Part 3, Section B of the Constitution provides that the Audit committee will approve the internal audit charter and the risk based internal audit plan.

Regulation 3 of the Accounts and Audit Regulations 2015 requires the Council to ensure that it has a sound system of internal control which facilitates the effective exercise of its function and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk. The Regulations also requires the authority to undertake effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account public sector internal audit standards.

The Assistant Director of Legal and governance, noting the audit strategy and the charter follow best practice and industry standards, and the audit plan takes account of changes to legislation, confirms that there are no direct implications arising out of the report

8.3 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.

9. Use of Appendices

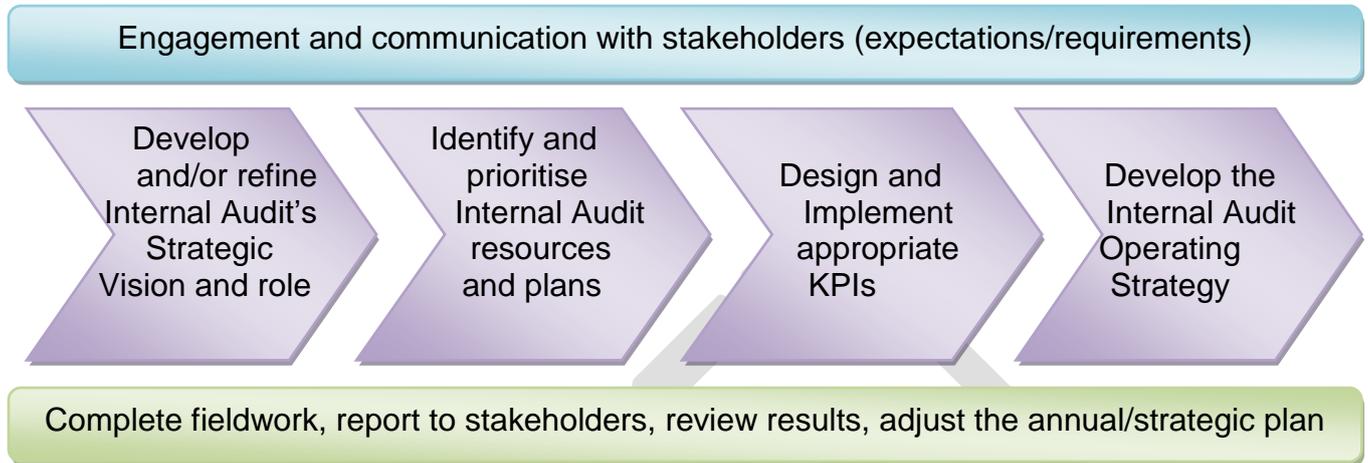
Appendix A – Annual Internal Audit Plan and Strategy 2026/27;
Appendix B – Internal Audit Charter;
Appendix C – Internal Audit Protocol; and
Appendix D – Assurance Risk Map.

10. Background Papers

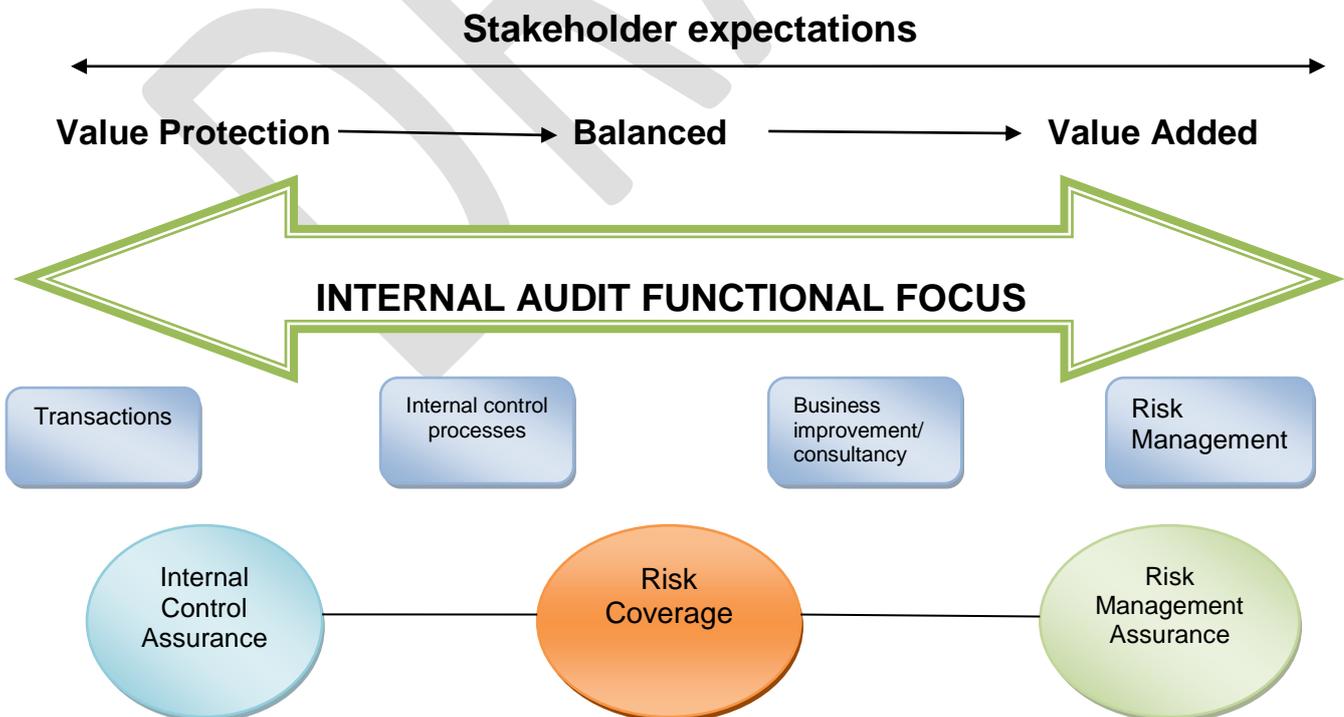
None

Internal Audit Strategy – Introduction

The internal audit function is driven by an appropriate strategy, rather than as a tactical response to operational issues, to minimise the risks that key strategic issues could be overlooked. Our framework has been developed to cover both strategic and tactical considerations and ensures that internal audit resources are used to provide the appropriate assurances for the organisation at any one time, as follows:



To create an effective internal audit function, our key stakeholders will determine how the audit function delivers the desired value by focusing on e.g. risk management and control assurance; assessment of internal control effectiveness and efficiency; regulatory and corporate compliance assurance; developing awareness of risk and control across the organisation. Internal audit's resources and plans are then aligned to the Council's key business risks and operational and financial priorities as follows:



Internal Audit Vision and Mission

Our vision is for internal audit to be a trusted and innovative assurance provider recognised for delivering impactful insights, adopting a culture of continuous improvement, and empowering the Council to proactively address emerging challenges. Rooted in key priorities, our aim is to strengthen the council's governance, risk management, and control processes by providing independent and value-driven assurance.

Our approach is designed to enable internal audit's remit to evolve and develop as the organisation's needs change over time. As stakeholder needs evolve, internal audit can focus on creating value through assisting with improvements in operational processes. As Haringey's risk appetite changes, internal audit's strategy and functional focus can move from internal control to risk management, assurance. As such, our mission is to provide independent, risk-based assurance and proactive recommendations that empower decision-making and enhance the council's effectiveness. Our aim is to build trust and collaboration across all levels, promoting accountability, resilience, and continuous improvement while upholding the priorities.

In delivering this Mission Statement, Internal Audit will:

- Produce and deliver a Risk Based Internal Audit Plan, which is reviewed quarterly and complies with the Global Internal Audit Standards (GIAS) and UK Public Sector Internal Audit Standards Advisory Board (IASAB)) application note;
- Provide the Head of Auditor's Annual Opinion on the organisation's internal control, risk management framework and corporate governance arrangements;
- Provide progress reports to the Audit Committee that highlight any significant risk and control deficiencies or potential areas for improvement in governance, risk and control arrangements;
- Provide management and members with an independent, objective assurance and advisory activity designed to add value and improve the Council's operations;
- Support and suitably challenge key assumptions and judgments taken by management, through Internal Audit's assurance and advisory role, to ensure they are appropriate and in accordance with relevant legislation, policies and procedures, guidance and professional standards;
- Work with other internal stakeholders and customers to review and recommend improvements to internal control and governance arrangements in accordance with regulatory and statutory requirements;
- Work closely with other assurance providers to share information and provide a value for money assurance service. Where appropriate the work of other assurance providers may be taken into consideration and contribute to the Head of Audits annual opinion;
- Participate in local and national bodies and working groups to influence agendas and developments within the profession; and
- Deliver a best-practice, cost-efficient Internal Audit function that adds measurable value.

Service Delivery 2026/27

London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

The internal audit service will be delivered by using externally procured services under the direction of the Council's Head of Audit and Risk Management, supported by an in-house Corporate Anti-Fraud Team. During this period, the internal audit service will consider and where advantageous, look to recruit an internal auditor with the appropriate skills and experience to complement delivery by the external provider.

The resources available in 2026/27 to deliver the internal audit and counter-fraud function have been assessed; existing resources are a challenge by the demands of services but are adequate to fulfil the requirements of the GIAS and ensure that the key risks of the Council are subject to an appropriate level of independent audit review. There is pressure on the level of assurance needed from the internal audit service and the resources available. The Head of Audit and Risk Management will continue to monitor the current plan and report back to the Committee where assurances cannot be assigned.

Strategic Objectives

Internal Audit will:

- Provide Strategic and Independent Assurance - The internal audit service will continue to deliver objective assurance to Members, the Senior Officers and the Corporate Director of Finance and Resources, supporting them in discharging their S151 responsibilities under the Local Government Act 1972;
- Strengthen Collaboration and Governance Excellence - Partnerships with stakeholders and other assurance providers will be further developed to ensure cohesive and impactful insights;
- Promote a Risk-Aware and Performance-Driven Culture - The service will actively contribute to embedding a culture of risk awareness and operational excellence across the Council;
- Develop Competencies to Address Evolving Challenges - The service will prioritise continuous professional development, address skills gaps, and enhance capabilities to meet the increasing complexity of governance and control environments;
- Leverage Technology for Enhanced Efficiency - The internal audit service will incorporate advanced technology and tools to strengthen the quality and efficiency of its work.
- Drive Internal Audit Excellence - The service will maintain and enhance its reputation as a high-performing assurance provider.

Internal Audit Planning

Audit planning will be undertaken on an annual basis and audit coverage will be based on the following:

- The Corporate Delivery Plan and Corporate / Directorate Risk Registers;
- Risk identified by Directorate Management Teams;
- Discussions regarding assurance needs with the Council's senior management, statutory officers and Priority Owners;
- Outputs already available from other independent assurance providers; and
- Risks emerging from implementation of processes designed to support organisational efforts to set a balanced budget from 2026/27.

The Annual Internal Audit Plan is composed of the following:

- **Corporate Delivery Plan/Priority and Business Area Risk Based Audits:** Audits of systems, processes or tasks where the internal controls are identified, evaluated and confirmed through risk assessment process. The internal controls depending on the risk assessment are tested to confirm that they are operating correctly. The selection of work in this category is driven by internal audit's and senior managers' risk assessment and may also include work in areas where the Council services are delivered in partnership with or by other organisations.
- **Key Financial Systems:** Audits of the Council's key financial systems on a continuous basis;
- **Probity Audit (schools/other establishments):** Audit of a single establishment. Compliance with legislation, regulation, policies, procedures or best practice is confirmed;
- **Computer Audit:** The review of ICT infrastructure and associated systems, software and hardware;
- **Contract and Procurement Audit:** Audits of the Council's procedures and processes for the letting and monitoring of contracts, including reviews of completed and current contracts;
- **Counter-Fraud and Ad-Hoc Work:** The in-house Corporate Anti-Fraud Team undertakes a programme of pro-active and reactive counter-fraud investigations. A contingency of audit days is also included in the annual audit plan to cover any additional work due to changes or issues arising in-year;
- **Advisory:** Supporting management with advice and guidance regarding new systems and processes and how an efficient and effective control environment to manager risk can be implemented. Our mix of in house and outsourced resources, enables us to provide this added value service without conflicts of interest arising; and
- The organisational goal to ensure the organisation is able to set a balanced budget without any government support.

Follow-up

Internal Audit will evaluate the Council's progress in implementing audit recommendations against agreed targets for implementation. Progress will be reported to management and to the Audit Committee on a quarterly basis. Where progress is unsatisfactory or management fail to provide a satisfactory response to follow up requests, Internal Audit will implement the escalation procedure as agreed with management.

Reporting

Internal audit reports the findings of its work in detail to local management at the conclusion of each piece of audit work and at the follow up stage. The appropriate officers to receive the report at the draft and final reporting stage of the audit will be determined at the planning stage of the work and reviewed at the end of the fieldwork period to ensure completeness. Summaries of findings are reported to the Audit Committee as part of the quarterly reports and within the Head of Internal Audit's annual report which contributes to the assurances underpinning the statutory Annual Governance Statement of the Council.

Internal Audit Plan 2026/27

London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

The annual internal audit plan has been discussed and is being agreed with the Senior Leadership Team; Statutory Officers and nominated stakeholders. The plan and strategy are submitted to the Audit Committee for final approval and any significant changes to the annual internal audit plan and/or the internal audit strategy will be reported during the year to the Audit Committee for formal approval. Any change to the plan will also be reported to the committee on a regular basis.

The table below sets out the internal audit work to be completed by the external contractor. The total number of days to be delivered excludes audit work that will be completed as part of the corporate anti-fraud team's work.

The work planned aims to provide coverage across the value protection and value added requirements of the Council. The internal audit service has focused its annual plan to align it with the identified key risks within the Corporate Delivery Plan in order to provide assurance across the directorates.

Audit Area	Audit Sponsor	Days
Corporate/Cross Cutting Risk Audits		
Review of the Outline Business Case for SAP Replacement	Corporate Director of Finance and Resources	15
Advisory audit for Board Governance	Corporate Director of Finance and Resources	10
Arrangements to Manage Organisational Change	Corporate Director Culture Strategy and Comm	15
Regularity Audit of Payments over £1k	Corporate Director of Finance and Resources	10
Organisational Culture	Chief Executive	15
Sub-total – Corporate Risk Audits		65
Children's Services		
Commissioning Processes over High Cost Placements	Corporate Director of Children's Services	13
Direct Payments	Corporate Director of Children's Services	12
Coombes Croft Library (Children's) - Regularity Audit	Corporate Director of Children's Services	8
Controls over Early Years Payments	Corporate Director of Children's Services	10
Stonecroft Day Nursery - Compliance Review	Corporate Director of Children's Services	10

Audit Area	Audit Sponsor		Days
Sub-total			53
Adults, Housing and Health			
Arrangements to Manage Transitions	Corporate Director of Adults, Housing and Health		10
Supply, Demand and Utilisation of Day Services	Corporate Director of Adults, Housing and Health		12
Commissioning Social Care Services	Corporate Director of Adults, Housing and Health		15
Implementation of Recommendations from CQC	Corporate Director of Adults, Housing and Health		10
Management of Care Act Assessments	Corporate Director of Adults, Housing and Health		12
Sub-total			59
Housing			
Management and Operation of Partnering Contracts	Director of Housing / Corporate Director of Adults, Housing and Health		12
Leasehold Charges including Major Works	Director of Housing / Corporate Director of Adults, Housing and Health		10
Governance over Implementation of Recommendations from HQN report	Director of Housing / Corporate Director of Adults, Housing and Health		15
Housing Voids Management	Director of Housing / Corporate Director of Adults, Housing and Health		15
Homelessness	Director of Housing / Corporate Director of Adults, Housing and Health		10
Legionella Inspection and Management	Director of Housing / Corporate Director of Adults, Housing and Health		10
Asset Management / Data Integrity / Stock Condition	Director of Housing / Corporate Director of Adults, Housing and Health		15
Sub-total			87

London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Audit Sponsor	Days
Culture, Strategy & Communities		
Preparedness for the London Borough of Culture	Corporate Director Culture Strategy and Comm	15
Placemaking Tottenham	Corporate Director Culture Strategy and Comm	15
Dealing with Complaints, Particularly at Stage 2	Corporate Director Culture Strategy and Comm	10
Sub-total		40
Environment & Resident Experience		
Management of risks in respect of the North London Waste Authority	Corporate Director of Env & Resident Exp	10
Management and Control of Residential Parking Permits	Corporate Director of Env & Resident Exp	12
Trading Standards	Corporate Director of Env & Resident Exp	10
Debt Recovery	Corporate Director of Env & Resident Exp	10
Sub-total		42
Finance and Resources		
Delivery of the Corporate Landlord Model	Corporate Director of Finance and Resources	15
Transformation of the Civic Centre - Contract Audit	Corporate Director of Finance and Resources	15
Budget Monitoring	Corporate Director of Finance and Resources	12
Capital Programme Governance - General Fund	Corporate Director of Finance and Resources	15
Cost Control over the Housing Delivery Programme	Corporate Director of Finance and Resources	10
Sub-total		67
Corporate Information Technology Audits		
Business Continuity and Disaster Recovery	Corporate Director of Finance and Resources	15
Cybersecurity Controls and Resilience	Corporate Director of Finance and Resources	15

London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Audit Sponsor		Days
Follow up on Prior Year Audit Recommendations	Corporate Director of Finance and Resources		5
Digital Transformation and Change	Corporate Director of Finance and Resources		10
Corporate ICT Audits			45
Contract and Procurement Audit			
Application review of HCPS (Procurement System)	Corporate Director of Finance and Resources		10
Commissioning Arrangements - Corporate	Corporate Director of Finance and Resources		15
Arrangements to secure VFM from contracts	Corporate Director of Finance and Resources		15
Supplier Selection and Resilience	Corporate Director of Finance and Resources		10
Sub-total			50
Risk Based Audits of Key Financial Systems			
Accounts Payable (Creditors)	Corporate Director of Finance and Resources		12
Payroll	Corporate Director Culture Strategy and Comm		10
Management of the Housing Benefit service	Corporate Director Culture Strategy and Comm		12
Treasury and Cashflow Management	Corporate Director of Finance and Resources		12
Accounting & General Ledger	Corporate Director of Finance and Resources		10
Sub-total – Key Financial Systems			56
School Audits Risk Based Programme			
Alexandra Primary School	Corporate Director of Children's Service		8
Bounds Green - Infants and Juniors School	Corporate Director of Children's Service		8
Coleridge Primary School	Corporate Director of Children's Service		8
(The) Devonshire Hill & Nursery	Corporate Director of Children's Service		8
Earlham Primary School	Corporate Director of Children's		8

London Borough of Haringey - Internal Audit Strategy and Annual Audit Plan

Audit Area	Audit Sponsor	Days
	Service	
Highgate Primary School	Corporate Director of Children's Service	8
Rhodes Avenue Primary School	Corporate Director of Children's Service	8
St James CE School	Corporate Director of Children's Service	8
St Mary's CE Primary	Corporate Director of Children's Service	8
The Willows Primary School	Corporate Director of Children's Service	8
Fortismere Secondary School	Corporate Director of Children's Service	8
Pembury House Infants School	Corporate Director of Children's Service	8
Management and follow-up of 2025/26 Schools' Audit Recs	Corporate Director of Children's Services	10
Sub-total – School Audits		106
Follow up of Audit Recommendations		30
Admin and Management		40
Risk Management		10
Homes for Haringey		20
Haringey Community Based Society		20
Contingency		20
Total		810

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HARINGEY COUNCIL

AUDIT CHARTER 2026

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Policy History				
Version	Summary of Change	Contact	Implementation Date	Review Date
1.6	Reviewed and no change	Head of Audit & Risk Management	March 2023	Feb 2023
1.7	Reviewed and updated for change in Committee name	Head of Audit & Risk Management	March 2024	Feb 2024
1.8	Reviewed and no change	Head of Audit & Risk Management	March 2025	Feb 2025
1.9	Reviewed and updated for new standards	Head of Audit & Risk Management	July 2025	July 2025, finalized Feb 2026

Links and Dependencies
Employee Code of Conduct Disciplinary Procedures Council Constitution Whistleblowing Policy Anti-money Laundering Policy Anti-bribery Policy

Related Forms
Declaration of Interests Form Declaration of Receipt of Gift or Hospitality

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1. Public Sector Internal Audit Standards

- 1.1 The UK Public Sector Internal Audit Standards (PSIAS) came into effect from 1 April 2013, and were revised in August 2017. From 1 April 2025, the Global Internal Audit Standards (GIAS) and UK Public Sector Internal Audit Standards Advisory Board (IASAB)) application note set the requirements for the effective delivery of internal audit in the public sector and provide a consolidated approach across the whole of the public sector establishing continuity, sound corporate governance and transparency.
- 1.2 The GIAS are mandatory and the Head of Audit and Risk Management will report on compliance with the Standards as part of the Annual Internal Audit Report. An independent external quality assessment (EQA) review of Haringey Council's compliance with the Standards will be undertaken at least every five years, as required by the GIAS, and will be supplemented by an annual self-assessment to ensure the Council's ongoing compliance with them.
- 1.3 The GIAS require Haringey Council to implement and maintain an 'Internal Audit Charter'. The purpose of the Internal Audit Charter is to formally define the internal audit activity's purpose, authority and responsibility. This Charter will be reviewed on a regular basis and presented to the Audit Committee for review and approval.

2. Definition of Internal Audit

- 2.1 The GIAS' mandatory definition of internal auditing has been adopted by Haringey Council and is as follows:

"as an independent and objective process for evaluating and improving an organisation's operations. It's a key component of good governance."

3. Purpose and Core Principles

- 3.1 The internal audit function supports the council by:
- Strengthening frameworks for governance, risk management, and internal controls;
 - Enhancing transparency and effectiveness in decision-making;
 - Building trust and confidence among stakeholders; and
 - Ensuring the council remains focused on serving the public good.

The council's Internal Audit Service is led by the Head of Audit and Risk Management.

- 3.2 The 'Core Principles' that underpin delivery of the IPPF mission require internal audit functions to:
- Demonstrate integrity;

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- Be objective and free from undue influence (independent);
- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive, and future-focused; and
- Promote organisational improvement.

4. Authority of Internal Audit

4.1 Internal Audit has unrestricted access to all Council records and information, both manual and computerised, cash, stores and other Council property or assets it considers necessary to fulfil its responsibilities. All the Council's activities, funded from whatever source, fall within the remit of the internal audit service. Internal Audit may enter Council property and has unrestricted access to all locations and officers¹ where necessary, on demand, and without prior notice. This right of access is included in the Council's Constitution (Part Four, Section I, paragraph 5.45).

5. Responsibility and Accountability

5.1 With Haringey Council, the Audit Committee will fulfil the functions of '**The Board**'; and the Corporate Leadership Team will fulfil the functions of '**Senior Management**', for the purposes of the IASAB.

5.2 The responsibility for maintaining an adequate and effective system of internal audit within Haringey Council lies with the authority's Chief Finance Officer (S151 Officer).

5.3 The Head of Audit and Risk Management is the person designated to fulfil the role of the 'Chief Audit Executive' and is the person required to provide an annual opinion to the Council and to the Chief Finance Officer, via the Audit Committee, on the adequacy and the effectiveness of the internal control system, governance and the risk management arrangements for the whole Council.

5.4 Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas identified by the Council as being of greatest risk and significance and rely on management to provide full access to accounting records and transactions for the purposes of internal audit work and to ensure the authenticity of these documents.

¹ Officers includes all temporary and permanent employees of Haringey Council, together with any agency workers, contractors and volunteers working for the Council.

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- 5.5 The remit of Internal Audit covers the entire control environment of the Council. This includes the objective examination of evidence to create independent assessments to the Audit Committee, the Corporate Leadership Team, management and others on the adequacy and effectiveness of governance, risk management and internal control. Internal audit assurance assessments include evaluating whether:
- The Council properly identifies and manages risks on its strategic and other objectives;
 - The actions of the Council's officers and contractors comply with the Council's policies, procedures and applicable laws, regulations and governance standards;
 - The results and output of Council work and programmes are consistent with agreed goals and objectives;
 - The Council undertakes its work and programmes effectively and efficiently;
 - The Council's systems enable compliance with the policies, procedures, laws and regulations that could cause significant impact;
 - All information and the means used to identify, measure, analyse, classify and report such information are reliable and have integrity; and
 - The Council obtains assets economically, uses them efficiently, and safeguards them adequately.
- 5.6 Internal Audit also provides an independent and objective consultancy service, which is advisory in nature, and generally performed at the specific request of management. Such consultancy or advisory work is separate from Internal Audit's assurance work but may contribute to the annual opinion that Internal Audit provides on risk management, internal control and governance.
- 5.7 Where appropriate, Internal Audit will undertake audit or consulting work for the benefit of the Council in organisations that are wholly or partly owned by the Council.
- 5.8 Internal Audit may also conduct any special reviews requested by the Council, Audit Committee or the s151 Officer, provided such reviews do not compromise its objectivity, independence or achievement of the approved annual internal audit plan.
- 5.9 Internal Audit will consider all requests from the Council's external auditors for access to any information, files or working papers obtained or prepared during audit work that has been finalised, which external audit would need to discharge their responsibilities.

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5.10 The Head of Audit and Risk considers relying on the work of other internal or external assurance and consulting service providers when forming their annual opinion.

6. Independence of Internal Audit

6.1 The Head of Audit and Risk Management has free and unfettered access to:

- Chair of the Audit Committee;
- Chief Executive;
- Chief Finance Officer;
- Monitoring Officer; and
- Any other member of the Corporate Leadership Team.

6.2 The Head of Audit and Risk Management reports functionally to the Board, and organisationally to the Director of Finance, who is also the Council's S151 officer. The Head of Audit and Risk Management has direct access to the Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

6.3 The independence of the Head of Audit and Risk Management is further safeguarded by ensuring that their annual appraisal is not inappropriately influenced by those subject to audit. This is achieved by ensuring that the Chief Executive and/or the Chair of the Audit Committee contribute to, and/or review the appraisal of the Head of Audit and Risk Management.

6.4 All Council and relevant contractor staff in Audit and Risk Management are required to make an annual declaration of interest to ensure that auditors' objectivity is not impaired and that any potential conflicts of interest are appropriately managed.

6.5 Internal Audit may also provide consultancy services, such as providing advice on implementing new systems and controls. However, any significant consulting activity not already included in the audit plan and which might affect the level of assurance work undertaken by Internal Audit will be reported to the Audit Committee. To maintain independence, any Internal Audit staff involved in significant consulting activity will not be involved in the audit of that area for at least 12 months after the consulting assignment has ended. When performing consulting assignments, the internal auditor will maintain objectivity and not take on any management responsibility.

6.6 Where it is considered necessary to the proper discharge of the internal audit function, the Head of Audit and Risk Management has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Audit Committee).

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- 6.7 Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.
- 6.8 The Head of Audit and Risk Management will confirm to the board, at least annually, the organisational independence of the internal audit activity.

7. Non-audit Areas

- 7.1 The GIAS require the Internal Audit Charter to identify any 'Non-audit' areas that fall under the management of the Internal Audit service. For Haringey these are:

- **Counter-Fraud.** Promoting fraud awareness and maintaining effective anti-fraud policies and procedures; acting as a corporate service for the investigation of irregularities and, where criminal investigation is considered, to liaise directly with the police and advise services on such matters. The Fraud Team plays a specific counter-fraud and investigation role jointly with Homes for Haringey in relation to Housing Tenancy Fraud; the investigation of serious whistleblowing concerns raised via the Council's whistleblowing policy also fall within the Team's remit.
- **Insurance and operational risk management.** Providing a full claims handling service for the Council and Homes for Haringey; procuring and management of all externally provided insurance contracts; management of the leasehold property insurance portfolio; providing claims related and financial information to managers; and training and development on insurance and operational risk management for staff.
- **Risk Management.** Providing risk management support to Haringey Council; promoting the consistent use of risk management and ownership of risk at all levels across the Council; managing and reviewing the Council's risk management framework.

- 7.2 In order to fulfil the requirements of the GIAS and avoid potential conflicts of interest and loss of objectivity, the 'non-audit' functions are independently audited on a regular basis by the externally procured audit service and the Council's external auditors, with the results reported to the Audit Committee.

8. Reporting

- 8.1 The GIAS require the Head of Audit and Risk Management to report at the top of the organisation and this is done in the following ways:
- The Internal Audit Strategy and Charter and any amendments to them are reported to the Corporate Leadership Team and Audit Committee for review and approval;

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- The Annual Internal Audit Plan is compiled by the Head Audit and Risk Management, taking account of the Council's risk framework and after input from the Statutory Officers and the Corporate Leadership Team. It is then presented to the Audit Committee for formal approval. The Head of Audit and risk Management will review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, programmes, systems and controls, including emerging risks, threats and other issues;
- The adequacy, or otherwise, of the level of internal audit resources (as determined by the Head of Audit and Risk Management) and the independence of internal audit is reported annually to the Audit Committee. The approach to providing resource is set out in the Internal Audit Strategy;
- Performance against the Internal Audit Plan and any significant risk exposures and control issues arising from audit work are reported to the Corporate Leadership Team and Audit Committee on a quarterly basis;
- Any significant consulting or advisory activity not already included in the audit plan and which might affect the level of assurance work undertaken will be reported to the Audit Committee;
- Results from internal audit's performance management processes and performance indicators will be reported to the Audit Committee; and
- Any instances of non-conformance with the Public Sector Internal Audit Standards must be reported to the Audit Committee and will be included in the annual Head of Internal Audit report. If there is significant non-conformance this may be included in the Council's Annual Governance Statement.

9. Due Professional Care

9.1 The Internal Audit function is bound by the following standards:

- Institute of Internal Auditor's International Code of Ethics;
- Seven Principles of Public Life (Nolan Principles);
- UK Public Sector Internal Audit Standards (GIAS);
- CIPFA Local Government Application Note (LGAN) for internal audit functions operating in the local government sector;
- The respective ethical codes for the professional bodies that Internal Audit staff qualified under;
- All Council Policies and Procedures; and
- All relevant legislation.



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- 9.2 Internal Audit is subject to a quality assurance and improvement programme that covers all aspects of internal audit activity. This consists of an annual self-assessment of the service and its compliance with the UK GIAS and the LGAN, ongoing performance monitoring and an external quality assessment at least once every five years by a suitably qualified, independent assessor.
- 9.3 A programme of Continuous Professional Development (CPD) is maintained for all staff working on audit engagements to ensure that auditors maintain and enhance their knowledge, skills and audit competencies. The Head of Audit and Risk Management and his deputy are required to hold a relevant professional qualification (CCAB or equivalent, or CMIIA) and be suitably experienced.

Internal Audit Activity charter

Approved on 12 March 2026

Minesh Jani

Head of Audit and Risk Management (Chief Audit Executive)

Chief Executive (Chief Executive Officer)

Chair of Audit Committee (Audit Committee)

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Internal Audit Process



1

Audit Planning

The Audit Manager will agree the scope and date for internal audit to take place. The service / school will have a one month's notice to allow the key contact to prepare and plan for the visit.

2

Fieldwork

The auditor will hold an opening meeting with the key contact and other relevant stakeholders.

The auditor will review processes by interviewing staff, examining documents, observing how systems operate and by testing a sample of transactions.

At the end of the visit, the auditor will hold an exit meeting, highlighting key findings arising from the visit.



4

Follow-up

Between 6-12 months from the issue of the final report, the auditors will check the agreed actions have been implemented and report on progress.

3

Audit Reporting

The auditor will issue a draft report within 15 working days of the exit meeting. The report will set out the auditor's findings and the overall assurance over the systems of control in operation.

The auditor will need a written response from the key contact within 10 days of the issue of the draft report including completion in full of the action plan.

The auditor will issue the final report incorporating comments from the key contact as appropriate.

Internal Audit Visit

This guide is intended to give information on how internal audit carries out its work, to help you understand the role of internal audit and what you need to do to prepare for the audit visit. Throughout the audit process, the auditors will engage with you by asking questions, seeking information and explanations, updating you on how the audit is progressing and highlighting any material findings. Please support the audit process by responding promptly to requests from the auditors. This will allow the auditors to complete their work in a timely manner, and to give you prompt feedback.

Role of Internal Audit

Internal audit is an essential part of the Council's governance arrangements and its purpose is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. It achieves this by providing an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. The work of internal audit is set out in the audit charter and strategy, which can be found at <http://intranet/service-areas/corporate-governance/audit-and-risk-management/audit-and-risk-management>.

Who are the Internal Auditors?

The Council's internal audit service is provided by Mazars who specialise in audit, accountancy, tax, legal and advisory services and the contract is overseen by the Head of Audit and Risk Management. Mazars have a large public sector practice delivering internal audits all over the country. At Haringey, Mazars carry out internal audits for the Council and Homes for Haringey. The type of audits can vary considerably, though most are designed to provide assurance risks being managed.



The frequency and type of audit is dependent on risk. Before the start of an audit, a risk assessment is carried out, which is based on a number of factors such as the importance of the audit area, its inherent risk, when it was last audited, previous last assurance rating, whether there have been any key changes in staffing or legislation, management concerns etc.

Internal Audit Planning and Performance

Every year, Head of Audit and Risk Management prepares an annual internal audit plan showing the areas that will be audited. The plan is ratified by the Corporate Board and the Audit Committee. The expectation is for all areas to be audited in the year. Quarterly progress reports are produced and any delay has to be reported to the Chief Executive and the Chair of the Audit Committee.



Before the Audit

Notice of Audit & Pre-Work

The programme of audits is determined in Jan/Feb of each year. Audits are then split across the four quarters. You will usually be contacted during the month prior to the quarter in which your audit will occur to agree the scope of the audit and arrange a mutually convenient start date for the on-site audit work.

Once the scope and a start date is agreed, you will receive an audit brief which details:

- The risks the service is managing;
- The scope of audit
- A list of proposed project milestones, and
- Reporting arrangements

For schools, the audit brief will list of the main documents that the auditor is likely to want to see when they visit – it would be helpful if you can have them to hand when the auditor first visits.

It is worth noting the list can never be exhaustive because of the nature of the work.

During the Audit

On site Fieldwork

Usually, the audit will start with a meeting between the auditor and the key contact on the first morning. This will allow the auditor to explain the audit process, to plan the approach to minimise service disruption, and to establish the key logistics in terms of relevant contacts, access arrangements and work space for the audit as well as to explore any material issues or concerns the service has, and to initially assess arrangements in place to mitigate key risks.

The audit will progress with the auditor undertaking testing across the areas mentioned in the audit brief. This will take the form of interviews with staff, examination of documentation, observation of processes and sample testing of transactions. Any queries arising or significant findings will be discussed with the relevant person during this time. As the auditor has limited time to complete the audit, we ask that information is provided as soon as possible.

Exit meeting

Before the auditor commences the fieldwork the auditor will arrange an exit meeting for the last day on site with the Assistant Director, Head of Service and/or other nominated officers. At the meeting, the auditor will set out his/her findings and ensure the findings are factually accurate. The meeting also provides an opportunity for the Assistant Director/ Head of Service to provide details of any actions already taken and any extenuating circumstances that should be considered. Please note that at this point the auditor will not be in a position to give any overall audit opinion, as the findings are subject to quality review and moderation by the Mazars' Senior Audit Manager. Accordingly, some findings and recommendations might change during the review process but any new issues will be communicated to the key contact prior to any report being issued.

After the Audit

Reporting

The auditor will draft the report and the Manager will review the report before the report is issued to management. The draft report will be emailed to the agreed contacts within 15 working days of the exit meeting unless additional information is required arising from the exit meeting or quality assurance review. The report is draft at this stage and sent to the Head of Service and other key contacts so that they

can consider the issues raised and check for factual accuracy before the report is circulated more widely as a Final report. Where appropriate, the auditor will raise recommendations. The recommendations are prioritised as:

Priority 1 – Major issues for the attention of senior management that need urgent attention

Priority 2 – Important issues to be addressed by management in their areas of responsibility

Priority 3 – Minor issues resolved on site with local management or suggestion of best practice

The draft report includes an overall assurance opinion over the governance, controls and management of risk. There is no hard and fast rule as to how the assurance level is determined - it is dependent on the number, priority and nature of issues identified and the quality assurance process ensures consistency across audits.



Assurance ratings range from SUBSTANTIAL ASSURANCE - where everything is in place and operating as it should, to NO ASSURANCE - where processes are weak and controls are not functioning that leaves the service open to significant error or abuse. The most common assurance levels are ADEQUATE ASSURANCE - where some weaknesses in processes have been found and/or some controls aren't being complied with and LIMITED ASSURANCE – where process weaknesses and controls not being complied with are significant enough to cause concern. The report will also include a 'travel of direction' view to indicate whether the service has improved since it was last audited.

The key contact is asked to provide a written response within 10 days of receipt of the draft report. This will include agreement to the recommendations raised, including the actions taken/proposed, by whom and by when.

The response will be incorporated into a final report which will be issued to the key contacts. A copy of the final report will be sent to the relevant Director of service, the Director of Finance and Chief Executive. For schools, the final report is sent to the Head Teacher, Chair of Governors and the Local Education Authority. A digest of the report will be reported to Audit Committee.

Follow up

Within twelve months of issue of the final report, Internal Audit will make contact with the service to ask for an update of actions taken in response to the recommendations made. As appropriate, additional evidence will be requested and the auditor may choose to visit the service to undertake brief follow up testing.

Arising from the follow up work, a report may be made indicating if satisfactory progress has been made since the audit visit.

Feedback

I am keen to hear from you about the audit and whether there is anything that we could do differently to improve the audit process. The Senior Internal Audit Manager will send a satisfaction survey after the final report, please send your response to me with your feedback.



Contact

If you have any comments or queries about the audit process, please contact:

Minesh Jani

Head of Audit & Risk Management

7th Floor Alexandra House

Telephone: 020 8489 5973

Mobile: 07870 157611

Email: minesh.jani@haringey.gov.uk

Mark Chalkley

Senior Internal Audit Manager - Risk Assurance Services

Mazars LLP

Mobile 07811 036681

Email mark.chalkley@mazars.co.uk

	A	B	C	D	E	F	G	H	I	J	K
1	Assurance Map of Corporate Risks as at 31 January 2026										
2											
3											
4											
5	No.	Risk Event Description	Risk Owner	Current			Proximity	Future			Internal Audit Assurances
6				Impact	Likelihood	Risk Score		Impact	Likelihood	Risk Score	
7	1	Reduce the reliance on Exceptional Financial Support over the medium term	CLT Director of Finance and Resources	5	5	25	Short and Medium term	5	5	25	Organisational Culture Review of the Outline Business Case for SAP Replacement Advisory audit for Board Governance Arrangements to Manage Organisational Change Regularity Audit of Payments over £1k Commissioning Processes over High Cost Placements Direct Payments Controls over Early Years Payments Commissioning Social Care Service Housing Voids Management Asset Management / Data Integrity / Stock Condition Debt Recovery Budget Monitoring Capital Programme Governance - General Fund Cost Control over the Housing Delivery Programme Application review of HCPS (Procurement System) Commissioning Arrangements - Corporate Arrangements to secure VFM from contracts Supplier Selection and Resilience Management of the Housing Benefit service Treasury and Cashflow Management
8	14	Increase in NLWA levy - The replacement of the NLWA Energy from Waste (EfW) facility (expected 2026) could lead to an increase in the NLWA waste disposal/ treatment levy (and any delays could increase the anticipated levy uplift further), resulting in increased financial pressure on the council.	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	Short and Medium term	5	5	25	Management of risks in respect of the North London Waste Authority
9	10	Building Control reforms • Newly-regulated profession to perform certain statutory functions • High levels of retirement across the country, major shortage of qualified staff nationally	Corporate Director ERE	5	5	25	Short & Medium term	5	4	20	
10	15	The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council's statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financial/operating set up may adversely affect cost of waste disposal, or NLWA and partner boroughs fails to implement legislation in a way which maximises effectiveness and value for money	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	4	20	Medium term	5	4	20	Management of risks in respect of the North London Waste Authority
11	2	Non-delivery of transformational change due to lack of corporate change functions	ALL, Corporate Director Finance and Resources	5	4	20	Short & Medium term	4	4	16	Review of the Outline Business Case for SAP Replacement Advisory audit for Board Governance Arrangements to Manage Organisational Change Commissioning Processes over High Cost Placements Digital Transformation and Change
12	9	Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).	Corporate Director Env & Resident Exp	5	4	20	Short term	5	3	15	

	A	B	C	D	E	F	G	H	I	J	K
13	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.	Corporate Director Culture Strategy Comm	5	4	20	Medium Term	5	3	15	Arrangements to Manage Organisational Change
14	16	Election Risk: Venue loss, Key staff unavailability, IT failure / cyber-attack, Process errors (inexperienced staff/candidates), Delay in replacing Monday.com, Political unrest / public distrust, Public discontent / mistrust of public bodies, Team fatigue / capacity.	Electoral Registration Officer Deputy Electoral Registration Officer	5	3	15	Medium Term	5	2	10	
15	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.	Chief Information Officer & Corporate Director of Finance and Resources	5	3	15	Medium term	5	3	15	Business Continuity and Disaster Recovery Cybersecurity Controls and Resilience Follow up on Prior Year Audit Recommendations
16	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.	Corporate Director of Children's Services Corporate Director Adults Housing Health	5	3	15	Short Term	5	2	10	Commissioning Processes over High Cost Placements Direct Payments Coombes Croft Library (Children's) - Regularity Audit Controls over Early Years Payments Stoncroft Day Nursery - Compliance Review Arrangements to Manage Transitions Supply, Demand and Utilisation of Day Services Commissioning Social Care Services Implementation of Recommendations from CQC Management of Care Act Assessments
17	5	Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards	Corporate Director Adults Housing Health	4	3	12	Long term	3	2	6	Management and Operation of Partnering Contracts Leasehold Charges including Major Works Governance over Implementation of Recommendations from HQN report Housing Voids Management Homelessness Legionella Inspection and Management Asset Management / Data Integrity / Stock Condition Cost Control over the Housing Delivery Programme
18	11	Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).	Corporate Director Finance and Resources	4	3	12	Long term	4	2	8	Review of the Outline Business Case for SAP Replacement Delivery of the Corporate Landlord Model Transformation of the Civic Centre - Contract Audit
19	13	Integrated delivery models for local health & care services does not deliver	Corporate Director Adults Housing Health	4	3	12	Long term	3	2	6	
20	3	Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.	All	3	3	9	Long term	3	3	9	Preparedness for the London Borough of Culture Placemaking Tottenham
21	4	Potential health and safety incident affecting employees or member of the public.	Corporate Director Culture Strategy Communication CLT	4	2	8	Long term	4	2	8	

Report for: Audit Committee – 12 March 2026

Item number: 11

Title: Risk Management 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

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 November 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 register is attached at Appendix A. The Corporate Leadership Team last reviewed and discussed the risk register on 11 December 2025. In addition, the Leadership team welcomed a presentation from Zurich on the industry best practice in respect of risk management. The Corporate Leadership Team was engaging and presentation led to a good discussion and deep dives into a number of corporate risks. The leadership team have agreed to review the risk register taking note of the presentation for the next cycle of reporting. The profile of the Council's residual risk is shown in the table below.

I M P A C T	Catastrophic (5)			6,8,16	2, 9, 12, 15	1,14,10
	Severe (4)		4	5,11,13	5	
	Material (3)			3		
	Minor (2)					
	Negligible (1)					
		Rare (1)	Unlikely (2)	Possible (3)	Probable (4)	Almost Certain (5)
LIKELIHOOD						

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

Risk 1 - Reduce the reliance on Exceptional Financial Support over the medium term changed from “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. CLT action to develop an assurance map of triggers and consequences is in progress.

Risk 14 - Increase in North London Waste Authority (NLWA) Levy - The replacement of the NLWA Energy from Waste (EfW) facility (expected 2026) could lead to an increase in the NLWA waste disposal/ treatment levy (and any delays could increase the anticipated levy uplift further), resulting in increased financial pressure on the council. This is a new risk to the corporate risk register recognised at the last CLT for inclusion on the corporate risk register.

Risk 10 – Building Control. This is a risk added to the Corporate risk register in September 2025, the risk has increased slightly from “20” to “25” highlighting mitigations to improve Council’s exposure has not been possible.

Risk 15 - The UK Emissions Trading Scheme (UK ETS) is one of the UK’s decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council’s statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financial/operating set up may adversely affect cost of waste disposal. This is a new risk and is linked to risk 14 highlighted above.

Risk 2 - Non-delivery of transformational change due to lack of corporate change functions. Though the risk profile remains at the same level as previously reported, the delivery of planned savings remains extremely challenging. A recent internal audit report has given a low level of assurance in this area.

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 as previously 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 unchanged and CLT may wish to consider how this risk can be mitigated further.

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 15 - Election Risk. This is a new risk for CLT to consider and recognising the risks associated with the management of local election in May ‘26.

Risk 4 - Potential health and safety incident affecting employees or member of the public. The Impact is “5” and Likelihood is “3”.

Risk 3 - Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents. This risk is out of date and needs updating.

Risk 5 - Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards. This risk has been reduced from “15” to “12” with a slight reduction in the likelihood assessment.

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 November 2025
Appendix B – Risk Management Guidance

11. Background Information

None

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CORPORATE RISK REGISTER

Latest Review - 30/11/2025

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	Reduce the reliance on Exceptional Financial Support over the medium term	CLT Corporate Director of Finance and Resources	5	5	25	Short and Medium term	<p>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.</p> <p>During 2024/25 this has included:</p> <ul style="list-style-type: none"> Establishing a set of budget and financial planning principles. An open and transparent relationship across the organisation, including with CLT and Members for organisational ownership of the financial position. 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. Review of all current and proposed savings to test their validity and assurance on delivery. Improvement in forecasting and a focus on delivery of savings. Review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. Regular review of all assumptions through the annual budget setting process as new information comes to light, up to the point of publication. 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 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. <p>New budget proposals have been presented to Cabinet in November for consultation to commence. The Draft 2026-27 Budget Proposals and 2026-2031 Medium Term Financial Strategy Report can be found agenda Document for Cabinet, 11/11/2025 18:30</p> <p>Ongoing review of the other assumptions underpinning the MTFs and associated budget gaps. This includes regular review of future demand and price pressures, external factors and influences to ensure a realistic budget gap is known and level of savings required.</p> <p>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 £21.9m of new savings to be delivered next year (of which £7m are new). Continue to focus on getting the basics right and to identify efficiencies and management actions:</p>	5	5	25	CLT Corporate Director of Finance and Resources	<p>Future actions: Finance Regulations have been reviewed and updated. Presented and endorsed at Standards Committee and approved by Full Council. Communication and engagement with all budget holders will be undertaken to ensure all officers are aware of their responsibilities and accountabilities</p> <p>Continue to Lobby and engage Government through various channels on the root causes of demand pressures and future funding feeding into the Final Local Government Finance Settlement. This includes through consultation responses, various professional networks and MPs. Continuous engagement with MHCLG to discuss latest financial position and potential EFS requirement for 2025/26, 2026/27 and beyond.</p> <p>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 to put forward further budget proposals to reduce expenditure and generate income in Summer / Autumn 2026. CLT will develop a suite of proposals for the new administration to consider.</p>	31/3/2025 and onwards
1					25		<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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 Financial Recovery Cabinet Group continues to meet 6-weekly, chaired by the Leader to ensure clear political oversight of the emergency procedures. <p>From October 2025, the S151 Officer has further enhanced spending controls: A short term freeze on all new non-essential agency requests. Recruitment Panel continues to be in place and meet fortnightly, chaired by the Section 151 officer. All agency and permanent recruitment for non-essential posts (previously only agency) are subject to approval. Only non-essential posts where there is evidence of a link to savings or income generation are approved.</p> <p>Tighter controls through the Spend Control Panel (SCP). All spend over £1,000 (for all payment channels) must be submitted for approval by the director or the SCP. Spend Control Panel remains in place, meets twice weekly. Only essential spend can be agreed by SCP. The SCP will consider all non-essential spend and is more likely to reject these; there will be no appeals process. Directors will need to keep a record of decisions relating to payments they've approved that are deemed to not require SCP consideration, as these decisions are subject to review. Previous Cabinet decisions will be taken account of. This includes spend on Purchasing Card, Internal Payments Requests, one-time vendors, variations to contracts and all other purchase orders. This panel is chaired by an independent previous Section 151 Officer on behalf of the Corporate Director of Finance and Resources. Exceptions to this process are, the delivery of core statutory services, emergency planning or critical response arrangements, appointment of legal counsel, where approved by the Monitoring Officer, Coroners' services, health and safety matters where the risk must be addressed. Panel have rejected £1m of spend that would otherwise be made.</p> <p>Internal audit review of the controls has been completed and implementation of any recommendations will be a priority.</p> <p>All purchase card limits will be reduced to £1,000. Monthly spend limit of £5,000 now introduced. All non-essential purchases over £1,000 must</p>			25		<p>Controls on system to stop payments not agreed through SCP – internal audit review has shown areas of non-compliance i.e. spending through purchase cards. Further review of purchase cards to reduce the number of card holders to essential only. A couple of cards without the £1000 limit will be available for emergency situations that may arise.</p> <p>Review of £9.6m of Services Reserve and £10.4m of Grants Unapplied Reserves underway. Section 151 Officer has now attended all DMTs. Any balances remaining within these two reserves will require a completed statement of need and use will continue to be monitored and considered annually if circumstances have changed and balances can be released. Any uncommitted balances will be utilised to fund the forecast overspend in 2025/26 and reduce the requirement for EFS.</p>	
14	Increase in NLWA levy - The replacement of the NLWA Energy from Waste (EFW) facility (expected 2026) could lead to an increase in the NLWA waste disposal/ treatment levy (and any delays could increase the anticipated levy uplift further), resulting in increased financial pressure on the council.	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	Medium/long term	<p>This is a joint risk with NLWA and partner boroughs which is both operational and financial. Haringey continues engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings:</p> <ul style="list-style-type: none"> Dir of Env't (monthly) Dir of Finance (monthly) Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). NLWA Member Recycling Working Group (4-5x per year) NLWA Member Finance Working Group (2-3x per year) NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year) 	5	5	25	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	Meetings as set out in the mitigating actions continue with progress reports provided by NLWA accordingly	18.11.25

14	The contingency that has been allocated to fund project exposure is insufficient due to cost escalations and design/programme uncertainty New (NLHPP) assets could prove more expensive to replace, operate and maintain than planned, affecting the Authority's long-term finances Borrowing to fund NLHPP might not be managed to obtain the best terms	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	Medium/long term		5	5	25			
10	Building Control reforms <ul style="list-style-type: none"> Newly-regulated profession to perform certain statutory functions High levels of retirement across the country, major shortage of qualified staff nationally 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. Agency staff rates reaching extreme levels e.g. £95/hr, not sustainable Risk of not being able to recruit & retain staff Risk not meeting statutory requirements Risk of failing audit inspection by the Building Safety Regulator (BSR) 	Rob Krzyszowski	5	5	25	Immediate, short & medium term	<ul style="list-style-type: none"> Staff achieved relevant qualifications and registration with BSR Restructure completed in Spring 2025 following staff consultation, followed by advertising of all updated posts Recruitment Team published videos and rolling adverts. Do targeted recruitment/headhunting as part of recruitment campaign 2x LABC Trainees (funded externally) now qualified and appointed into permanent post. 1x further LABC Trainee starting January 2026 Workforce Plan 'Trailblazer' being drafted, presentation to Corporate Director July 2025 Training some staff in Structural Engineering Team to support 24/7 dangerous structures emergency planning rota cover Briefings for senior management e.g. Cabinet Member, CEO, Corp Directors of E&RE, F&R, CSC, Chief People Officer, Leadership Network (re Grenfell Tower disaster) Convened London Directors of Planning & Building Control meeting June 2025. Met with London HR Directors meeting. Now meeting regularly with London Councils HR Director to launch London-wide survey, recruitment campaign, possible agency rate cap, possible lobbying External support: Completed options workshop with independent consultant with north London Boroughs of Enfield and Waltham Forest Met with Chair and Managing Director of Hertfordshire Building Control to explore options Quarterly Building Control performance is reported to Strategic Planning Committee – next one February 2026 	5	4	20	Rob Krzyszowski Denis Ioannou	<p>Respond to upcoming MHCLG consultation referred to in letter from MHCLG/HSE/BSR in October 2025:</p> <p>"We also recognise that more needs to be done to support building control authorities to have sustainable levels of capacity and the ability to attract, train and retain building inspectors... we want to assure you that we are continuing with further reforms that will assist Local Authorities directly. This includes a consultation on LA fees and charges reform, which will be launched shortly, aimed at making LA building control financially and operationally sustainable, and the forthcoming report from the Building Control Independent Panel on the future of building control... We are also working with LABC to understand how we might enable further new staff to be recruited and trained as RBIs, as we have done in recent years"</p> <ul style="list-style-type: none"> Recruitment Team to work with Matrix to get more agencies with wider talent pool to work with Haringey for short term agency staff solution HR to review out of hours / on call arrangements for HC contract staff Potential London CEO meeting Proposed increased fees through corporate Fees & Charges 	Jul-25
10 (Cont)	<ul style="list-style-type: none"> Risk to safety & emergency critical work of the Council Risk of not fulfilling 24/7 emergency planning / dangerous structures call out rota e.g. devastating fires, vehicles colliding into buildings etc Risk of not coordinating Safety Advisory Group (SAG), signing off Building Safety Certificates & 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 Risk of not providing advice to blue light emergency services including London Fire Brigade, Metropolitan Police for major events to support public safety Risk of delayed Building Control approvals for Council corporate projects e.g. Civic Centre, Council Homebuilding programme Risk of increased complaints and Ombudsman cases Reputational and political risk <p>MHCLG Building Control Independent Panel Problem Statement July 2025</p> <p>"particularly concerned about evidence suggesting that building control bodies in local authorities... are struggling to recruit, This is particularly challenging for local authorities... Local authorities are at a disadvantage compared to the private sector when paying staff, as a combination of centrally and locally set rules and regulations prevent them from paying staff comparable</p>	Rob Krzyszowski	5	5	25	Immediate, short & medium term		5	4	20	Rob Krzyszowski Denis Ioannou		Jul-25
15	The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council's statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financia/operating set up may adversely affect cost of waste disposal, or NLWA and partner boroughs fails to implement legislation in a way which maximises effectiveness and value for money	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	4	20	Medium/Long Term	This is a joint risk with NLWA and partner boroughs which is both operational and financial. Haringey continues engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: <ul style="list-style-type: none"> Dir of Envnt (monthly) Dir of Finance (monthly) Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). NLWA Member Recycling Working Group (4-5x per year) NLWA Member Finance Working Group (2-3x per year) NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year). 	5	4	20	Corporate Director ERE and Corporate Director Finance	This is a joint risk with NLWA and partner boroughs. Engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: <ul style="list-style-type: none"> Dir of Envnt (monthly) Dir of Finance (monthly) Briefings provided to NLWA members prior to formal NLWA meetings (5x per year). NLWA Member Recycling Working Group (4-5x per year) NLWA Member Finance Working Group (2-3x per year) NLWA/Borough officer meetings prior to formal NLWA meetings (5x per year). 	

2	Non-delivery of transformational change due to lack of corporate change functions	All	5	4	20	Short and Medium term	<ul style="list-style-type: none"> Revised list of Cat A projects agreed with CDG, CLT and Members in May 2025. Category A projects report to Change Delivery Group (monthly) and CLT (quarterly) as part of performance monitoring Category A projects include a range of initiatives, some of which deliver Change (e.g. Civic Centre / new ways of working, London Borough of Culture etc), and others delivering savings. Corporate change function delivers just under half of the current Cat A projects, with the remainder being directly delivered and managed by services. Current funding for the change expires in Mar 26. A proposal to consider future funding arrangements has been developed for Corp Director F&R to consider. 	4	4	16	Chief Digital & Innovation Officer	<ul style="list-style-type: none"> A decision has been taken by CLT to 'step down' the Change Delivery group from the end of November. From Dec 25 onwards, reporting of Cat A projects up to senior leadership/CLT will move to a quarterly basis. DMTs and directorates will be responsible for providing monthly assurance across Cat A project progress, risks and issues for those Cat A projects where these do not have their own existing project governance (which occurs monthly). Due to the uncertainty over funding, the team are continuing to experience staff turnover with a senior member now leaving (in addition to 3 others since July 26). Confirmation on future funding is actively being sought here but until this has been confirmed, it will not be possible to put in place a sustained course of remedial action to reduce overall risk. 	Jan-26
9	Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).	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 & Green Spaces Strategy and the Affordable Energy Strategy.</p>	5	4	20	Programme Director Wellbeing & Climate	<ol style="list-style-type: none"> Joint work with Public Health on a Climate Adaptation and Resilience Plan - coming to Cabinet in Dec 25. Engagement with the community through the Haringey Climate Partnership, facilitating local climate action. Develop a Risk Map and Action Plan (set out within CDP) for the Council and the Borough. Integrating in the London Council's Resilience Toolkit including: <ul style="list-style-type: none"> Building on Heatwave JSNA. Highways Flood Maps. Emergency Planning Response. Community outreach on adaptation measures. Building in community resilience to events. New Wellbeing & Climate Corporate Board established to give governance and oversight Restructure complete to bring a whole-council response to the climate emergency, with resources 	31-Dec-25
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.	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, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning.</p>	December 2025 Ongoing
16	Election Risk: Venue loss, Key staff unavailability, IT failure / cyber-attack, Process errors (inexperienced staff/candidates), Delay in replacing Monday.com, Political unrest / public distrust, Public discontent / mistrust of public bodies, Team fatigue / capacity.	Electoral Registration Officer Deputy Electoral Registration Officer	5	3	15		<p>Identify and make contingency venue list; regular checks; backup agreements; request reciprocal arrangements with neighbouring boroughs</p> <p>Cross-training; backup staff identified; key election projects allocated to election team members</p> <p>IT disaster recovery plan; regular backups; cyber training</p> <p>Candidates & agents: early contact, production of details Haringey bespoke guidance in addition to EC guidance, offer remote / pre-submission checks of nomination papers; publication of NOE early resulting in extended period for nominations</p> <p>Training; checklists; supervision; process reviews</p> <p>Revised Planner, Lists, MS Project, MS Planner Premium over nine months. Decision has been taken to move the team to MS Planner Premium and to roll out the election programme plan on a mix of Planner and Premium Planner</p> <p>Communications plan; stakeholder engagement; monitoring</p> <p>Regular check-ins; workload monitoring; support from org; review funding availability with a view to getting additional support</p>	5	2	10	Electoral Registration Officer Deputy Electoral Registration Officer	<p>Review venue contracts quarterly</p> <p>Accelerate recruitment; maintain staff pool</p> <p>Complete cyber review; test recovery plan</p> <p>Schedule refresher training</p> <p>Significant amount of time has been spent on during our "fallow" year resulting in a number of projects being delayed / cancelled. The proposed new system is still not in place and this is now having a major impact on our election 2026 plans and the ability to monitor them</p> <p>Update comms plan before campaign period</p> <p>Recruit to fill gaps; review workloads</p>	31/12/2025
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.	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/software/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> <p>(Likelihood has increased with nation-state linked adversaries.)</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"> Clarify the process and procedures for when a major incident occurs. Continue to raise awareness in the organisation. Continue to migrate data and platforms to the cloud Seek independent assurance from internal audit Explore backups for our data held in Microsoft, (OneDrive, SharePoint, Teams etc) 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 & 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. 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. Security Team conduct Phishing simulations – a proportion of staff fall for them each time. 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. Develop an AI policy that takes into account emerging AI platforms and our security. 	31/03/2025

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.	Corporate Director of Children's Services 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>Adults - 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 Corporate Director Adults Housing Health	<p>ADULTS</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>CHILDRENS</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
5	Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards	Corporate Director Adults Housing Health	4	3	12	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 & 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) & 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>	3	2	6	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 was approved in October 2025, subject to Section 20 consultation, which is due to be completed in December 2025. This is following original approval by Cabinet in June 2025. Following mobilisation, go live is expected in April 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. Actions are being picked up from inspection documents and being managed through C365.</p> <p>KPI dashboards have been developed and are being tested and will be used from December (reporting on November data).</p> <p>Manual reconciliations currently taking place between the programmes and NEC, and further scoping work is required to map out the best process for automating reconciliation between the two systems.</p> <p>We are continuing to develop mobile forms for Communal Fire Door inspections and monthly Building Inspections.</p> <p>The Asbestos Register is currently in development and is expected to be complete by the end of November 2025.</p>	
5 (Cont)					12					6		<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. Their findings following their first assessment have indicated there we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in delivering the improvements identified by HQN. Additional work to enhance reporting on smoke detectors and Carbon Monoxide detectors as part of the primary compliance KPIs is commencing</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-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>The Awaab's Law processes in the damp and mould CRM system have been designed and launched and a Power BI reporting dashboard developed specifically on Awaab's Law cases. Progress and performance on the system, the reporting, and the early caseload is reported to the Repairs Board on a monthly basis.</p>	Dec 2025
11	Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).	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>	31/12/2026

13	Integrated delivery models for local health & care services does not deliver	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. 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. 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	Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.	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 (https://www.haringey.gov.uk/community/here-help-financial-support-residents?utm_source=Media&utm_medium=Press%20release&utm_campaign=Financial%20Support%20Helpline%20HTH);</p> <ul style="list-style-type: none"> • Connected Communities is a programme designed to improve access to council and voluntary support in Haringey • Close monitoring of inflationary pressures and the impact on contracts and services; • Continued monitoring of impacts on construction costs and supply chain • Review of Business Continuity Plans; • Work across services on plans to support the local economic recovery, which includes a focus on supporting local business and employment; • considering the impact of demand led services in to the medium and longer term from Covid-19 and changing economic conditions; • 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. • Continuous monitoring of the economic environment, including through our Treasury advisors, Arlingclose, other advisors and through professional networks. 	3	3	9	Corporate Director of Finance, Chief Executive and CLT		on-going
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	<p>Health and Safety policy in place, and a comprehensive set of risk-based procedures. Arrangements also in place services 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. The H&S team also carry out a programme of audits and inspections, and provide action plans to drive improvement.</p>	4	2	8	Corporate Director Culture Strategy Communication CLT	Development and approval of a new Corporate H&S Strategy.	31/03/2026

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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 **Risk** is 'uncertainty of outcome'. Something that may happen and could throw the programme off track.
 An **Issue** is 'a concern that cannot be avoided'. Something that has happened or are current situations that are a cause for concern now.
 A **Threat** 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

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Report for: Audit Committee 12 March 2026

Item number: 12

Title: Annual Governance Statement 2024/25 Update Report

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

Lead Officer: **Minesh Jani – Head of Audit & 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

To update the Committee and provide assurance on the progress to address the significant governance issues identified within the 2024/25 Annual Governance Statement (AGS).

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee is recommended to note the progress reported.

4. Reasons for decision

The Audit Committee's terms of reference include a review the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance as well as –

- To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

The Audit Committee is responsible for approving the Draft Annual Governance Statement (AGS).

5. Alternative options considered

Not Applicable.

6. Background information

The Council is required, by the Accounts and Audit Regulations 2015 to annually review the organisations governance arrangements and to produce an Annual Governance Statement (AGS) for publication as part of the Council's annual statement of accounts. The AGS documents and reports on the Council's governance framework as a whole, identifying any actions required as well as presenting any significant governance issues relating to the financial year.

Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by senior management across the authority and an appropriate member body. The AGS was therefore presented to the Audit Committee in July 2025. In prior years the committee requested that going forward an update be presented to them, in year, with regards progress on the action plan to ensure that action plans were progressing.

The information in this report has been compiled from information provided by the issue and action owners, other reports and follow up activity by Forvis Mazars and the In-house team in Audit & Risk Management.

There were six significant issues identified for 2024/25; relating to Finance, Commercial Property, Statutory Compliance in Housing, Contracts and Procurement, Information Governance and Workforce Strategy, Appendix 1 contains an update with regards each.

The Head of Audit & Risk Management has reported to Statutory Officers group in year re the actions taken and is satisfied with the progress noted regarding all actions at the time of the follow up. The action plan will continue to be tracked as part of the preparations for producing the 2025/26 Annual Governance Statement, planning for this work commenced in December 2025.

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

The work to strengthen the governance framework in the council makes a contribution to all strategic priority outcomes, as good governance is central to effective organisational health.

8. Carbon and Climate Change

There are no carbon or climate change considerations arising directly from this report.

9. Statutory Officers comments on behalf of Director of Finance & Resource and 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 and Governance has been consulted in the preparation of this report, and 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

Appendix 1 – Annual Governance Statement 2024/25 Follow Up Table

11. Background papers

2024/25 Annual Governance Statement – final (amended) version July 2025

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Appendix 1 - Annual Governance Statement 2024/25 – In-year update

The table below is an extract of the 2024/25 Annual Governance Statement, amended to present an updated position with regards each of the significant issues included in the statement.

Issue, Owner and Due Date	Action (from 2024/25 Approved AGS)	Update / Progress (as at December 2025)
<p>We need to ensure we deliver savings identified in our Medium-Term Financial Strategy (MTFS) to manage within our financial means and embed change in following transformation of our services, including schools. (This may need to be strengthen depending upon the financial outturn / future financial projections).</p>	<p>The Council’s financial position continues to be extremely challenging. The outturn position for 2024/25 was a £38m overspend on services, predominantly social care and temporary accommodation. Although this has been partly offset by one off use of reserves and historic balances, £20.4m of savings were expected to be delivered in year, only 63% was delivered. Of the non-delivered savings, £440k has been written out in future years as non-deliverable, the remaining is expected to be delivered in full in 2025/26. In total, £30m of savings are expected to be delivered in 2025/26 and although contingency has increased to protect against the non-delivery of some, it will not be sufficient if non delivery percentage remains at a similar level.</p> <p>A strengthened process has been established for the monitoring and reporting of savings which will track bot the financial savings and progress with the changes to deliver the savings. Monitoring is in place monthly to enable corrective action to be</p>	<p>The Council’s Financial Recovery Plan has been in place since April 2025 (prior to the time period of this review) based on the Council’s current financial position, recommendations from the CIPFA resilience review and work by an external consultant in Autumn 2024. The focus of the current plan is to eliminate the Council’s reliance on EFS for 2026/27 onwards and move towards financial sustainability in the short to medium term. Given the deteriorating financial position, this plan is now subject to review with a focus on reducing reliance on EFS and improving financial resilience over the next three years. Other actions include:</p> <ul style="list-style-type: none"> • Continuing with the emergency governance and oversight arrangements that are established within the organisation, through the Finance Recovery Board and Cabinet Recovery Board; • Ensuring all budget holders are held to account for delivering within their allocated cash limits, recognising the work that has taken place to ‘right-size’ budgets for 2026/27;

<p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p>	<p>taken early in the year for any non-delivery and is reported to Silver and Gold through the Council’s emergency response arrangements.</p> <p>During budget series in April, the focus was on the delivery of existing savings, with all of Leadership Network working together on the development and implementation of delivery plans, with a particular focus on cross cutting savings.</p> <p>During 2024, a strengthened medium term and annual budget setting process was established which has set some good foundations and planning is well underway for 2026/27 budget planning. This includes:</p> <ul style="list-style-type: none"> • Review of financial pressures. This has initially focussed on 2026/27 but also across the 5 years of the MTFs using the 2024/25 outturn and period 2 forecast for 2025/26 as the basis and strengthening the use of scenario planning to consider risks and uncertainties to give a more realistic view of risks with the estimates. • A review of other assumptions, including inflation and pay to provide a more realistic financial position across the next five years. • Regular review of all assumptions will continue through until December 2025 as new information comes to light, up to the point of publication. 	<ul style="list-style-type: none"> • Further strengthening the spend control mechanisms that are already in place across the organisation in order to further drive a consistent commitment to value for money, namely: <ul style="list-style-type: none"> ➤ Spend control panel (and continue to review thresholds) ➤ Recruitment Panel - agency and permanent recruitment restrictions on nonessential roles. ➤ Single point of governance for all of the capital programme (Strategic Capital Board) ➤ Single point of governance for all commissioning and procurements over £160,000 (Commissioning Panel and Board) ➤ All reports which involved spending over £25,000 to be reviewed by the Section 151 Officer. • A strong focus on delivering the £30m of savings already contained within the 25/26 budget and the £21.9m for the 26/27 budget by 1st April 2026, in order to secure full year effect for 26/27. • Inviting external challenge and support for the Council in the form of an independent Financial Resilience Sounding Board, building on, enhancing and updating the 2025 CIPFA independent review work. • Preparation of mid-year budget proposals that could be taken in the summer of 2026,
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	<ul style="list-style-type: none"> • Review of the Capital Programme with the expectation of a reduced capital programme over the medium term, reducing the rate at which debt is increasing. • New capital programme governance arrangements are now in place which includes a new gateway process for ensuring that no capital scheme progresses without a clear business case that has been approved. • A refreshed Budget Series took place in April, May and June 2025, with a focus on ensuring existing savings are on track for delivery and identifying new savings and income opportunities to balance the budget for 2026/27. These are being considered in a structured way through four lenses (efficiency, commercialism, prevention and prioritisation) to ensure that every £ spent is delivering on the outcomes in the CDP and prioritisation is in line with smaller funding envelope and keeping any ongoing reliance on EFS to a minimum. • Review of 'committed' reserves, of which those which are uncommitted are exceptionally low given the level of risk faced by the authority. This has focussed on £22m of balances within the Services Reserve and Grants Reserve to identify any transfer into the Budget Planning Reserve. The first phase identified £2.9m 	<p>realigning resources to new priorities and presenting options for 27/28 savings. This will give opportunities for in year spend reductions and additional time for the delivery of those measures prior to 1st April 2027, therefore securing full year effect.</p> <p>A key part of the current recovery plan and the revised resilience plan will be about reviewing all services again to identify efficiencies that reduce costs and increase productivity but also assure us that we have got the basics right. It will include looking at options to re-shape how services are delivered, including statutory services. This work will commence early in 2026 for review by the new administration in Autumn 2026 and build on the work undertaken for the 2026/27 budget process. Improvements have already been made in estimating current and future service pressures as part of the 2025/26 and 2026/27 budget process with much greater use of non-financial trend data, scenario planning and estimates for risks and uncertainties. There is already some improvement demonstrate in 2025/26 with forecasting variations month on month being less volatile. In addition, the 2026/27 corporate contingency will be increased to £25m to recognise the uncertainty in demand led services. Budget Fortnight took place for the 2024/25 budget planning process. Since this time, Budget Week has been completed for 2025/26 budget setting and Budget Series for the 2026/27 budget setting, each building on the lessons learnt and feedback from the previous year.</p>
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	<p>to contribute to reducing the overspend position in 2024/25 and a furthermore forensic review will be undertaken in quarter 1 of 2025/26. The MTFs assumes replenishing reserves over the medium term and an annual contribution of £3m has been assumed from 2026/27 onwards.</p> <p>An 'emergency response' has been put in place across the organisation in line with GOLD and Silver arrangements and overseeing the delivery of the Financial Recovery Plan developed by the Section 151 Officer. Progress is reported to internally and quarterly through the finance report to Cabinet and OSC. All non-essential spend must now be approved by the Spend Control Panel and the Recruitment Panel must approve all new recruitment. It is likely that tighter controls will be put in place from quarter 2 of 2025/26. The controls are also expected to improve purchasing compliance in line with the Council's policies and processes.</p> <p>A redesigned Corporate Project Management Office supports delivery of the Category A projects, and a recent review of the criteria has led to a new set of projects being supported and which are linked to the delivery of savings.</p> <p>During 2023/24 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Full details are published in the 2024/25 outturn report and the number of schools with a</p>	<p>During 2024/25 the financial position with regards the Local Authority Schools in the Borough has become an increased area of financial risk to the Council. Additional capacity has been agreed within the schools finance team to support those schools in deficit and close working with the Council and schools to develop and implement Deficit Recovery Plans. The Safety Valve Programme is performing well and working towards alleviating the deficit on the high needs block of the schools budget by 2028 but the number of children with EHCPs and cost of placements continues to increase, and the Council awaits the reforms to SEND to be published by the Government in 2026.</p> <p>As significant proportion of the audit plan for 2025/26 has been focused on this corporate risk area and outcomes will be shared with Audit Committee as part of the routine cycle of reporting.</p> <p>In January 2026 KPMG will present their Annual Report to the Audit Committee and Value for Money Report. This report contains recommendations relating to financial sustainability, procurement, commercial property and adult social care. These have been accepted by management and full responses are provided in the separate report on the agenda and will be tracked as part of the AGS.</p>
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	<p>deficit has increased to 33. The Council continues to work with schools in deficit on the recovery plans, including staffing restructures.</p> <p>The financial partnership between the Council and the Health Sector is an area of focus in light of the changes to ICBs being implemented by Government. The exact impact is not yet known but does pose a financial risk in terms of joint funding arrangements through the BCF.</p> <p>THE 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p>	
<p>We need to continue to embed the planned improvements across strategic and operational Asset Management which include fully embedding robust management of our operational and Commercial Properties</p>	<p>The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains 10 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>Progress is then taken through our property governance process on a monthly basis.</p> <p>The Corporate Landlord Model was implemented from 1 April 2025, including the transfer of</p>	<p>The Council's disposal policy, taken to cabinet in June 2025 and associated list, identified sites that were surplus to the Council's requirements, following their assessment through the council property review process, which is contained within the SAMPIP. These robust processes highlight a continued improvement in the management of our strategic and operational properties.</p> <p>Progress against this disposal list is managed through the Council's Disposal Board, and we are on target to make £2m of capital receipts within the 2025/26 financial year. We have an agreed scope for an internal audit by Mazars on the disposal programme scheduled for quarter four.</p>

<p>because audit work continues to conclude that systems and controls are inadequate.</p> <p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p>	<p>budgets and staffing resources. However, it is likely to require the remainder of the year for this to be fully implemented. This is a key step in bringing hard and soft facilities management service back together and ensuring all operational, strategic and commercial property sits in one area.</p> <p>Cabinet in June 2025 agreed the Council's Disposals Policy and an internal Disposals Board, chaired by the Corporate Director of Finance and Resources is in place to oversee the implementation of the policy.</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. The last update was in May 2025.</p> <p>As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.</p> <p>Good progress has been made on reviewing the Council's commercial property portfolio gaining a more holistic view of the properties and lease arrangements which has significantly improved performance, including increased income levels.</p>	<p>Good progress continues on the SAMPIP, as highlighted by four of the ten original objectives of the SAMPIP being closed out and delivered, and the remaining six being progressed against the action plan. Our next key milestone is June 2026 for the next annual report to Cabinet on the SAMPIP and operational asset reviews being completed.</p> <p>Income from the commercial portfolio is over £1m higher than the same period last year with full delivery of the improvement plan remaining a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025.</p>
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	<p>The Council has begun to prepare the business case for the introduction of a digital solution to replace the current manual record keeping.</p> <p>In January 2026 KPMG will present their Annual Report for 2024/25 to the Audit Committee. This report contained two recommendations that have been accepted by management with regards this governance issue, specifically relating to Council Leases.</p> <p>The recommendations relate to:</p> <ul style="list-style-type: none"> • Reviewing all Leases. • Implementing technology to enable effective monitoring. <p>These actions are accepted and management responses are provided within the report will be tracked as part of the AGS.</p>	
<p>Following our self-referral to regulator we continue with our Housing Improvement Programme to deliver improvements in the delivery of our housing service and implement recommendations to address weaknesses in</p>	<p>The issue was identified in 2022/23, with the Housing Improvement Programme (HIP) continuing from this time. The Housing Improvement Programme was classified as a Category 'AA' project, so monitoring and reporting went to Corporate Leadership Team via the Corporate Project Office in addition to local oversight within Housing Services. Of the 213 actions included within this programme, 81% are complete with progress ongoing.</p> <p>A mock inspection of the housing service was carried out by HQN in September/October 2024 against the new Consumer Standards set by the Regulator of Social Housing, which included the</p>	<p>There has been good progress against the action plan developed in response to the mock inspection with monitoring by the Housing Improvement Board continuing to date to ensure oversight.</p> <p>HQN have since 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. Their findings following their assessment in October 2025 have indicated that we have a robust framework in place to identify, implement and monitor actions to meet the HQN recommendations and that significant, positive progress has been made in</p>

<p>our management systems, including Health and Safety risks in Council owned residential properties that deliver improvements to housing for tenants and meets the requirements of the Social Housing Regulator including safe housing.</p> <p>Corporate Director of Adults, Housing and Health</p> <p>31/3/2026</p>	<p>Safety and Quality Standard. An action plan was 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 this Board since March 2025. We continue to closely monitor and scrutinise performance and progress through our internal governance arrangements, and through six weekly performance reporting to the Member-led Housing Improvement Board.</p> <p>The Building Safety Strategy for 2024-28 was approved by Cabinet in July 2024. This strategy details how the Council ensures that buildings within the scope of the Building Safety Act 2022 were effectively managed and safe. The Building Safety Strategy was part of the Housing Improvement Plan, tackling repairs, fireproofing, insulation, security and other renovations and went beyond what is required by the government. The Building Safety Strategy was created with residents and residents' involvement in future decisions remains a core objective.</p> <p>The Council's Housing Annual Compliance Statement was presented to Cabinet on 17 September 2024 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts – carried out in May 2024, together with an update on implementation</p>	<p>delivering the improvements identified by HQN. Since June 2025, 83% of the 213 actions included within the Housing Improvement Programme are now complete showing steady progress.</p> <p>Our improvement progress and performance across Housing Services continues to be regularly overseen by a variety of boards and panels, such as the Housing, Planning and Development Scrutiny Panel, the Housing Improvement Board, internal Housing governance boards, and our Resident Voice Board.</p> <p>The Council has continued to provide externally assured updates on compliance, where the Council's latest Housing Annual Compliance Statement was presented to Cabinet on 11 November 2025 which included a summary of the results of the Council's auditors Mazars' audit of the service's reporting against the 'big six' compliance indicators - gas, electric, fire safety, asbestos, legionella and lifts for March 2025 data. This continues to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement. The data continues to show consistently good performance against the 'big six' health and safety indicators.</p> <p>Work to deliver the Building Safety Strategy 2024-28 continues and a review of the Strategy is to</p>
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	<p>of the new compliance data system which will result in a complete move away from spreadsheet management of these compliance areas, by the end of 2024. The purpose of the report was to provide Cabinet and council tenants and leaseholders with the assurance and confidence that the Housing Service's arrangements for monitoring the 'big six' compliance areas are robust and are subject to ongoing review and improvement.</p> <p>As of June 2025, all of the 'big six' modules are now set up on the new compliance system, with full inspection programme information uploaded. All FRA actions have been integrated into the system, removing the use of spreadsheet to manage actions, and we will also look to implement additional modules for other compliance areas.</p> <p>The data shows consistently good performance against the 'big six' health and safety indicators for each of the last three months and we anticipate that we will continue to maintain and build on this position assisted by the embedding of the new compliance data system across all compliance areas.</p> <p>The service has exceeded the target of 700 homes to be made decent by 31 March 2025 with the Regulator, where 791 homes have been made decent for 2024/25. This has meant the</p>	<p>commence in 2026 in line with our strategy review commitments. Our Building Safety Managers are allocated specific buildings for them to ensure safe standards are maintained and we are also continuing to collate and submit safety cases for each high-rise building upon request by the Building Safety Regulator. In addition, the Building Safety Managers are a key point of contact for our residents, and they work to ensure our residents understand how they can be involved in decision making about the safety of their homes. This is a vital part of how we engage with our residents as set out in our Building Specific Resident Engagement Strategies. To enhance resident information regarding safety and in line with Regulatory requirements we are installing Building Safety Specific notice boards in high-rise buildings which will provide key information, updates, and advice for residents. We are also developing a permit to work system for the buildings to ensure that on-going repairs and maintenance activities do not undermine or deteriorate the fire and structural safety systems within the buildings.</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 report approved in October 2025, subject to Section 20 consultation, which was completed in December 2025 with final approval in January 2026. This is following original approval by Cabinet in June 2025. Following</p>
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	<p>percentage of homes meeting the decent homes standard has increased to 80.7% from 78.4% in 2023/24. To achieve this target, mitigating actions included planned internal, 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 Contract Award report being approved by Cabinet on 17 June 2025. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023.</p> <p>Our performance across Housing Services and specific service areas and improvements are also overseen by the Housing, Planning and Development Scrutiny Panel.</p> <p>Audit Committee periodically request updates and assurances from the Director of Housing Services, relating to risk and control due to historic limited assurance audit reports. Internal Audit resources have been allocated in 2025/26 to provide independent assurance to Senior Leaders and Members as part of the 2025/26 Audit Plan.</p>	<p>mobilisation, go live is expected in April 2026. This is a key factor to support the achievement of 100% decency by 2028 in line the asset management strategy agreed by Cabinet in 2023.</p> <p>Following our self-referral to the Regulator and delivering against the Housing Improvement Programme and the Housing Inspection Action Plan, Housing Services is in a much-improved position and is able to provide assurance to Council tenants and leaseholders. Due to the sustained improvement, the Council recently requested the removal of the Regulatory Notice. The Regulator of Social Housing has since confirmed they have lifted the Regulatory Notice as of 17 December 2025 recognising the improvements that have been delivered and the requirements that have been met. On this basis there is no longer a significant governance issue and performance, and compliance will continue to be monitored through the corporate risk register and existing governance structures as outlined in this update.</p>
<p>Due to the high levels of FOI,</p>	<p>Following the ICO Audit in June 2024, the Information Governance team have been working</p>	<p>Performance continues to be discussed and monitored at the Cross Council Information</p>

<p>SARs that are not completed in time and feedback from Ombudsman we need to continue to strengthen our information governance arrangements.</p> <p>Corporate Director Culture Strategy Communities</p> <p>31/3/2026</p>	<p>on delivery of the detailed Action Plan to address the ICO's recommendations.</p> <p>Most actions have been completed; a small number are still in progress. The ICO will be doing a desktop review of progress in July 2025 but will not do a full re-audit.</p> <p>Development work will continue after the Action Plan is completed, as we also use the ICO's accountability tracker which goes beyond the focus of the 2024 audit.</p> <p>Specifically in relation to information rights requests (which were not covered in the Audit), a new system was introduced in April 2025. When this has been fully implemented, it should give us greater visibility of cases, more granular reporting and improved case management. Alongside the new system, we are reviewing the way that cases are assigned and the support and guidance we provide to colleagues.</p>	<p>Governance Board the role of which was strengthened in 2025/26.</p> <p>Performance reports are presented to the Corporate Leadership Team quarterly. Any feedback from the Ombudsman is also discussed with Senior Management and actions tracked.</p> <p>The ICO did a return visit in June to review action plan implementation and they were satisfied with progress and have closed the audit.</p> <p>Phase 2 implementation of the new system (Infreemation) for managing information rights requests went live on 1 December 2025 and services now have direct access to case manage their assigned requests. The feedback from the services has been generally very positive. The focus for Q4 will be on improving reporting from the system.</p>
<p>The range of skills and experience required to fulfil our duties has become increasingly challenging over</p>	<p>We have a workforce strategy which principally was created to deal with this risk. The main action in the current municipal year is for Directors and Corporate Directors to complete workforce action plans for their areas which outline their workforce needs across the spectrum in terms of, for example, recruitment, retention and learning and development. These needs need to be framed in</p>	<p>Workforce Strategy Action Plan is in delivery. A small number of Directorate Workforce Action Plans have been completed. Work on this has now been paused to allow Directors to focus on the immediate financial crisis. Human Resources are delivering sessions to Heads of Service on people management, restructures and making financial savings in order to support the immediate drive to reduce spending.</p>

<p>time, particularly within some professions. The Council needs to have a high-performing workforce that delivers great services by attracting, developing, and retaining talent that delivers quality public services whilst making the best possible use of public money.</p> <p>Corporate Director Culture Strategy Communities</p> <p>31/3/2026</p>	<p>the context of future service delivery and the finances available. A corporate template has been developed and tested, and resources made available to support all Directors and Corporate Directors with this important task. On a more day to day level, we have core HR policies available to support managers and leaders in managing their existing workforce and recruiting new employees, including flexibility on recruitment of current agency workers into directly employed posts and arrangements to pay market supplements where it can be objectively justified.</p>	<p>Focussed work is taking place with Directorate Management Teams on key HR areas such as managing and reducing the cost of sickness, performance management and accuracy of establishment data.</p> <p>Mandatory and Leadership training has now been insourced and feedback is positive.</p> <p>Agency spend has decreased substantially and there has been an increase in the permanent workforce. Regular updates are presented to the General Purposes Committee. There has been considerable focus on reducing agency spend.</p> <p>There is a process for Statutory Officers to consider approving market supplements in areas where this is necessary, affordable and appropriate in the context of the wider workforce.</p>
<p>The Council has recognised weaknesses with regards procurement and contract</p>	<p>The Council has reviewed its procurement operating model, and the new staffing structure is in place to facilitate all contract re-tenders above £25k to be managed by the Strategic Procurement Team. This new operating model and new processes will continue to be embedded</p>	<p>The Council has strengthened its procurement and commissioning framework to ensure compliance, mitigate fraud risk, and deliver value for money. A revised operating model and staffing structure now require all contract re-tenders above £25k to be managed by the Strategic Procurement Team.</p>

<p>management arrangements.</p> <p>Corporate Director of Finance and Resources</p> <p>31/3/2026</p>	<p>during 2025 and is anticipated to mitigate potential non-compliance and fraud.</p> <p>The revised CSO's are now in place and were agreed by full Council.</p> <p>Savings of £9m are expected on contracts over the next three years and a new Procurement and Commissioning Programme is now in place which has four workstreams:</p> <ul style="list-style-type: none"> • Review of large value contracts • Review of all contracts due for re-tender • Review of off contract spend. • Establishing category management for contracts <p>The programme will cover the full commissioning, procurement and contract management cycle, recognising that improvements are required in all areas. Delivery is being managed through a separate governance board, with progress being reported through to Procurement Board.</p> <p>Procurement Board are also responsible for overseeing all new re-tenders and improving procurement and contract compliance.</p> <p>The Council is compliant with the requirements of the new Procurement Act, but some processes are currently manual, and an e-procurement system is not yet in place – options are being considered.</p>	<p>Compliance and Governance</p> <ul style="list-style-type: none"> • Contract Standing Orders have been updated to align with the Procurement Act 2023 and enhance oversight of procurement and contract management. Full Council approved these changes. • Governance improvements include: <ul style="list-style-type: none"> ➤ Spend Control Panel for all expenditure above £1,000. ➤ Transition from the Procurement Board to a Commissioning Board, responsible for: <ul style="list-style-type: none"> ▪ Monitoring commissioning modernisation programme implementation. ▪ Reviewing procurements over £500k. ▪ Escalating issues from commissioning panel and procurement. ▪ Ensuring compliance across commissioning, procurement, and contract management. ➤ Introduction of a Commissioning Panel to review procurements above £160k (to be extended to £25k+), ensuring alignment with commissioning and procurement strategies and essential needs. <p>Commissioning Modernisation Programme</p>
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	<p>Regular updates are provided to Audit Committee relating to risk and control due to historic limited assurance audit reports and this will continue during 2025/26.</p> <p>Work has begun on implementing new category strategies to deliver better value for money.</p> <p>Revised procedures, training and communication is ongoing.</p> <p>Delays in the implementation of the e-procurement solution will have an impact on the implementation of some controls until such time as the technology is fully in place.</p> <p>The 2024/25 VFM risk assessment by KPMG is published elsewhere on the agenda and the Council will respond to any recommendations when the full report is presented to Audit Committee later in the year.</p>	<p>Endorsed by the Corporate Leadership Team, the programme comprises two workstreams:</p> <ul style="list-style-type: none"> ➤ Contract Reviews – Led by the Chief Procurement Officer, focusing on targeted reviews and refreshed category strategies to deliver £9m savings over three years. ➤ Commissioning & Practice – Led by the AD Commissioning & Programmes, embedding best practice through five sub-workstreams: <ul style="list-style-type: none"> ▪ Digital and data analytics. ▪ Commissioning framework, policies, and tools. ▪ Procurement pipeline review. ▪ Contract management and quality assurance toolkit. ▪ Service redesign based on needs analysis. <p>A comprehensive training programme supports these initiatives.</p> <p>Technology and Risk</p> <p>The Council remains compliant with the Procurement Act 2023. However, notification processes remain manual pending implementation of a new e-procurement solution via the ERP programme. Delays in technology rollout may temporarily impact some controls.</p> <p>Regular updates on procurement risk and control are provided to Audit Committee, reflecting historic limited</p>
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		<p>assurance findings. Work continues on new category strategies, revised procurement procedures, and an updated contract management toolkit aligned with government best practice.</p> <p>Internal Audit Audit work re contracts and procurement has been included in the 2025/26 audit plan and outcomes will be reported to members via the routine reporting cycle.</p> <p>External Assurance The 2025/26 Value for Money (VFM) risk assessment by KPMG is published separately. The Council will respond to recommendations when presented to Audit Committee later in the year.</p>
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