NOTICE OF MEETING

AGENDA FOR THE
AUDIT COMMITTEE

Tuesday, 3rd November, 2026, 7.00 pm - George Meehan House, 294 High Road, N22 8JZ.

Watch the meeting live here, or view all of our meetings on Youtube

Councillors: Tony Powell (Chair), Emily Arkell (Vice-Chair), Dana Carlin, Simon Clark, Fin Fitzgerald, Dan Johnson and Sarah Williams

Independent 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 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. ACTION TRACKER (PAGES 1 - 6)

To review the action tracker.

7. 2025/26 EXTERNAL AUDITORS ANNUAL REPORT (PAGES 7 - 66)

For the Audit Committee to consider the draft Auditor's Annual Report from KPMG, which provides a summary of their findings in relation to their Value For Money work, the risk assessment for which was provided to the July audit committee.

8. INTERNAL AUDIT PROGRESS REPORT (PAGES 67 - 104)

This report details the work undertaken by Internal Audit in the period 1 April to 31 August 2026 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).

9. AUDIT COMMITTEE MEMBER SKILLS MATRIX (PAGES 105 - 118)

At its meeting on 23 July 2026, Audit Committee members agreed to undertake a self-assessment of all areas within the remit of the Committee. It was agreed members agreed to complete an on-line skills matrix assessment and the feedback provided will be used to identify any training needs.

10. ANTI-FRAUD, BRIBERY AND CORRUPTION PROGRESS REPORT QUARTER 1 2026/27 (PAGES 119 - 132)

This report details the work undertaken by the in-house resources in the Audit and Risk team and communicates a first quarter update on completion of the work plan for 2026/27.

11. ANTI FRAUD AND CORRUPTION STRATEGY AND CORRUPTION STRATEGY (PAGES 133 - 176)

The Audit Committee is responsible for Anti-fraud and Corruption arrangements as part of its Terms of Reference. In order to provide assurance that the corporate policy is consistent with relevant regulations and other best practice requirements, it is reviewed on a regular basis.

12. TREASURY MANAGEMENT Q2 REPORT 2026-27 (PAGES 177 - 194)

This report provides an update to the Audit Committee on the Council's treasury management activities and performance for the six months ending 30th September 2026, in accordance with the CIPFA Code.

13. RISK MANAGEMENT UPDATED - CORPORATE RISK REGISTER (PAGES 195 - 216)

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.

14. KPMG LLP STATUTORY AND NON STATUTORY RECOMMENDATIONS - UPDATE ON PROGRESS - OCTOBER 2026 (PAGES 217 - 230)

This report is the first update since the full Council meeting in July 2026 and an update is set out in full in Appendix 1.

15. ANY OTHER BUSINESS

Democratic Services Contact: Nazyer Choudhury, Principal Committee Co-ordinator
Telephone: 0208 489 3321
Email: Nazyer.choudhury@haringey.gov.uk

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

Monday, 26 October 2026

Accessibility Requirements
If you would like to attend and you have any special requirements, please email Nazyer Choudhury, Principal Committee Co-ordinator at . Please note that public seating is limited and will be allocated on a first come first served basis.

Advice To Members On Declaring Interests
Information on declaring an interest is set out in the Council's Constitution in Part 5 Section A. However, you may need to obtain specific advice on whether you have an interest in a particular matter.
If you need advice, you can contact:
• Monitoring Officer
• the Legal Adviser to the Committee; or
• Democratic Services.
If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

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.	Officers are still working to summer 2026 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. 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 Sites such as the Roger Sylvester centre has been completed and is operational, which has co-located services within the space, between partners and the VCS. 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 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 council are also working with residents who have formed a community group, to look at the meanwhile use of 100 Tower Gardens. The 1 year pilot of the Social Value leasing policy has been completed and is due back at cabinet in the	Director of Capital Projects & Property (Jonathan Kirby)	In Progress

		autumn. This, along with the the development of the Popular Assets Commission proposal will form the framework in which an aligned meanwhile use policy will be integrated.		
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. There has been significant progress made against the councils top 10 debtors, which due to the legal nature of the processes underway, we are not able to list out here at this time, but the figures are reducing and sites being returned to council for re-letting.	Director of Capital Projects & Property (Jonathan Kirby)	In Progress
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 notification for an internal interest could not be	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 is in place for 2025/26 closing of accounts process and evidence will be provided to KPMG as part of the audit. 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	Kaycee Ikegwu / Taryn Eves	In progress

	triggered. This issue would be taken away to see how it could be addressed.	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.	Update (Nov 2026): An audit was carried out of this area and will be reporting to the Audit Committee in Nov 2026.	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 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		Rebecca Crib / Jo Baty	Initiated

	from all four teams. A further update would be provided to the Committee.			
Mar 2026	North London Waste Authority. One of the highest areas of risk for the Council was the potential levy that it could incur from the North London Waste Authority. The audit was trying to give assurance to that risk. It needed to be clarified if the Council had properly appraised itself of all the different facets of risk and what steps it was taking to try to manage the risk for including for other authorities in the in the neighbouring boroughs to mitigate the potential for the levy to rise.	The internal audit plan for 2026/27 includes a review of the "Management of risks in respect of the North London Waste Authority". This audit is being discussed with management and with the providers of internal audit at the NLWA.	Head of Audit and Risk Management	In progress, due for completion in July 2027.
Jul 2026	Draft Annual Governance Statement 2025/26 As part of the audit plan for this year, there was an audit around two aspects. The first was around the Council's understanding of the risks it faced with North London Waste Authority. The Council had a risk at the corporate level, which identified the risk at a generic level. A more detailed appraisal of what the specific aspects were would be taken. There was likely to be another audit around understanding what the governance framework at the North London Waste Authority was, its subsidiary and its contractors, because it was quite a complicated governance arrangement. The Council was liaising with the London Borough of Camden to try to understand the picture from their point of view because they were the lead council of the seven that used the authority. The Council would try to get an assurance map to help it understand what governance arrangements it had and how robust they were in trying to manage their operations in an appropriate way.	Completed: A meeting was convened with the Head of Audit at Camden and the remaining action will be captured as part of the action above on NLWA.	Head of Audit and Risk Management	Completed
Jul 2026	Treasury Management Outturn Report 2025/26: In relation to the leases, the accounting standard had caused the boundary to be erratic. However, it was to			

	be corrected in the current year. The current operational boundary and authorised limit for the PFI and finance lease would be checked and provided to the Committee.			
Jul 2026	Treasury Management Outturn Report 2025/26: The Council was looking at other ways to manage costs and these options would be taken into consideration and the analysis would be submitted at a future meeting.			
Jul 2026	Risk Management Updated – Corporate Risk Register The nature of some of the risks was that they were becoming more of an issue. One of the things that was discussed at the last CLT meeting was how the Council could present for some risks, particularly the financial one, a pictorial representation of what could make a risk happen or triggers that would crystallise the risk. This would allow more focus on what it was that needed to be done to prevent the triggers from taking hold. Also, if the risks did materialise, it was worth considering what the Council needed to be prepared for in taking the next steps. Work was underway and would be submitted to a future meeting.	With the appointment of the Strategic Risk Advisor, the process of picturising the actions likely to crystalise the risk and its consequences will be easier to manage. The Audit Committee will be asked to nominate two risks from the Corporate risk Register for this approach to be taken.	Head of Audit and Risk Management	In Progress, completion planned by January 2027
Jul 2026	Risk Management Updated – It was mandatory to do cyber training. The service struggled to make sure that everyone had done it. This was something that had to be enforced by the Council. Many organisations had succumbed to cyber attacks and the Council was not immune to them. One or two of the borough's schools had been attacked as well. In relation to gaining the appropriate licences and whether the arrangements were in place, these were being put in now but this would be double checked and an update would be provided at a future meeting.			

Agenda Item 7

Report for: Audit Committee 3 November 2026

Item number: 7

Title: 2025/26 External Auditors Annual Report

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

Lead Officers: Kaycee Ikegwu, Chief Accountant
Kaycee.ikegwu@haringey.gov.uk 0208 489 5560

Ward(s) affected: N/A

Report for Key/ Non Key Decision: Non Key decision

1. Describe the issue under consideration

1.1. For the Audit Committee to consider the draft Auditor's Annual Report from KPMG, which provides a summary of their findings in relation to their Value For Money work, the risk assessment for which was provided to the July audit committee.

2. Cabinet Member Introduction

2.1. Not applicable.

3. Recommendations

3.1. That the Committee notes the contents of the draft auditor's annual report and any further oral updates given at the meeting by KPMG.

3.2. That the committee notes that the final auditor's annual report will be submitted in January 2027. Management will, at that time, provide responses to any issues raised by the external auditors.

3.3. That the committee notes management responses to the VFM significant weaknesses identified the and recommendations raised by external auditors.

4. Reason for Decision

4.1. No decision is required.

5. Other options considered

5.1. None.

6. Background information

6.1. The auditor's annual report is prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and statement of accounts.

6.2. The Code of Audit Practice requires external auditors to issue the auditor's annual report no later than 30 November of each year. For KPMG to comply with this requirement, they have issued a draft auditor's annual report prior to the completion of the audit.

6.3. It provides a summary of the findings and key issues arising from the Value for Money work. KPMG will provide a finalised version of this report to the January committee, which will also include their findings in relation to the financial statements.

6.4. KPMG are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'.

6.5. This involves considering whether there are sufficient arrangements in place for the Council for:

Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services.
Governance: How the Council ensures that it makes informed decisions and properly manages its risks.
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

7. Contribution to Strategic Outcomes

7.1. None.

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

<u>Finance</u>

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

Procurement

8.2. Procurement comment is not required in this report

Legal

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

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

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

Equalities

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

9. Use of Appendices

Appendix 1 – Draft Annual Audit Report 2025/26

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

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Auditor's Annual Report for Haringey London Borough Council

DRAFT

Year-ended 31 March 2026

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3 November 2026

Contents

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		Page
01	**Executive Summary**	3
02	**Value for Money**	6
	a) Financial Sustainability	
	b) Governance	
	c) Improving economy, efficiency and effectiveness	

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

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

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

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01

Executive Summary

Executive Summary

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2025-26 audit of Haringey London Borough Council (the 'Council'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and accounts.

Our responsibilities

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

Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Group and the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2025/26 ('the CIPFA Code').

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

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

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

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

Findings

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

Financial statements	We will issue a disclaimer of opinion on the Council's financial statements by 29 January 2027. This is because we have been unable to obtain sufficient appropriate audit evidence over the financial statements. Further details on this will be set out in the final Auditors' Annual Report. We have provided further details of the key risks we identified and our response on page 7. Additionally, we are the auditor of the Haringey Pension Fund financial statements. Subject to outstanding procedures we expect to issue an unmodified opinion on those financial statements.
Other information	Whilst in our opinion the content of the other information is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.
Value for money	To date we have identified 4 significant weaknesses in respect of the arrangements the Council has put in place to secure economy, efficiency, and effectiveness in the use of its resources. Further details are set out on page 7.
Whole of Government Accounts	We are required to perform procedures and report to the National Audit Office in respect of the Council's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts. As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area.
Other powers	See overleaf.

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Executive Summary

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

Public interest reports

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

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

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

Judicial review/Declaration by the courts

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

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

Recommendations

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

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

As at the date of this report, we have made 1 recommendation under Schedule 7 of the Act, alongside 2 non-statutory recommendations. These related to the approval of a financial budget without an appropriate level of planned savings to address the Council's challenging financial position. We have escalated the previous Value for Money recommendations with this statutory recommendation for greater visibility and clarity on management's progress and actions to address our findings. For further details see page 22.

Advisory notice

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

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

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

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

KPMG

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02

Value for Money

Value for Money

Introduction

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

- **Financial sustainability**: How the Council plans and manages its resources to ensure it can continue to deliver its services.
- **Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

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

Approach

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

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money. We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

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

Summary of findings

Our work in relation to value for money is substantially complete, however matters set out here may change upon the completion of our work, should any further information come to our attention. In particular, we have noted on pages 32 & 48 that there are imminent Housing Regulator & CQC reports and we reserve the right to raise associated significant weaknesses linked to these.

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	9	28	32
Identified risks of significant weakness?	Yes - 2	No	Yes - 4
Actual significant weakness identified?	Yes - 2	No	Yes - 2
2025-26 Findings	2 significant weaknesses identified	No significant weaknesses identified	4 significant risks identified, which currently translate into 2 significant weaknesses

We note that the 4 weaknesses identified are all consistent with our prior year findings. We have not currently raised significant weaknesses over any new areas during the 2025/26 Value for Money work.

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Value for Money

National context

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

Financial performance

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

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

Education

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

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

Housing

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

Local context

With a population of approximately 270,000, the London Borough of Haringey faces significant challenges, including income inequality, difficulties with housing affordability, and homelessness. Although Haringey is classified as an outer London borough for government funding purposes, it receives less financial support than inner London boroughs, despite experiencing high levels of deprivation.

Since 2010, Haringey’s core funding has declined by £143 million in real terms, and, like many other local authorities, the borough is grappling with mounting financial pressures caused by rising demand and escalating costs in Adult Social Care, Children’s Social Care, and Temporary Accommodation, which alone has risen in cost by over 50% during the previous year due to wider economic factors. These areas are the primary contributors to Haringey’s financial difficulties, given that 67% of the General Fund revenue budget for 2025/26 was allocated to Adult’s, Children’s, and Temporary Accommodation services.

Due to a deterioration in financial position over a number of years, the Council is no longer able to set a balanced budget without the use of Exceptional Financial Support (EFS) from the Ministry of Housing, Communities & Local Government (MHCLG).

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Financial Sustainability

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

We have considered the following in our work:

- How the Council ensures that it identifies all the financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Financial Planning 2025/26

- The Council's budget-setting process is anchored in its Financial Regulations. For the 2025/26 financial year, preparations commenced early, kicking off with Budget Fortnight in June 2024. During this period, executive directors were responsible for developing budgets for the service lines under their remit, considering both anticipated pressures within their directorate and any required efficiency measures.
- To ensure these budgets were both realistic and achievable, directorates conducted assessments of cost pressures, drawing on a range of sources such as policy changes, economic trends, contractual obligations, and ongoing budget monitoring activities.
- Ahead of this process, directorates were also tasked with identifying and clearly defining efficiency schemes as part of Budget Fortnight, a focused effort to confront the Council's ongoing financial pressures. Our review of these submissions showed that the degree of detail varied considerably between directorates, with some unable to specify the full financial implications prior to the end of Budget Fortnight.
- Across the previous two years we have raised a significant risk & associated weakness linked to the identification and monitoring of cost savings schemes, and whilst there has been progress in tracking these savings, gaps remain - particularly with the lack of underlying detail and in the consistent application of red-amber-green (RAG) ratings.
- This lack of robust monitoring is mirrored in the Council's declining performance against its efficiency targets, an issue addressed on page 11. We note that almost half of the identified savings within the approved 2025/26 draft budget —amounting to approximately £13.4 million— were intended to be achieved through cross-cutting measures spanning multiple directorates, which are more challenging to identify and deliver due to their nature.
- The outcomes from Budget Fortnight were incorporated into the draft budget presented to Cabinet in November 2024. At this stage, the budget gap identified by management on the General Fund (GF) Budget of £310m was £32.1m, which was £18.1m worse than the Medium-Term Financial Strategy (MTFS) agreed in March 2024. This budget also incorporated new pressures of £39.6m (and £75.2m over the next 5 years) – specifically Adult Social Care (£15.1m), Children's (£5.8m) and Temporary Accommodation (£10.7m) being the largest 3 elements. This is over and above the £10.4m of budget pressures included for 2025/26 within the MTFS agreed in the prior year.

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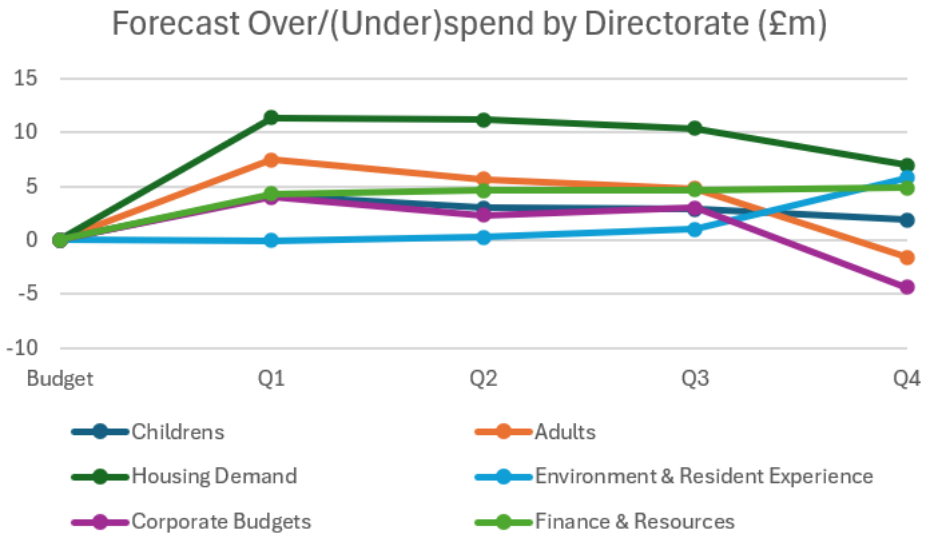
Financial Sustainability

Financial Planning 2025/26 (cont.)

- In line with the Council's constitution, the draft 2025/26 budget and MTFS then went to the Overview & Scrutiny Committee in November 2024, for which we have reviewed the committee minutes and can see there is documented challenge from members of the budget and underlying assumptions. We have also inspected the recommendations made to Cabinet as a result of this process, which included 27 detailed recommendations and further information requested by the panel, covering a wide range of areas from insourcing to assessing the impact of savings upon marginal communities. This demonstrates the consideration given by the Council to the impact on the wider borough and the implications of the financial decisions undertaken.
- In terms of wider engagement, we have viewed the Budget Consultation Report for 2025/26, detailing 169 public responses to questionnaires and the subsequent Council analysis of the responses captured within the cabinet minutes approving the budget. This demonstrates good engagement with the community and the people who will be affected by any potential budget changes.
- On 11 February 2025, the final budget was recommended to and approved by Cabinet, in which the gap had now been partially closed by identifying further efficiency savings of £3.3m and various other actions since November 2024, as well as incorporating £12.5m for the provisional Local Government Finance Settlement. The final budget, along with the MTFS, was subsequently recommended to Full Council, which gave its approval on 3 March 2025. This final General Fund budget was £314.3m and contained a forecast £37m gap between income and expenditure, to be met by the Exceptional Financial Support (EFS) application which was submitted to the Ministry of Housing, Communities & Local Government (MHCLG) on 14 December 2024 and subsequently approved on 20 February 2025.
- We note that the Council also relied upon EFS of £10m to deliver the agreed 2024/25 outturn, giving a cumulative planned total of up to £47m of EFS at this stage. The cost of continuing to rely upon EFS is significant - at current rates each £1m of EFS used will add £83,000 to revenue costs annually for the next 20 years.

Financial Performance 2025/26

- The 2025/26 financial performance was challenging - by the time of the quarter 1 (Q1) financial update presented to Cabinet on 16 September 2025, the Council was already forecasting a £34.1m overspend, over 10% of the agreed budget, with a total forecast spend of £348.4m. This was primarily being driven by pressures in Temporary Accommodation (£11.4m), Adult Social Care (£7.4m), as well as non-delivery of savings (£9.2m). These overspends are beyond what was already built into the budget for additional in-year pressures.
- This forecast improved to a predicted £23.4m overspend by Q2, £19.4m at Q3 and a significantly improved position of a £3.6m overspend as of the year end. This change has been primarily driven by improvements within the corporately held budgets (£7.4m) & Adults (£6.4m). We can see the performance of the six largest budget areas below, which illustrates the large variations each quarter throughout the year, in particular at Q1 and Q4, and shows the volatility within the monitoring process.



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Financial Sustainability

Financial Performance 2025/26 (cont.)

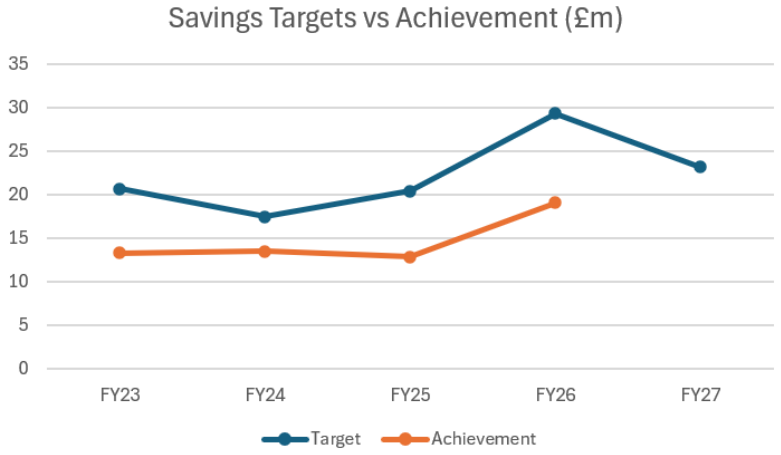
- We are aware that on 23 February 2026 the Council received approval from MHCLG to increase its reliance upon EFS to £54m for the 2025/26 financial year should it require, however ultimately the final drawdown of EFS was £40.6m, due to the improved financial position from Q3 to Q4 and aided by an unplanned drawdown from earmarked reserves as detailed on page 12. This represented a £3.6m increase from the £37m of EFS agreed per the approved 2025/26 budget at the outset of the year.
- Given the speed at which the 2025/26 budget deteriorated, we are not satisfied that the budget adequately incorporated all financial pressures and demands. Additionally, although the year end position has improved from the initial Q1, 2 & 3 forecasts, the large swings in forecast delivery each quarter within both the individual services and the corporate budgets do not indicate a stable cost management environment. As such, in line with the prior year work we have determined that there is a **significant risk** within the Council's arrangements relating to the cost setting and budgetary processes to achieve financial sustainability over the short to medium term.

Savings Schemes

- The final 2025/26 budget agreed by Council on 3 March 2025 included a savings programme of £29.3m, which was challenging to meet given the declining achievement rate year on year (63% & 77% of savings over the last two years) on significantly lower targets of £20.4m and £17.5m respectively.
- As at the Q1 financial update the Council had already RAG rated £14.8m (50%) of planned savings as amber or red rated and was projecting non-delivery of £5.2m (91%) of the £5.7m unallocated cross-cutting savings that had been targeted, which has been driven by issues in achieving Council wide accountability. We have further illustrated the savings positions here, which highlights the volatility of the forecast overall delivery throughout the year. This also demonstrates that the Council was forecasting achievement of some of the amber RAG rated savings throughout the year.

Savings Schemes	Budget	Q1	Q2	Q3	Q4
Forecast Overall Delivery	£29.5m	£20.2m	£23.0m	£16.3m	£19.1m
Amber/Red RAG Rated	-	£14.8m	£13.3m	£13.0m	-

- The savings schemes agreed for the year included several Council wide initiatives known as cross-cutting schemes, which totalled £13.4m and were intended to be allocated to individual services before 1 April 2025, however throughout the year savings totalling £5.7m remained unallocated.
- The final position for 2025/26 was £19.1m (65%) of savings delivered against the £29.3m target – a £10.2m shortfall. This is in line with the 2024/25 savings scheme performance rate, which achieved £12.9m (63%) vs a £20.4m target, albeit we note positive progress in respect of the gross value of savings delivered, which has increased by almost 50% year on year. We have illustrated the achievement rate vs target over the previous 4 years within the graphic below, which demonstrates that the Council will need to improve its performance in relation to delivery of savings to meet its 2026/27 savings target of £23.2m.
- We also note that the £23.2m is a reduction from the 2025/26 target, despite the worsening overall financial health of the Council. This links to the statutory recommendation raised by KPMG in May 2026 as discussed on page 22, which highlighted the Council's difficulties in setting & delivering a comprehensive savings plan to address the deteriorating financial position.



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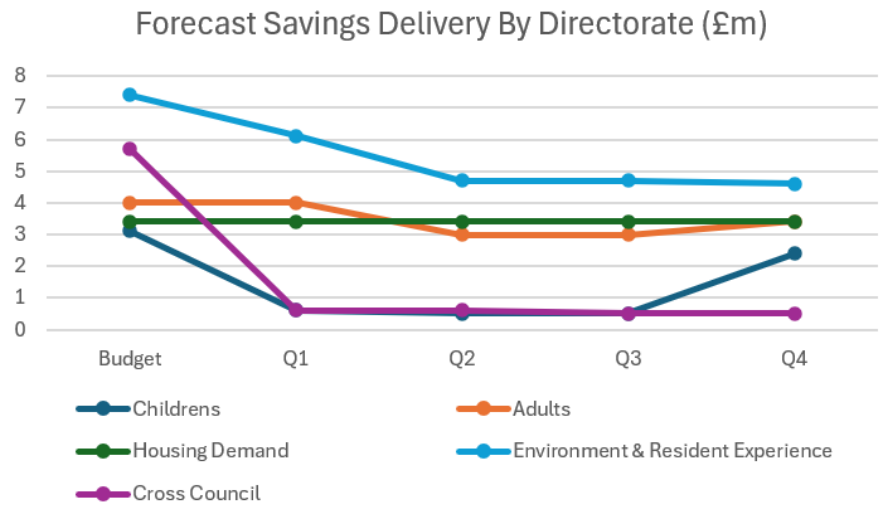
Financial Sustainability

Savings Schemes (cont.)

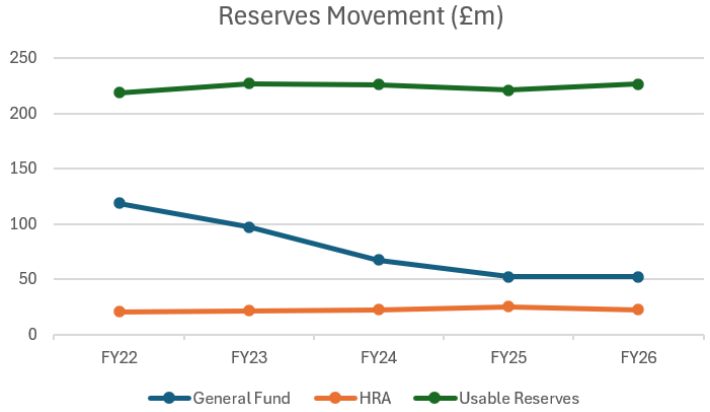
- We have further broken down the savings scheme performance within the directorates with the five largest targets, which includes the cross-Council savings. In a similar manner to the graph on page 10 showing the overall financial position each quarter, this demonstrates the volatility each quarter within the measurement of forecast savings to be delivered.



- It should be noted that although the Environment & Resident Experience directorate had a savings shortfall of £2.8m, the service also delivered additional savings of £5.8m not included within the initial agreed budget (which is therefore not reflected above), primarily due to changes in the Council Tax Reduction Scheme and a reduction in Housing Benefit accommodation costs.
- Overall, we do not believe that the £29.3m efficiency savings planned were sufficiently realistic and supported by enough detail to allow successful implementation, given that £9.6m (33%) of these had been RAG rated as Red by Q1, with a further £5.2m (18%) Amber rated. This, combined with the low final achievement rate of 65%, has led us to identify a **significant risk** linked to the identification and monitoring of savings schemes.

Final Outturn And Risks To Financial Sustainability

- By utilising various one-off mitigations within the directorates, releasing £1.4m of unallocated grant reserves as well as an unplanned drawdown of £10.1m from the General Fund earmarked reserves, the Council was able to reduce additional reliance upon EFS to £3.6m, giving a total EFS utilisation of £40.6m for 2025/26. However, the Council was able to protect its General Fund un-earmarked reserve of £15.2m - albeit this is less than 5% of the Council's annual budget - and the overall General Fund reserve remains consistent year on year despite the unplanned drawdown.



- Due to improvements in the financial performance of the Adults directorate during 2025/26 – delivering a £1.5m surplus on budget - the largest areas of overspend in year have evolved since 2024/25. These are now Housing Demand including Temporary Accommodation (£7.0m), Finance & Resources (£4.7m, primarily linked to strategic property overspend) and then Children's (£1.7m). In particular, the overspend for Temporary Accommodation is on top of the already added £10.7m for cost pressures within the 2025/26 budget. We have discussed these further as part of our work over achieving Efficiency, Economy & Effectiveness on pages 32-40.

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Financial Sustainability

Final Outturn And Risks To Financial Sustainability (cont.)

- The Council's external borrowing is at a record high, with loans of £1.2bn as of 31 March 2026 (£993m as of 31 March 2025), alongside a large ongoing capital programme which it intends to finance with new borrowing, all of which is contributing to higher levels of interest payable.
- We have reviewed the CIPFA resilience index 2025, which is a comparative analytical tool that identifies trends in financial risks. Although this is based upon 2024/25 data, it provides strong indicators of financial pressures. For instance, Haringey has a particularly high score in terms of the lack of reserves, reduction in reserves, interest payable per net expenditure and gross debt, as well as a worsening score for its social care to overall expenditure ratio. All of these are to be considered in conjunction with our determining a significant risk linked to Financial Sustainability.
- There is an emerging risk – which has now been assigned a top score of 25 on the Risk Register - linked to the construction of the North London Waste Authority's (NLWA) new Energy Recovery Facility (ERF) being built to replace the existing incinerator. NLWA is the public body that serves the seven north London boroughs, and its primary statutory duty is to ensure the safe and hygienic disposal of household black bag waste on residents' behalf, as well as for treatment of household recycling.
- Heat generated by the new incinerator is expected to power 127,000 homes across the seven boroughs, however persistent delays and increasing costs threaten to affect the viability of the project, as well as to increase the potential future levy for waste disposal charged to the Council. The 2025/26 budget included a £11.3m levy (£10.1m in 2024/25), and we are aware through review of the 2026/27 budget process that this has increased again year on year by 7.1%, to £12.1m. The NLWA medium term forecast indicates a 14.3% increase in the levy for 2027/28 to £13.5m. However, the forecast operational start for the new ERF remains unclear, with delays across multiple areas. There therefore remains significant uncertainty over how the actual costs will align to the current forecasts included with the MTFS. We are aware that the Council is actively attending meetings with NLWA and the other boroughs to monitor progress and we will continue to assess this as part of the 2026/27 Value For Money work.

Financial Planning 2026/27

- The 2025 Fair Funding Review and the three-year Local Government Finance Settlement, published on 11 June 2025, gives Haringey Council a settlement of £25.3m for 2025/26 - 2027/28. However, this increase will be surpassed by inflation and will not sufficiently address the growing demand for services. The Council's ability to raise extra income from Council Tax is also reduced by the fact that the average banding in the borough is band C.
- The Council has developed Finance Response & Recover plans with the aims of reducing short to medium term expenditure, removing the reliance upon EFS as well as addressing the longer-term factors that will enable greater financial resilience. However, the impact of the Financial Recovery Silver & Gold Groups has been somewhat limited, leading to them being replaced by the new Financial Recovery Board during 2025/26.
- On 2 March 2026, the full Council approved the 2026/27 budget alongside the 2026/31 MTFS, which included a General Fund budget of £353.0m and identified a shortfall of £84.3m between planned income and expenditure. This will be met once again by EFS, which was approved by MHCLG on 23 February 2026 up to £84.3m for 2026/27. At current rates each £1m of EFS used will add £83,000 to revenue costs annually for the next 20 years, assuming that the principal is repaid at maturity.
- This budgeted shortfall of £84.3m also assumes delivery of £23.2m of savings proposals, which would be greater than any gross delivery in the previous four financial years. Of this £23.2m, only £8.3m related to new schemes identified as part of this budgetary process that were not already approved in previous years. This shows the challenges not only in meeting the 2026/27 financial position but also highlights the low level of new savings identified & approved when compared with the significant budget gap currently being filled with EFS, which links to the statutory recommendation raised by KPMG in May 2026.

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Financial Sustainability

Financial Planning 2026/27 (cont.)

- We note that as at Q1 2026/27 the Council is forecasting a full-year overspend of £21.7m, which is after accounting for £84.3m of EFS, giving a cumulative budget shortfall without EFS of £106.0m. The number of schools in deficit also continues to rise, with a forecast full-year cumulative deficit of £7.7m as at Q1 vs a full-year cumulative deficit of £4.1m for 2025/26.
- This overspend also includes an expected achievement of only 77% of the savings target, with £4.9m of the target being forecast as non-deliverable, of which £4.0m represents cross-cutting savings. This is a recurring theme from our 2025/26 findings and illustrates why KPMG raised a statutory recommendation in-year linked to the non-delivery of savings, as detailed on page 21.
- The above performance to date in 2026/27 reflects the challenging financial picture, particularly when combined with the need to repay EFS over the coming years. As discussed on the previous page, at current rates each £1m of EFS used will add £83,000 to revenue costs annually, giving an annual cost of £8.8m if the cumulative budget shortfall of £106.0m is accurate.

Risk Assessment Conclusion

- Given the low level of reserves held by the Council, the need for EFS in 2025/26 to close the accounts, and the planned continued reliance on significant levels of EFS for 2026/27, we do not believe that the Council had arrangements in place to ensure financial sustainability and have retained the 2 significant weaknesses linked to Financial Sustainability that were raised in the 2024/25 Value For Money work. These are discussed in more detail **in conjunction with the statutory recommendations raised** on pages 22 & 23.
- These risks relate to arrangements in place for financial response and recovery for future periods and how the Council aims to reduce reliance upon EFS to achieve a balanced position, as well as the actions taken to improve cost saving identification and delivery.

Key financial and performance metrics:	2024/25	2025/26
Planned surplus/(deficit), excluding HRA	Nil	Nil
Actual surplus/(deficit), excluding HRA	(£37.8m)	(£15.5m)
Planned HRA surplus/(deficit)	£8.6m	Nil
Actual HRA surplus/(deficit)	£5.0m	(£4.3m)
General Fund reserves*	£52.2m	£52.3m
Gross debt compared to the capital financing requirement	0.70 : 1	0.78 : 1
Year-end borrowings	£993m	£1,226m
Year-end cash position	£23.2m	£116.1m

HRA: Housing Revenue Account, a ring-fenced fund relating to social housing

Gross debt compared to the capital financing requirement: Authorities are expected to have less debt than the capital financing requirement (i.e. a ratio of under 1 : 1) except in the short term, else borrowing levels may not be considered prudent.

It should be noted that the increase in the cash position is primarily due to timing differences in payments & receipts rather than a positive change in respect of the Council's financial health.

**Note that General Fund reserves are unaudited balances due to the disclaimer of audit reports since FY21*

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Significant Value for Money Risk

1 Cost setting & budgetary process

Risk that value for money arrangements may contain a significant weakness linked to financial sustainability

Significant Value for Money Risk

In line with the prior year work, due to the challenging financial position at the Council, there is a risk that the Council does not have in place adequate arrangements in respect of cost setting and budgetary processes to achieve financial sustainability. This is key to the short to medium term plan to reduce reliance on Exceptional Financial Support (EFS).

Our response

We sought to understand the processes in place for financial response and recovery for future periods and ascertained how the Council aims to reduce reliance upon EFS to achieve a balanced position.

Our findings

- The Council has developed Finance Response & Recovery Plans which are being implemented through the Financial Recovery Board. The purpose of which is to ensure there is focussed decision making and clear accountability for implementation of measures to achieve financial sustainability.
- We have reviewed the agendas and minutes of these meetings and can see that there is an increased focus on ensuring a strong regime of financial control in order to implement these plans, such as introducing spend control panels for all non-essential expenditure over £1,000;
- For 2026/27 onwards, the Finance Recovery & Response Plans are being replaced with a Financial Sustainability plan, setting out the Council's 3-year approach to addressing the financial situation and recognising that this cannot be solved by focussing only on a single financial year.
- All services are in the process of compiling & submitting Value For Money action plans, to improve the Council wide culture around financial hygiene & discipline.
- However, we can see from the Q1 2026/27 finance update presented to Cabinet in September 2026 that the Council is already forecasting an overspend of £21.7m, even after accounting for the £84.3m of EFS granted by MHCLG.
- The speed at which the 2026/27 budget has deteriorated confirms that this issue remains, and as such we have retained the significant weakness identified in the prior year for arrangements to secure value for money related to budget setting.

Conclusion

Based on the findings above we have determined that there is a significant weakness in arrangements relating to the cost setting and budgetary processes to achieve financial sustainability over the short to medium term.

This weakness and recommendation is repeated from our prior year findings, and we discuss this in more detail on pages 16-17.

We note that for the purposes of consolidating management's response and actions into addressing these findings, we have escalated this recommendation with our formal statutory recommendation raised under schedule 7, paragraph 2 of the Local Audit and Accountability Act – see page 22 for further details.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in the prior period relating to the cost setting & budgetary process:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
1	The Council has developed Finance Response & Recovery plans with the aims of reducing short to medium term expenditure to remove the reliance upon EFS for 2025/26 and avoid the need for it in 2026/27. However, the financial outlook for 2025/26 is extremely challenging, with an overspend of £23.4m as at Q2. In January 2026 the Council increased the EFS request for 2025/26 to £54m to address this overspend, which consists of the £37m that has already been agreed in principle in February 2025 and an additional £17m to fund the current forecast overspend. Additionally, there is a predicted £104m of EFS required for 2026/27. However, these EFS requests assume that the 2025/26 agreed savings schemes of £29m are delivered, which as detailed on page 20 is only forecasting a 78% delivery, with 45% of overall schemes amber or red RAG rated. It is crucial that the Council can accurately forecast demand to budgets such that the appropriate actions can be taken to mitigate these pressures, however we have noted through our work over Adult Social Care, as well as through our work over Temporary Accommodation, that there were large overspends in these areas driven by a combination of increased demand and price respectively. (continued overleaf)	These recommendations are accepted. Please see reference to the Management Response to the previous recommendation during 2023/24 in relation to the improvements in forecasting that have already been put in place and the implementation of the recovery plans. It is acknowledged that for adult social care and temporary accommodation the in year overspend during 2025/26 means that the assumptions for setting the 2025/26 budget were not accurate, despite an additional £31m built in for adult social and £12m for temporary accommodation. Strengthened estimating of pressures have been put in place for 2026/27, which includes scenario planning and an estimate for risk but also using the period 8 forecast in 2025/26 as a basis rather than period 6 as in previous years. It is accepted that the Council's track record on the delivery of savings is not as strong as it needs to be and this is the current priority for the Finance Recovery Board. A new monitoring and reporting process for savings was put in place for 2025/26 that not only reports progress against the financial delivery of the savings but also the changes needed to deliver the savings. This avoids alternative opportunities being used as mitigations at a time when the Council must deliver on the original savings and also the alternative opportunities. The Finance Recovery Team have also stress tested the delivery of the savings that are planned to provide more assurance on the delivery but also to raise any concerns with the Finance Recovery Board and SLT if further actions are required. The Financial Recovery Board meets fortnightly to consider progress against savings and other actions in the plan and will continue to monitor progress of the revised resilience plan when agreed. Quarterly reporting will also continue through the finance monitoring report to Cabinet and Overview and Scrutiny Committee. **S151 Officer – July 2026**	The Council set a balanced budget for 2025/26, but this was predicated upon receipt of £37m of Exceptional Financial Support (EFS) from central government, and this request was increased to £40.6m due to in year overspend. Due to the challenging financial position at the Council, and increasing demands on resources, there continues to be a risk that the Council does not have in place adequate arrangements in respect of its cost setting and budgetary processes to achieve financial sustainability. Although we can see that there have been improvements made to the process in terms of much earlier engagement with the budgeting process across the Council and more challenge of initial budgets, these difficulties are still being felt within the 2026/27 position, with a forecast full year overspend of £21.7m as at Q1. This is despite the Council having relied upon £84.3m of EFS to set a balanced budget for 2026/27. The cost of continuing to rely upon EFS is significant and increasing - at current rates each £1m of EFS used will add £83,000 to revenue costs annually for the next 20 years. Given that the financial position of the Council has continued to worsen, we believe that this weakness remains unaddressed from the prior year and is repeated for 2025/26.

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Value for Money: Recommendations

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
1	The Council must continue to robustly monitor and implement the recovery plans through the newly formed Financial Recovery Board and also continue to improve and challenge the budget setting process to ensure that all financial pressures can be incorporated. We note that although we have raised this Value For Money recommendation, we have not raised any statutory recommendations as part of this audit. However, the cost of continuing to rely upon EFS is significant - at current rates each £1m of EFS used will add £83,000 to revenue costs annually for the next 20 years. As such, we expect that we will consider it necessary to raise such a statutory recommendation in future, should the budget for 2026/27 be approved without an appropriate level of planned savings to address the Council's challenging financial position.	**UPDATE – S151 Officer November 2026** These recommendations are accepted. In 2025/26, the Council finished the year with an overspend of £40.6m which required Exceptional Financial Support from Government and broadly in line with the level of EFS anticipated when the budget was set in March 2025. Forecasts in the year (£23.4m as Quarter 2) anticipated that could be higher as reported by KPMG but use of unused corporate contingency and improvement in service forecasts improved the position. The drivers of the overspend were largely related to children's services, temporary accommodation and commercial property income shortfall. The position on adult social care improved but largely as a result of contingency set aside for inflation not being fully utilised. The overspend was a combination of pressures on the base budget but also the ongoing non delivery of cross cutting savings – which continues to be a challenge. It is also acknowledged that forecasting of end of year position was not as strong in 2025/26 causing the swing in the position at year end. This has been strengthened for 2026/27 with greater use of scenario planning, use of the narrative to be transparent about risks the services are carrying that could affect the year end position and a more forensic review of the overspends to identify where use of corporate contingency is justified in year for unexpected spend. The budget for 2026/27 was agreed in March 2026. Strengthened estimation of pressures was put in place which includes scenario planning and an estimate for risk but also using the period 8 forecast as a basis rather than period 6 as in previous years. An additional £45.3m was added to service budgets and £42.4m to corporate budgets but setting a balanced budget was only possible with £84m of EFS and therefore shows a deteriorating position. The Quarter 1 forecast shows a £21.7m overspend but at this stage could be mitigated through the £23.5m corporate contingency that was set aside for managing risk. Work on Quarter 2 is underway and will be presented to Cabinet in December. The 2027/28 financial planning process is underway and through the work over the summer to refine pressures going into next year, there is a £37.7m budget gap (in addition to the £84m EFS requirement in 2026/27) which will be reported to Cabinet on 10 November 2026. New savings and income proposals that have been identified by officers will be listed in the report and these will be launched for consultation and engagement – the feedback will be taken into account as part of preparing the full draft budget presented to Cabinet in February 2027. It is accepted that the Council's track record on the delivery of savings is not as strong as it needs to be and an update in the actions being taken is set out against the next recommendation and is monitored through the Finance Recovery Board and cross-party Member Finance Recovery Board, which will meet for the first time on 28 October.	We also note that since the date of this initial recommendation, we have now raised a statutory recommendation to the Council in May 2026, in respect of the low level of new savings identified and approved when compared with the significant budget gap currently being filled with EFS. This was presented to Full Council in the meeting of 20 July 2026. As discussed on page 22, we note that for the purposes of consolidating management's response and actions into addressing these findings, we have escalated this recommendation with our formal statutory recommendation raised under schedule 7, paragraph 2 of the Local Audit and Accountability Act.

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Significant Value for Money Risk

2 Identifying & monitoring cost saving schemes

Risk that value for money arrangements may contain a significant weakness linked to financial sustainability

Significant Value for Money Risk

In line with the prior year work, the Council does not have adequate processes in place to identify or monitor sufficient cost savings schemes to achieve the necessary reduction in expenditure to achieve a sustainable financial position. This is especially relevant given the low rate of savings achieved in 2025/26 and the low target identified for 2026/27 against the backdrop of the wider financial difficulties of the Council.

Our response

We sought to understand the processes in place for identifying the cost saving schemes and how these are subsequently monitored throughout the year, as well as understanding actions taken to improve cost saving identification and delivery against the backdrop of the need to reduce the cost base to remove reliance on EFS.

Our findings

- In response to continued and increasing financial pressures, the Council has identified a savings target for 2026/27 beyond anything it has previously achieved - £23.2m – which is also below the 2025/26 target despite the worsening financial position. It has under delivered over the last 4 years vs target, with an average achievement of 68%. Additionally, although this target surpasses previous gross delivery in any given year, it is insufficient to help bridge the gap currently filled by EFS.
- From inspection of the savings tracker, we note that although there have been some improvements from prior year in respect of monitoring savings, there remains gaps in the RAG ratings and associated commentary where appropriate delivery of savings is not occurring.
- This is reflected in the worsening performance of the Council in regard to its savings targets - we have reviewed the Q1 finance update presented to Cabinet and the Council already had £4.9m of savings forecast as undeliverable, which includes £4.0m of cross-cutting savings. This is despite the reduction in the savings target from 2025/26.
- We noted from a review of specific savings schemes that there is a lack of consistency across directorates, and the savings tracker only requires self certification of progress. The Council has struggled to implement cross-cutting savings such as digital change, often resulting from a lack of resource from individual services. As such there is a lack of central accountability which has led to the poor historical delivery of targets.

Conclusion

Based on the findings above we have determined that there is a significant weakness in arrangements relating to the identification and monitoring of cost saving schemes.

This weakness & recommendation is repeated from our prior year findings, and we discuss this in more detail on pages 19 - 21.

We note that for the purposes of consolidating management's response and actions into addressing these findings, we have escalated this recommendation with our formal statutory recommendation raised under schedule 7, paragraph 2 of the Local Audit and Accountability Act – see page 22 for further details.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods relating to the identification and monitoring of cost saving schemes:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
2	Due to the challenging financial position at the Council, and increasing demands on resources, there is a risk that the Council does not have in place adequate arrangements in respect of its identification and monitoring of savings schemes to achieve financial sustainability over the short to medium term. The Council is exposed to a risk of significant financial loss as a result of inadequate management arrangements. Due to ongoing budgetary pressures, the Council must increase the savings target for future years, however it has under delivered in 2023/24 with £13.5m (77%) of the £17.5m target achieved. We recommend the Council works to change the culture across services to one where the financial implications of decisions are given as prominent a focus as the quality of service. The Council should then make the process of both identification and monitoring of savings more robust by ensuring early engagement with stakeholders and encouraging the full use of tools available – in particular in-year monitoring documents.	The Council accepts this recommendation, and the development and monitoring of savings will be improved during 2025/26. A number of actions are already underway or planned, including: **Identifying Savings** • Publish a Medium-Term Financial Strategy (including a Capital Strategy) in July of each year to set the foundations for the forthcoming year, including the latest savings that are required. • Start the next financial planning process before the start of the forthcoming financial year. • Review structure and timeliness of budget week to ensure that budget ideas are generated earlier in the process and options for balancing the budget are known by July and there is an earlier focus on delivery plan being in place before the start of the financial year. • Move to a medium-term approach to financial planning such that budget ideas focus on ongoing efficiencies as well as more significant transformation and service redesign that may deliver benefits in the longer-term. **Monitoring** • Review and re-prioritisation of Category A projects that will have an overall change framework, resource and programme governance to track delivery and benefits. • Improved monitoring through a tracker for all savings planned for 2025/26 and to be monitored and reported monthly and quarterly to Cabinet. This will include a RAG rating but also include the strengthening of the explanations for any non achievement, action plan and mitigations. (continued overleaf)	The financial position of the Council remains challenging, with continued inflationary pressures on expenditure and potential funding reform negatively impacting available resource. The Council has a 2026/27 savings plan of £23.2m, which will be challenging to achieve given the under delivery over the last 4 years vs target, with an average achievement of 68%. The Council must ensure that all available potential savings schemes are robustly identified and presented to members, such that there is the opportunity to enact reductions in expenditure. Additionally, the process for monitoring delivery needs to be more robust and there should be greater accountability of service lines for shortfalls in savings. The 2026/27 budget incorporates £23.2m of savings, however given the large financial gap and reliance upon EFS, these savings may need to come in the form of assessing the level and quality of service provided in relation to statutory responsibilities – given that 80% of the service budget is spent on social care and temporary accommodation. As such, this recommendation remains in progress and is not yet completed.

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Value for Money: Recommendations

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
2	See previous page.	• A review of previously discounted ideas that could yield sustainable savings and efficiencies in future years. • More focus on aspects of cross-cutting savings and efficiencies. In the past, and in-year, the Council has largely focussed on service-focused savings leaving a void in the corporate infrastructure to deliver across service teams and directorates. • Savings to be categorised through an efficiency and transformation lens, using categories such as service reduction, prevention, demand avoidance and management reduction, efficiency and productivity, growth and productivity. • Reporting through new emergency governance framework. **S151 Officer – September 2025** **UPDATE – November 2026 S151 Officer** These recommendations are accepted. <u>Identifying Savings</u> Improvements were put in place for developing the 2026/27 budget and now the 2027/28 financial planning process that commenced in June 2026 and with Member engagement starting from June 2026. In 2025/26, £29.3m of savings were set to be delivered at the start of the year. For 2026/27, £23.2m of savings are set to be delivered – savings of this level are not insignificant and for 2026/27, given the lower than expected level of delivery in the previous year, officers took the decision that it was important to focus on the delivery of the already approved savings before putting forward significant new savings. The 2027/28 Financial Planning commenced in June 2026 to review all of the assumptions for spending and income pressures and new savings opportunities in line with the Council's new Financial Resilience Plan. A full outline of the approach is set out in the Medium-Term Financial Strategy Update and draft 2027/28 budget proposals that will be presented to Cabinet on 10 November and published online.	As discussed on page 18, we note that for the purposes of consolidating management's response and actions into addressing these findings, we have escalated this recommendation with our formal statutory recommendation raised under schedule 7, paragraph 2 of the Local Audit and Accountability Act.

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Value for Money: Recommendations

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
2	See previous page.	The process to identify new opportunities used a range of tools, including benchmarking of performance and spend against other authorities, ideas from previous years and a review of all savings proposals put forward by other authorities over recent years. The expectation was for all options to be presented to Members and this has been achieved to some extent with those that will be included in the report to Cabinet in November, but the further work between now and January will continue to explore additional opportunities to contribute towards next year's gap. The work expected to commence with a transformation delivery partner will focus on longer term sustainable and much more transformational service re-design to deliver from 2028/29 onwards in improving the Council's position. Savings Monitoring For 2026/27, delivery of service specific savings has improved but delivery of the cross cutting remains a challenge. Monthly monitoring of all existing savings in 2026/27 continues to be in place and reported to CLT. This tracks not only the delivery of financial savings but also of the changes required to deliver the savings. All Corporate Directors are, required to sign off their monthly forecasts, held accountable for any non-delivery and challenged on any actions needed for non-delivery. The last quarterly update to Cabinet was in September Agenda for Cabinet on Tuesday, 15th September, 2026, 6.30 pm | Haringey Council and show that service specific savings are largely on track but challenges continue with the 'cross cutting' savings - albeit some progress has been made for the delivery of the Commissioning Modernisation Programme and Enabling Services as reported in the Quarter 1 report to Cabinet in September. In relation to the Service Modernisation Programme, this is going through a re-set process to challenge existing business cases and prioritise resources to customer services, housing and adult social care since these are the areas prioritised for service improvement and also financial benefit. The next update will be the Quarter 2 report to Cabinet in December. The first meeting of the cross party Member Finance Recovery Board will be on the 28 October.	See previous page.

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Statutory Recommendation

Background

- As well as our responsibilities to give an opinion on the financial statements and assess the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, we have additional powers and duties under Part 5 of the Local Audit and Accountability Act (“the Act”). These include powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.
- We have previously concluded that it was appropriate for us to use our powers to make a written recommendation under Schedule 7, Paragraph 2 of the Act due to the Council’s financial position (including the significant decrease in the level of reserves), the continuing need for exceptional financial support from the Ministry of Housing, Communities & Local Government and their impact on financial sustainability.
- Having raised significant weaknesses under our Value for Money responsibilities in each of the financial years 2023/24 and 2024/25, the continued deterioration in the Council’s financial position, the increased recurrent reliance on exceptional financial support and widening budget gap led to us deeming it appropriate to escalate these concerns via a statutory written recommendation. This was issued to the Council on 18 May 2026 and has been formally responded to through the Full Council meeting on 20 July 2026.
- This recommendation is driven by the lack of action on our previous recommendations as set out on pages 16-17 & 19-21. As such we deem it appropriate to escalate these recommendations with the new statutory recommendation, to enable clearer oversight of outstanding actions. We have therefore set out the wording of KPMG’s statutory recommendation overleaf, and this is accompanied by a formal response from management on progress to date.

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Statutory Recommendation

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	Section 39 of AGN 03 identifies both "Unidentified savings/funding gaps in financial planning that would substantially threaten the delivery of the plan" and "Persistent failure to meet savings plans or financial targets" as illustrative significant weaknesses in arrangements for securing economy, efficiency and effectiveness in the use of resources or 'value for money' (VFM), in line with Section 20(1)(c) of the Act. Due to the challenging financial position at the Council, and increasing demands on resources, there is a risk that the Council does not have in place adequate arrangements in respect of its identification and monitoring of savings schemes to achieve financial sustainability over the short to medium term. The Council is exposed to a risk of significant financial loss as a result of inadequate arrangements. As such, the Council must increase its savings targets for future years and deliver savings in line with these targets. A wider range of transformational savings must be identified and implemented to allow the Council to bridge the financial gap and reduce its reliance on EFS. This is vital given that the continued use of EFS poses significant long-term financial challenges for the Council; at current rates, each £1m of EFS increases by approximately £83,000 the revenue costs to the Council each year for 20 years, assuming the amount borrowed is repaid at maturity. This figure is according to the Council's own projections contained within the '2025/26 Finance Update – Q1' presented to Cabinet on 16 September 2025.	These recommendations are accepted. An update on the progress against the Council's response to the statutory and non statutory recommendation is included separately on the agenda to Audit Committee on 3 November 2026. The Financial Resilience Plan was developed and agreed in the summer and has been the basis for the financial planning work over the last few months and the development of new savings and income proposals to contribute towards reducing the budget gap for 2027/28 onwards. These officer proposals align with the eight priority areas in the plan and also the VFM action plans that were prepared by other services and will be presented in the report to Cabinet on 10 November to recommend agreement to go out to consultation and engagement in advance of the draft budget being presented to Cabinet in February 2027. Over the remainder of the calendar year, officers will complete all of the due diligence on the new proposals as well as existing savings; to aim assurance on delivery and accuracy of estimated financial benefit and to ensure that the draft budget presented to Cabinet in February 2027 is robust and realistic. Addressing the budget gap for next year will continue and ongoing identification of additional proposals. These are largely expected to be changes that do not require consultation and engagement. Officers are in discussion with external experts to commission a fully integrated transformation delivery partner who will work with the Council across its services (initial focus on demand led services) to identify longer term transformational changes and re-design services that will improve the longer term sustainability of the Council. Any opportunities identified are expected to deliver financial benefit from 2028/29 and updates will be provided through quarterly monitoring reports and the next update to the MTFS reported to Cabinet in February 2027. Any previously approved savings that are at risk will require alternative mitigations to be identified unless there is evidence of changes in circumstances that indicate it can no longer be delivered as planned. These must be exceptional because any write off of existing savings increases the budget gap for next year.

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Statutory Recommendation

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	See previous page.	Monthly monitoring of all existing savings in 2026/27 continues to be in place and reported to CLT. This tracks not only the delivery of financial savings but also of the changes required to deliver the savings. All Corporate Directors are, required to sign off their monthly forecasts, held accountable for any non-delivery and challenged on any actions needed for non-delivery. The last quarterly update to Cabinet was in September Agenda for Cabinet on Tuesday, 15th September, 2026, 6.30 pm | Haringey Council and show that service specific savings are largely on track but challenges continue with the 'cross cutting' savings - albeit some progress has been made for the delivery of the Commissioning Modernisation Programme and Enabling Services as reported in the Quarter 1 report to Cabinet in September. In relation to the Service Modernisation Programme, this is going through a re-set process to challenge existing business cases and prioritise resources to customer services, housing and adult social care since these are the areas prioritised for service improvement and also financial benefit. The next update will be the Quarter 2 report to Cabinet in December. The first meeting of the cross party Member Finance Recovery Board will be on the 28 October. Spending controls continue to be in place to review and make decisions on all non essential spend over £1,000 and all recruitment not agreed to be exempt. A review of the effectiveness of the controls is also underway to ensure that financial benefit aligns with resource input and the Section 151 Officer will be agreeing revised arrangements with FRB at its next meeting. **S151 Officer – November 2026**

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Statutory Recommendation

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	Further to the Section 7 recommendation above, we also make the following enabling, non-statutory recommendations: We recommend the Council works to change the culture across directorates to one where the financial implications of decisions are given as prominent a focus as the quality of service. Whilst the Council did begin to identify a number of cross-cutting initiatives in 2025/26, the delivery of these have been the worst performing area of the savings plans to date. We recommend that the Council should demonstrate a commitment from the Cabinet and officers to increase the level of savings being delivered and to make the process of both identification and monitoring of savings more robust. This can be achieved by ensuring earlier engagement with stakeholders and encouraging the full use of tools available, including those that enable more effective in-year monitoring. Importantly, these improvements should be enabled by an enhancement in organisational capacity, including building central project management capability, to effectively oversee and assist services to drive delivery.	These recommendations are accepted. An update on the progress against the Council's response to the statutory is also included separately on the agenda to Audit Committee on 3 November 2026. The Section 151 Officer (or her delegate) continues to review all decision reports that incur spend over £25,000 to ensure that the spend is required and that there is sufficient budget provision. Work is still required to fully embed the action to ensure that reports are written in a manner that the financial impact of the decision is a prominent feature of the report and all Cabinet Member introductions reference the financial impact of the decision. Work is underway to develop a performance and finance dashboard that will be available on a refreshed page of the website that all can access and also be used in future 'Town Hall' style meetings planned by the Leader over the coming months as part of the budget conversations with residents following Cabinet on 10 November. <u>2027/28 Financial Planning</u> Although the financial planning process is an all year-round activity, planning for 2027/28 formally commenced in June. Work over the summer has included: - Review of all service specific assumptions for increased demand and price. - Review of all corporate budget assumptions, such as interest rates, inflation, levies. - This work has resulted in a revised but more realistic budget gap for 2027/28 of £37.7m. - Using the Financial Resilience Plan as the basis, identifying new savings and income proposals to contribute towards closing the gap. - Review of the capital programme as detailed above. All of this work will be presented in a single report to Cabinet on 10 November that will ask Cabinet to launch a consultation and engagement exercise on the proposals that have been identified by officers. This exercise will run until 4 January, and further details will be set out in the report. The outcome of the consultation will be considered in drafting the 2027/28 draft budget to Cabinet in February 2027 and for recommending to Full Council on 1 March 2027.

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Statutory Recommendation

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	See previous page.	The process to identify new opportunities has used a range of tools, including benchmarking of performance and spend against other authorities, ideas from previous years and a review of all savings proposals put forward by other authorities over recent years. The expectation was to be for all options to be presented to Members and this has been achieved to some extent with those that will be included in the report to Cabinet in November, but the further work between now and January will continue to explore additional opportunities to contribute towards next year's gap. The work expected to commence with a transformation delivery partner will focus on longer term sustainable and much more transformational service re-design to deliver from 2028/29 onwards in improving the Council's position. Delivery of Savings An update on savings delivery assurance is provided in a previous recommendation. Progress is monitored monthly through Finance Recovery Board and from 28 October the cross-party Member Finance Recovery Board. Quarterly reporting to Cabinet, Overview and Scrutiny Committee and Scrutiny panels continues. Delivery Capacity The Council recognises that to deliver the scale of savings and transformational change and service re-design needed and at the pace needed to improve its financial sustainability, additional capacity and skills will be required. The Council's delivery arrangements can come in many different ways: - Internal capacity and skills. - External expertise commissioned on an ad hoc basis. - Partnership arrangements with a lead consultancy. Internal Capacity and Skills Following a restructure within Finance and Resources, the two Programme Management Functions within the Directorate have consolidated which creates a stronger central oversight function that supports management grip and greater join up and coherence. The prioritisation of the capacity within this corporate team will be determined by the Finance Recovery Board and prioritised to the projects and programmes that have the greatest return on investment.

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Statutory Recommendation

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	See previous page.	External Expertise It is recognised that the Council does not have all the necessary skills and expertise internally and therefore on occasions there may be a requirement to commission externally. Any request for external expertise will be subject to a full business case agreed by the Corporate Director of Finance and Resources. Lead Consultancy Partnership Arrangements Some services my require such a significant transformation and service re-design that it is better value for money to enter into a more formal partnership arrangement with a consultancy firm that brings the service expertise, capacity and skills that are needed over the duration of the Financial Resilience Plan. Any request for external expertise will be subject to a full business case agreed by the Corporate Director of Finance and Resources. **Section 151 Officer – November 2026**

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Governance

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

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Identifying, Monitoring & Managing Risk

- The Council's risk management arrangements are underpinned by its Risk Management Strategy, which aids decision making in pursuit of the Council's strategic objectives. The Council uses Risk Registers to enable strategic, corporate and operational risk information to be documented, managed, monitored, reviewed and updated. Risk Registers require the likelihood of the risk occurring, and the impact on the organisation, to be quantified. All employees are jointly responsible for identifying, assessing, measuring, reporting and escalating significant risks associated with their functions or activities which feed into directorate and strategic risks.
- We have reviewed the presentation of various iterations of the Corporate Risk Register (CRR) being presented to the Audit Committee throughout the year, demonstrating appropriate committee oversight of risk. The CRR is published alongside the Risk Register guidance, which allows members to fully assess and understand the process of risk identification & monitoring.
- We have seen evidence that these identified risks and associated mitigating actions contain sufficient detail and are appropriately assigned to a Senior Responsible Owner (SRO). Additionally, through review of the CRR at different points in the year we have been able to see evidence of new risks being considered – such as the emergence of the risk related to the North London Waste Authority incinerator which was added to the CRR in November 2025 and assigned a top score of 25. We also noted that risks relating to building control reforms and housing regulatory compliance changed risk scores between the September & November 2025 CRRs, evidencing the active challenge & management of risk by the committee.
- The Council has a Corporate Delivery Plan (CDP) 2024-26 which sets out the plans for making the borough a better place, with operational objectives and Key Performance Indicators (KPIs). For example, it identifies 'Resident Experience And Enabling Success' as an area and has a planned activity of improving resident experience. This has an assigned SRO and a deadline included, as well as key metrics to measure progress, such as the percentage of Council services delivered right first time, and the percentage of all transactions completed via self service.
- The Council reports on the progress of the CDP to Cabinet in the form of performance updates, for which we have reviewed the relevant committee agenda items throughout the year and confirmed that the papers included detailed appendices on the Council's progress against plan and the assigned metrics. The associated committee minutes show comprehensive engagement with operational performance and demonstrate that the reporting is in an appropriate format.

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Governance

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

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process – see page 9 for further details within the Financial Sustainability section of this report;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Governance Structures & Key Decisions

- The Council has a detailed Constitution that was refreshed twice in year and last updated March 2026. This outlines the terms of references for its Committees and the appropriate escalation routes, as well as clearly defining how decisions are taken. The Constitution lists the responsibilities of the full Council, Overview & Scrutiny Committee and the Cabinet, the latter of which is responsible for any key decisions made in year.
- In respect of key decisions, to ensure transparency, these are published on the website each month in the form of a 4-month Forward Plan, listing all the decisions that Cabinet will take. We have reviewed a key decision made in year to approve the acquisition of 76 Council homes at 313 The Roundway. We have confirmed that this decision was published on the website in line with the terms of the Constitution and received appropriate scrutiny and approval from members at the September 2025 Cabinet meeting. Additionally, the decision was considered against the Council's Acquisitions & Disposal Policy, and received the appropriate input from the Finance, Procurement & Legal directorates.
- In March 2026, the Cabinet approved the contract award for recycling & waste collection services over the period April 2027 – April 2035, to a value of £230.4m. As agreed by Cabinet in October 2024, this contract was procured through a Competitive Dialogue procedure in accordance with the Public Contract Regulations 2015, rather than through a Competitive Flexible Procedure under the Procurement Act 2023. Following consultation with the Greater London Authority (GLA), a contract notice was published online in February 2025, after which time the process to find a third-party contractor progressed as per below.
- We have reviewed the key stages of the procurement, namely: Selection Questionnaires; Invitation To Submit Detailed Solutions (ISDS) and Invitation To Submit Final Tenders (ISFT). Our inspection of the Council's evaluation of the two submitted ISDSs & ISFTs demonstrated thorough appraisal of each bid, including a subsequent moderation meeting, with a clear framework for scoring against a wide range of criteria.
- The Council approved and adopted a Local Code Of Corporate Governance in July 2024, which remained in place for 2025/26. This is consistent with the principles of the latest CIPFA / SOLACE Framework Delivering Good Governance in Local Government guidance. The code sets out the governance structure of the Council and the key responsibilities of the committees and key employees such as the Head of Paid Service, Chief Finance Officer and Monitoring Officer. The Monitoring Officer reports to the full Council or to the Executive if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. No such reports were made in 2025/26.
- There is an Employee Code Of Conduct, refreshed in September 2025, which is underpinned by the Disciplinary Code and must be followed by all employees. This outlines standards of behaviour for staff as well as providing guidance and references to other key policies such as Conflicts of Interest and Whistleblowing, the latter of which was also refreshed in year, in January 2026.

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Governance

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

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process - see page 9 for further details within the Financial Sustainability section of this report;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Fraud And Compliance With Laws & Regulations

- The Council has an Anti Fraud, Bribery & Corruption Policy which was refreshed in October 2024 and remains in place for 2025/26. This policy sets out how fraudulent and illegal acts are monitored and responded to, with all allegations referred internally to the Head of Audit and Risk Management in line with the Council's financial regulations. We have also reviewed the Anti Fraud Updates taken throughout the year to the Audit Committee and inspected the associated minutes, which show evidence of the Council reporting and acting against suspected fraud.
- We have made inquiries with the Director of Legal & Governance and are satisfied that the Council remains informed of changes in legislation by receiving Government-issued letters and guidance notes, which are distributed to the relevant departments tasked with compliance. Legal Services relay legal updates to Council teams and arrange training or provide access to training materials whenever necessary. However, we do note that the Council's response times in relation to Subject Access Requests (SARs) and Freedom Of Information requests (FOIs) have declined, with only 56% of SARs responded to on time and 64% of FOIs.
- The Council has reviewed and updated its Damp & Mould Policy in January 2026, having first brought in such a policy in 2023 in response to the future introduction of Awaab's Law and the new timescales to respond to complaints of damp and mould. We have reviewed the Damp & Mould update presented to the Housing Development & Scrutiny panel in March 2026, which detailed that as of 17 February 2026, there was a total of 886 damp and mould cases open on the case management system, with 629 of these being referrals made since Awaab's Law came into force on 27 October 2025, with new KPIs and targets to be established for management reporting in 2026/27.
- We have subsequently reviewed the latest Damp & Mould internal reporting as of June 2026 and note gaps in compliance. The dashboard shows that there were 1,397 referrals received, comprising 957 Potential Significant Hazards, 130 Potential Emergency Hazards, and 310 cases deemed Out of Scope. The law requires that the Council investigate any potential emergency hazards within 24 hours and significant hazards within 10 working days, however this is only happening in 71% & 82% of cases respectively. The Council is also required to undertake relevant safety work within 5 days of the investigation concluding that there is a significant hazard, however this is only happening in 68% of cases.
- These represent potential legal, media and financial risks for the Council, and the service must ensure that sufficient resource is allocated to improving these statistics. This is especially important given that the Government plan to extend regulations from 30 November 2026 to include hazards where they present a significant risk of harm - for instance excess cold and fire or electrical hazards - which will mean increased resource is needed to meet these requirements. As such, we have raised a **Performance Improvement Observation** linked to the improvement of the Council's responsiveness in relation to these metrics – see page 52 for further details.

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Governance

Other

- The Council is looking to explore the possibility of funding affordable housing through long-term institutional finance and took a paper to the October 2025 Cabinet meeting to request approval for the proposal to acquire housing via the development & incorporation of a Limited Liability Partnership (LLP), which will select a suitable funder to provide financing. This is driven by the fact that there are currently around 2,700 households in Temporary Accommodation, many of whom are living in unsuitable homes for their needs, and the Council spent £38m on Temporary Accommodation in 2025/26. Although the Council had initially identified a preferred funder, this has not progressed further, and the project is now under internal review. We will continue to monitor any changes during our 2026/27 VFM work.
- We are aware that there are ongoing negotiations with Lendlease due to delays in the construction of the High Road West scheme in North Tottenham and have reviewed the February 2026 update to Cabinet stating that Lendlease have entered into a conditional agreement with the Crown Estate to deliver its UK development projects. Given the size of the scheme, effective delivery is critical to allow the Council to meet its ambitious targets to deliver 3,000 new Council homes by 2031 as part of its Housing Strategy 2024-2029.
- In the interim period, in February 2026 the Council and Lendlease agreed to remove Phase 1A from the development agreement to enable the Council to directly deliver Phase 1A and to accelerate the building of new Council homes for residents. The delivery of this element of the estate has now been awarded to a new contractor as of July 2026, to progress the development of 61 Council dwellings.
- The Council and Lendlease are continuing to work in partnership to deliver the remainder of the Scheme. However, the negotiations with Lendlease on these matters remain ongoing as at the date of this report, and we will continue to monitor any future arrangements as part of our Value For Money work in future years.

Risk Assessment Conclusion

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

	2025-26	2024-25
Control deficiencies reported in the Annual Governance Statement	6	6
Head of Internal Audit Opinion	Reasonable Assurance	Reasonable Assurance
Care Quality Commission (CQC) rating	No inspections in year	Requires Improvement*

*We discuss this CQC rating in further detail as part of our commentary on Social Care on page 35.

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Improving economy, efficiency and effectiveness

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

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Background

- As part of our work in the prior years, we have identified significant risks in arrangements to securing value for money in respect of Procurement, Commercial Property, Housing, Temporary Accommodation & Adult Social Care. We have made key inquiries with Heads of Service as part of our work for 2025/26, which has identified that pressures and challenges remain within these areas to varying degrees. Given the large nature of these areas and the issues identified in previous years, we have summarised our approach to these throughout the following slides, as well as documented any additional areas considered as part of our risk assessment.

Housing

- In January 2023, the Council referred itself to the Regulator of Social Housing because it identified a failure to meet statutory health and safety requirements for some Council owned homes, including failing to complete a significant number of remedial fire safety actions and having c.5,000 homes not meeting the Decent Homes Standard. There has been significant work undertaken since, and we have reviewed in year performance updates of KPIs using external benchmarking from HouseMark, to the Housing, Planning & Development Scrutiny Panel.
- This has shown year-on-year improvement across a variety of metrics such as the percentage of properties with electrical inspections; valid gas safety certificates; water hygiene risk assessments; fire risk assessments and asbestos surveys. Additionally, we have since seen the approval of new policies such as the: Asbestos Safety Policy; Electrical Safety Policy; Fire & Structural Safety Policy; Gas & Heating Safety Policy; Lift Safety Policy and Water Hygiene Policy. All of these demonstrate the improvements made to the arrangements for overseeing Housing safety and quality.
- We also note that the percentage of decent homes has risen to 84% at the end of 2025/26 (an increase from 68% as of the January 2023 regulator self-referral), with the Asset Management Team exceeding the targets set by the regulator in respect of decent homes. This culminated in the Council receiving confirmation on 1 December 2025 from the Regulator Of Social Housing that the regulatory notice has now been lifted.
- Despite the lifting of the notice, the Council is continuing to target improvements over its KPIs and has an approved Housing Asset Management Strategy, as well as a commitment to the Regulator to achieve 100% decency across Council homes by 2028. **We are also aware that the Council has been subject to an inspection from the Housing Regulator in August 2026 and we will consider these results before finalising our reporting over VFM. Given our discussions with management to date, we believe that these findings may represent a significant risk to achieving value for money.**
- The Council's Housing Income Collection Policy and Housing Arrears Policy establish how the Housing team will collect housing rents and recover arrears, and the team have a target of a 98.0% collection rate for rent & service charges relating to General Needs and Supported Housing. The 2025/26 performance exceeds the target, with a collection rate of 99.0%, increasing from 98.5% in 2024/25.

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Housing (cont.)

- The final Housing Revenue Account (HRA) outturn for 2025/26 is an overspend of £4.3m, a deterioration of £6.1m since Q3. This required an unplanned drawdown from the HRA reserve, which leaves the reserve balance at £15.9m, below the £20m target.
- The largest driver of the final position was under recovery of planned income due to higher than planned levels of void properties – the total net under recovery for the year was £6.9m. The Council has revised its 1% void rate target to 2% in the face of significant challenges to manage voids. The final 2025/26 void rate was 2.7%, which has since risen to 3.05% as of June 2026, representing 482 void properties within the General Needs & Social Housing stock.
- To address this, the Council is assessing the outcomes of the Neighbourhood Moves Scheme in addition to reviewing the voids end-to-end process in full, including analysis of the varying processes across all types of voids and teams involved in the process. We have raised a **Performance Improvement Observation** related to voids, see page 53 for further detail.

Temporary Accommodation

- As the local housing authority, Haringey has a duty to provide accommodation for adults who qualify for homelessness assistance, which it does for an average of c.2,700 households at any point in time. There are three main types of Temporary Accommodation (TA): Private Sector Leases (PSLs), Nightly Paid Accommodation (NPAs) and B&B/Hotels. We have reviewed data pertaining to their cost & usage as part of the Council's Housing Demand Dashboard, inspecting several iterations of the dashboard throughout the financial year, and have followed this up post year end with review of the June 2026 reporting.
- The Council's preference is to use PSLs as these are more stable for residents and procured at a much lower cost, followed by NPAs. However, during 2025/26 the average number of households placed in PSLs was 248, reduced from 343 in 2024/25, due to difficulties in attracting and retaining long-term landlords in a competitive commercial environment.
- NPAs are the most common form of TA utilised, with an average of 1,952 households placed in NPAs during 2025/26 - compared to an average of 1,557 households throughout 2024/25 – at an average net monthly cost of c.£1.5m throughout 2025/26, roughly £30 per night per unit.
- The use of B&Bs and hotels declined throughout 2025/26, and the service has made significant efforts as part of the Hotel Exit Programme. As of February 2026, the Council is no longer utilising any hotels/B&Bs for families in TA. This represents an important milestone from both a financial savings perspective, as well as resident experience & welfare.
- As we can see from page 10, a key driver of the overspend in 2025/26 has been TA. This has continued post year end, with the service reporting a £2.9m overspend as at Q1 2026/27. From our review of both the Council's own Housing Demand Dashboard data and wider benchmarking, we are aware that this is primarily driven by an increase in cost rate rather than demand. In fact, the number of households in TA within the borough has remained consistent over several years – with a marginal fall throughout 2025/26 – against a backdrop of increasing numbers of households in TA nationally and across London.
- From inspection of the June 2026 data we can see that the volume of people in NPAs has actually increased to 2,109, however the overall cost of £1.7m represents a net cost of roughly £28 per night per unit, showing that the drivers now are both cost increase and demand. The Council already undertakes a large volume of work to address increasing demand and performs above the London average for the percentage of duties owed where homelessness was prevented according to benchmarking from the Homelessness Case Level Information Collection (H-CLIC).
- The change in the mix of accommodation from PSL and B&Bs to NPAs has brought increased financial challenges, given that the average cost of NPAs increased by 18% throughout the year, against a budget of 10%. However, the Council has been able to reduce the financial overspend from a forecast £11.4m as at Q1 to £7.0m as at year-end. This has been achieved through a variety of measures such as property acquisitions, rent convergence and investing in longer-term leases – all of which mean that the service has achieved full delivery of its savings programme of £4.0m, however these have been offset by overspends in other areas.
- The Council is developing a Temporary Accommodation Strategy with the aim of building upon the large body of work undertaken to date. Increasing the supply of homes to allow residents to exit TA through new build and acquisitions is a key factor in managing the financial pressures of the TA budget, which emphasises the critical nature of the Council's plan to deliver 3,000 new Council homes by 2031.

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Temporary Accommodation (cont.)

- As referenced on page 33, the number of void properties across the Council has increased in 2025/26 - properties which could otherwise be used to support households into more permanent and sustainable accommodation. This is against the backdrop of a chronic lack of Council homes in the borough - with the average wait time for a household in TA of 17 months for a 1-bedroom property, 6.6 years for a 2-bedroom and 11.5 years for a 3-bedroom. The Council has drafted a Voids Management policy, to be considered by Cabinet later in 2026.
- Based on our risk assessment work, we have not identified a significant risk in achieving value for money in relation to Temporary Accommodation. Whilst the cost base for Haringey in respect of Temporary Accommodation has increased significantly, and there is a large overspend despite additional pressure built into the budget for 2025/26, there is a large portfolio of work already being undertaken to address these issues in the short to medium term, with the primary driver of overspend linked to market factors.

Commercial Property

- In our 2023/24 and 2024/25 work we identified a significant risk and corresponding weakness in relation to the lack of record keeping for commercial leases. This leaves the Council exposed to potential liabilities for unexpected maintenance or legal claims relating to health and safety, as well as missing out on vital income in the form of uprating rental values and collecting backdated payments. This remained the case during 2025/26; hence we continued to identify a significant risk linked to Commercial Property.
- As at the end of 2025/26 there were 348 leases that are holding over on rent, meaning that the Council did not have these commercial tenants secured on long-term leases to ensure a reliable revenue stream, increasing the risk of sudden voids. This figure will increase significantly over the next 12-24 months, highlighting that the renewal of leases to secure longer-term income is a key priority.
- Additionally, there were 263 leases with an outstanding rent review, meaning that the Council is missing out on a potentially significant amount of income by not ensuring that rents are increased in line with market conditions. The Council does not forecast potential rent increases from this review process into the budget setting for the service or within the financial statements, meaning that not all rents owed are included within these figures, as the team are not able to accurately forecast these pre-review.
- Due to resource constraints, the team were only able to complete 21 lease renewals and 11 rent reviews during 2025/26 (though this is a marked increase from 2024/25 of 8 renewals & 2 reviews). This is a source of missed opportunity for the Council as the renewals proved particularly fruitful with an average rental uplift of 64% and an average new lease period of 12 years, securing medium-term income.
- The service does not have a formal approach to assessing KPIs or benchmarking in relation to its percentage return on the value of the Investment Properties held. This creates a risk that the Council retains properties which generate a poor rate of return rather than looking to re-invest these funds in higher performing assets to help contribute to the Council's challenging financial position.
- The Commercial Property team monitor vacant properties via Excel in the absence of a system solution. This showed that the number of vacant properties as of March 2026 was 40, with an average time empty of over 6 years due to a wide variety of reasons, such as the property requiring significant amounts of repairs or being occupied by squatters.
- There is insufficient data held to allow the commercial property team to effectively monitor and forecast repairs, often having to manually review leases to confirm who is the responsible party for repairs when a request is made. Even when a repair is logged and ongoing issues are brought to the attention of the commercial team, they have no effective solution to record the information and reliance is often placed on knowledge held by members of the commercial property team.

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Commercial Property (cont.)

- The Council does not have a formalised process and system solution for monitoring and chasing commercial property arrears. Due to ongoing issues with accounts incorrectly showing credit balances due to problems with payment allocations, it is a resource intensive exercise to ensure that accounts in arrears are appropriately identified, and action taken. The team focus most resource on the largest 20 debtors, which as of 31 March 2026 totalled circa £2.5m – increased from £1.8m a year ago - however a more efficient and effective approach needs to be adopted. Additionally, due to limitations of the service's software, all rental demands are sent via post, causing delays & inefficiencies in the process.
- The Commercial Property team are looking to take a more proactive approach to the largest arrears via the Debt Recovery Board, and in several instances are taking formal legal action against the debtor. There has therefore been an increased volume of requests to write off historical debt, in order to better reflect the likely level of recovery of these balances.
- The lack of oversight of leases is impacting this process, as there have been instances where the Council is unable to enforce backdated rent increases or arrears due to a lack of a formal documented rental agreement.
- The Commercial Property service has created a business case for a 'Property Review', which aims to consolidate and reset the baseline of the Council's information in relation to its commercial property portfolio over a period of 24 months. This is key given the poor quality of underlying data, the conflicting information from different sources and the potentially significant amount of lost income in the coming years. However, it has not yet received sufficient time or resource to progress to a stage where it can begin to be implemented given the competing pressures across the Council for transformational change.

Social Care

- The Council spent 30% of its General Fund outturn on Adult & Social Services in 2025/26. The MTFS had £30.9m incorporated within it to account for ongoing pressures within Adult Social Care but despite this, as at Q1, it accounted for the second largest share of the budget overspend (£7.5m). This represented a 7% overspend on a £105m budget at this stage, showing how quickly pressures were felt within the service. This has been reflected within our regular meetings with senior officers throughout the financial year, with Adult Social Care being highlighted as an ongoing concern.
- By Q2 this position had somewhat improved, with an overspend of £4.7m, albeit with an additional £1m non-delivery of savings, giving a total £5.7m shortfall. As at Q3 this improved again by £831k, with a current position of a £3.9m overspend and £918k non-delivery of savings (£4.8m overall shortfall). This suggests that although the initial budget may not have captured all the known pressures, that the service reacted positively in-year to bring the overspend under control. This is reflected within the year end position as highlighted on page 10, which showed a final position of a £1.5m surplus alongside an 86% delivery of its savings target, well above the Council wide average.
- The issue of critical pressures within Adult Social Care is not specific to Haringey Council. We have obtained a copy of the Autumn 2025 Directors Of Adult Social Services (ADASS) Survey which highlights that 80% of Councils were forecast to overspend on Adult Social Care in 2025/26, totalling a £623m overspend vs budget, increasing from £564m in 2024/25 and representing the highest level in over a decade. As detailed above, the fact that the final position is an in-year surplus shows the significant work undertaken by the service to improve financial performance, despite the wider national trends. This is also a significant improvement from the 2024/25 final position - an overspend of £15.8m (19%) on a budget of £79.7m.
- We have inspected the Adult Social Care monitoring dashboards used by management to track the number of users and committed expenditure throughout the year. These reflect the consistent inflationary pressures felt within the service, as well as the increasing numbers of users over the last several years – the numbers of older adults have increased by 33%, and younger adults have increased by 35% between 1 April 2019 and 31 March 2026.

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Social Care (cont.)

- During 2025/26, the number of adults aged 18-64 in receipt of a care package continued to increase – 1,949 at year end vs 1,791 at the outset. However, the number of adults aged 65+ in receipt of a care package stabilised – with 2,046 at year end vs 2,038 as at Q3 vs 2,059 at Q2. As per the Local Government Association data, both cohorts are supported by Haringey Council in higher numbers than other London boroughs (as per the below table), suggesting that structural population & health factors are a key driver of increased and sustained cost. This table illustrates the percentage of the borough's population being supported in long-term care during 2024/25 (the latest comparable dataset). Overall spending will also be impacted by deprivation levels, with Haringey ranking 26th among all English single-tier and county Councils and above the London average on the deprivation index.

Cohort	Haringey	London Average	Difference
Adults age 18+	2.13%	1.82%	+17%
Working age adults (18-64)	1.09%	0.86%	+27%
Older Adults (65+)	8.39%	7.43%	+13%

External Regulatory Findings – Adult Social Care

- The Care Quality Commission (CQC) inspected Haringey during 2024/25 and published its report in February 2025. This rated the Council as 'requires improvement', in how well it is meeting its responsibilities to ensure people have access to Adult Social Care and support.
- The report did note some points of good practice, particularly around the demonstration of a commitment to transformation and improvements, as well as the introduction of a more local approach to make it easier for people to access care and support closer to home. This is reflected within the Council's Adult Social Care Strategy 2024-29 and in terms of benchmarking, data showed 92% of people supported were still at home after 91 days, which is better than the England average of 83.7%.
- However, it also referenced that people are waiting too long to have their care needs assessed and were frustrated with the communication around this. This ties into our findings from the 2024/25 Value For Money work around the financial assessment of clients. We have reviewed progress made in this area and the backlog has reduced from 794 (June 2024) to 415 (January 2026), to the current position of 217 cases, showing significant progress in reducing financial risk to the Council. However, the overall debt position has now increased from £10.7m in July 2024 to £15.5m as of December 2025, driven by the increased number of assessments made. To combat the increasing debt, the Council is looking to implement several measures over the short to medium term, such as income collection via a variable direct debit and a refresh of the Charging Policy to improve transparency and fairness.
- We are aware that the Local Government & Social Care Ombudsman (LGSCO) issued a public report (Ref: 24 014 203) in August 2025 following an investigation into a complaint concerning Adult Social Care. The ombudsman upheld the complaint and found fault and injustice relating to delays in responding to safeguarding concerns and shortcomings in complaint handling.
- Within two weeks of receiving the LGSCO's report, the Council was required to give public notice by advertisements in newspapers stating that copies of the report will be available to inspect by the public for a period of three weeks (s.30 of the Local Government Act 1974), and the Council complied with this requirement. We have inspected the report and noted that it found the Council at fault and made several recommendations – including for the Council to implement an action plan and take the report and subsequent plan through Cabinet. The Council has since produced an action plan and taken the details to the November 2025 Cabinet.
- A key finding of the report was that at the time of investigation, the Council had over 1,100 unread emails in the social care inbox, including over 500 police reports. This has significant potential consequences including reputational risks and issues of regulatory compliance, should the Council have been found to fail to take action on a case that was referred to them by the police.

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External Regulatory Findings – Adult Social Care (cont.)

- However, ultimately the period referred to is before 2025/26, and the Council has confirmed as part of the update to Cabinet that the historic practices that led to this backlog have fundamentally changed since the events that gave rise to this case. The action plan notes that the Council no longer has a backlog of unread emails and all safeguarding concerns are triaged in a timely manner. Additionally, relevant staff have received training, and complaint handling has been improved.
- In response to the CQC findings, the Council is also implementing an Adult Social Care Improvement Plan, aiming to build on the progress made to date with a clear, phased approach to strengthening the service and embedding sustainable improvement over the next two to three years. Although this plan appears to offer a thorough response to those areas of greatest concern, given it has just been published close to year-end, we have followed this up as part of our additional procedures on page 48.
- Given the forecast overspend in year as at the time of our risk assessment, how quickly the financial position deteriorated and the 'Requires Improvement' regulatory finding, we identified a significant risk linked to Adults. Specifically, that the Council did not have adequate processes in place to ensure that Adult Social Care spend was sufficiently forecast and managed, that financial contributions from patients were not assessed and recovered in a timely manner and that the Council must adequately respond to the regulator via the Social Care Action Plan.

Procurement

- In 2023/24 and 2024/25 we commented as part of our significant risk linked to procurement that the current systems did not have the functionality to produce meaningful or valuable monitoring data and there was limited oversight of contract management across the Council. We have found this to be the case in 2025/26 and have continued to identify a significant risk as per the below assessment.
- The Procurement Act 2023 (PA23) is an Act of Parliament that came into force on 24 February 2025, so was in place from the outset of 2025/26. The act seeks to overhaul public procurement law in the United Kingdom by simplifying processes and giving a greater share of public sector supply opportunities to small businesses, and it covers the entire commercial lifecycle for letting and maintaining public contracts.
- Under the PA23, the Council is required to publicly share a pipeline of all contracts worth £2,000,000 or more that it plans to procure over the upcoming 18 months, at a minimum. This contract pipeline must be published within 56 days after 1 April each year and should be updated as soon as possible when circumstances change. We have reviewed the Council's publication of the contract pipeline during 2025/26 to confirm that it was in compliance with this requirement.
- The Council has updated its Contract Standing Orders (CSOs) as of March 2025 to align these with the PA23. This mandates that procurement is centralised above £25k (lowering the previous £160k threshold) and ensures there is Cabinet/Member approval prior to commencing procurement over £500k. There has also been a comprehensive training programme for the Procurement function to ensure that they are able to effectively implement the requirements of PA23, with rigid monitoring to ensure full training completion rates.
- The Council established the Procurement Board in late 2024/25, which was chaired by the Corporate Director Of Finance & Resources, with the aim of strengthening its oversight and reporting of procurement activities to ensure not only compliance with PA23 but also ensure better adherence to the CSOs and the delivery of value for money in contracts.
- However, as part of the ongoing implementation of the wider Procurement Modernisation Programme (PMP) over the last few years, management identified that the Procurement Board was not achieving the required impact to deliver meaningful transformation. As such, as of January 2026, a new Commissioning Board was established to replace the Procurement Board. The aim is for this Board to provide oversight on the entire commissioning and commercial lifecycle to improve the corporate grip on contract spend, improved planning, monitoring of procurement compliance and greater corporate oversight of managing contracts. The Board will be supported by the new Commissioning Panel, which will review & challenge all commissioning activity above £160,000.
- We have reviewed a copy of the March 2026 Commissioning Board agenda and the associated presentation to the members, which demonstrates the increased focus and scrutiny that the procurement function is receiving. The Commissioning Board maintains an action log with assigned deadlines and SROs, to ensure that any identified issues are followed up in a timely manner.

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Procurement (cont.)

- Given its infancy during 2025/26, we have also reviewed the impact of the Commissioning Panel post year end and note from inspection of the August 2026 action log & minutes that there is significantly greater scrutiny and oversight being placed upon procurement decisions, including requests for further data for the contract to proceed through the panel's 'gateways'.
- From its inception in January 2026 – July 2026 the Commissioning Panel has received 78 submissions to review, demonstrating the increased scrutiny provided. These reviews have achieved a cost avoidance of c. £1.2m.
- As part of the PMP, the Council has undertaken an exercise of Contract Classification, to categorise all new contracts from September 2026 into Bronze, Silver & Gold based upon both financial value and business criticality. This categorisation will then drive the level of scrutiny & contract management, to ensure a level of proportionality and efficient resource management.
- The Council has also established the Commissioning Modernisation Programme (CMP) in November 2025, with the aim of modernising how the Council commissions third-party services and to deliver a savings target of £16.2m – 5% of the Council's c.£320m in-scope third-party spend. The programme is overseen by the Commissioning Board and supported by a monthly Strategic Operational Group, with delivery through two workstreams: Commissioning & Practice and Service Re-design.
- The Commissioning Board is actively monitoring a number of KPIs, helping to improve the level of central oversight of procurement across the Council, for instance: lowest & highest performing contracts in terms of the amount of Social Value delivered; committed & delivered Social Value by directorate; overall number and value of contracts agreed; and instances of multiple low value contract awards to the same supplier.
- This has helped to flag several potential areas of follow up where the Council is not achieving value for money. For instance, in respect of low value contracts there were 67 suppliers that received 5 or more contract awards below £9,999.99, showing a concentration of repeat business among a small group of vendors, rather than large aggregated contracts to achieve greater value for money.
- This analysis revealed that there were 812 contracts accounting for only £4.1m of spend, the largest of which was one vendor with 49 separate contracts totalling £86,000. Although this demonstrates the improved monitoring and tracking of KPIs, this does suggest that there are significant measures still to be taken to change underlying directorate habits to enable Council wide transformational change.
- The Council has initiated a procurement effectiveness review, which will encompass a wide range of areas with the aim of service re-design to ensure greater procurement involvement in achieving value for money rather than being solely process driven. We will continue to monitor any output from this as part of our final reporting.
- We have noted issues in previous years with the Council's contract registers and the analysis of this data. We have reviewed the June 2025 SAP contract utilisation data produced by the procurement team and note significant improvements in the level and quality of information being monitored, albeit this is being done on a manual basis by spreadsheet in the absence of a system solution. We also noted that this data is heavily reliant upon input & engagement from all the wider service lines within the Council, which can be challenging to capture.
- However, challenges remain in how to proactively address the issues identified by the underlying data. For instance, in the June 2025 monitoring document we identified:
  - 50 instances of a contract showing £0 remaining when comparing awarded contract spend to actual spend, however the contract end date was still to pass – with 6 of these contracts having an end date of 2027 and beyond. This implies that these contracts are overspent based on the initial procurement value.
  - 196 contracts where the average monthly run rate is above that initially budgeted as part of the contract award, suggesting these contracts may overrun.

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Improving economy, efficiency and effectiveness

Procurement (cont.)

- We subsequently reviewed data throughout the year and tracked this through after year end, and our review of the June 2026 contract utilisation data continued to raise similar issues. We focussed on the contracts above £100k in total value and this identified:
  - 7 contracts due to expire after 2026 where the full contract value has already been spent
  - 27 contracts due to expire after 2026 where the monthly run rate suggests the contract will overrun. These 27 contracts have an average monthly run rate of £4.0m vs the contract award of only £1.8m/month.
- Due to inconsistencies within the data across various sources, it is unclear whether these findings will materialise into actual overspend, however the current monitoring data suggests that this may be the case and raises questions around the integrity of the underlying data.
- In June 2026 the Commissioning Modernisation Programme (CMP) completed an interim baselining exercise, cross-referencing three independent sources – the SAP spend return, the consolidated contract register and the Commissioning Panel pipeline – into a single validated view, with each directorate reviewing and confirming its position. A parallel whole-register spend analysis was carried out by the Government Commercial Agency. However, this review identified several key challenges in line with our previous findings, such as:
  - Over 20 services are operating on interim or expired contracts.
  - Numerous gaps and inconsistencies across contract registers, including instances of live contracts that don't appear on the contracts register or other sources.
  - In 2027/28 there will be 85 contracts for renewal with a cumulative value of £167.3m.
  - Capacity constraints across directorates are causing bottlenecks, for example as of August 2026 there were 35 contracts awaiting Commissioning Panel submission within the Adults directorate.
- We have raised a Performance Improvement Observation linked to the contract utilisation data as per page 53.
- Haringey does not have a tender waiver register as such, but the policy for waivers is clearly set out in the CSOs, and from our review of a tender published on the Council's website, the decision notice clearly set out the compliance with the CSOs and the reasons for the direct award, hence we are satisfied that this process is being appropriately followed.
- Given all of the above issues within the service, we have continued to raise a significant risk linked to procurement, and have considered this further on page 41.

SAP Replacement

- As part of our discussions with Procurement and the wider heads of service, we are aware that the Council is looking to replace its existing 20-year-old financial ledger (SAP ECC) system, with support ending on 31 December 2027. The aim of the Council is to award the contract to a new supplier in January 2027, with a planned go-live date of mid 2028.
- We have reviewed the presentations in January 2026 to the Enterprise Resource Planning (ERP) Programme Board and to the ERP Strategic Options & Business Case Working Group, as well as the subsequent granting of an initial budget of £1.9m for the discovery phase, as approved by Cabinet on 19 March 2026.
- We have subsequently reviewed Cabinet's July 2026 approval of the business case, with approval given to begin the procurement process in line with the CSOs. We also note that an exemption was given for meeting the minimum Social Value weighting requirement, and the Council instead specified several mandatory Social Value commitments that would form contractual obligations for the successful supplier.
- As part of our work in reviewing this project scoping, we are aware that the implementation of a new e-procurement system had initially been absorbed into the ERP replacement project. However, following further review the ERP Programme Board has established that none of the existing providers could offer the required functionality for Dynamic Purchasing, hence a separate procurement solution will need to be implemented alongside this.
- We have reviewed further monthly updates to the ERP Programme Board, with the papers containing sufficient detail to demonstrate the significant resource being allocated to ensure the success of the ERP replacement project, and that risks are being identified and managed.

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Improving economy, efficiency and effectiveness

SAP Replacement (cont.)

- Given the over reliance upon manual spreadsheets and offline processes across the Council's directorates, the successful implementation of this project is key to the Council's future aims to modernise services and achieve greater value for money.
- As such, we will continue to monitor the delivery of this project within our 2026/27 VFM work.

Wider Commentary

- The Council's Childrens' services were inspected by Ofsted in March 2026, with the final report giving the Council an Outstanding rating. In particular, the report highlighted strong leadership, exceptional social work practice and a culture where children's voices shape decision making at every level.
- We note that we are not aware of any new material outsourcing in year, and in fact, the Council maintains an Insourcing Policy to attempt to achieve increased value for money. However, we note that this has not been reviewed since 2019 and, given the wider issues in improving economy efficiency and effectiveness raised in our reporting, we have raised a **performance improvement observation** linked to ensuring that the policy remains up to date and is providing value for money – see page 54 for further details.

Risk Assessment Conclusion

Based on the risk assessment performed we identified four significant risks associated with improving economy, efficiency and effectiveness - all of which are repeated from the prior year - specifically:

- The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.
- There is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment.
- The Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed, that financial contributions from patients are assessed and recovered in a timely manner and that the Council must adequately respond to the CQC findings.
- The Council does have not adequate processes in place to effectively manage its Housing portfolio. The Council has been subject to an inspection from the Housing Regulator in August 2026 and from our discussions with management to date, we believe that these findings may represent a significant risk to achieving value for money. As such we will update this risk with further detail in our final Auditors' Annual Report.

We have performed additional procedures over these significant risks on pages 41-51 to ascertain whether these translated into significant weakness in arrangements to secure value for money during 2025/26.

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Significant Value for Money Risk

3 Procurement

Risk that value for money arrangements may contain a significant weakness linked to economy, efficiency & effectiveness

Significant Value for Money Risk

In line with the prior year work, the Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received.

Our response

We have understood the changes made to manual processes given the delay in the implementation of the procurement system solution, in particular to assess how the Council leverages financial analysis to improve contract performance, and whether these changes provide greater oversight & value for money.

Our findings

- In line with the prior year findings, the procurement arrangements in place throughout 2025/26 were not sufficient to ensure that value for money was achieved.
- However, we can see that progress is being made against the backdrop of a challenging wider financial picture and the absence of a new procurement system.
- The Council has implemented a new Commissioning Board, which is supported by a Commissioning Panel, and has achieved c.£1.2m of cost avoidance to date. The level of scrutiny upon contract awards over £160k through this panel is significant, which has enhanced the Council's ability to achieve value for money.
- However, the contract utilisation data indicates a large number of overspent contracts, as well as contracts with a significantly higher average run rate than that per the expected average based upon the contract value. We have raised a Performance Improvement Observation linked to this on page 53.
- An internal activity to create a baseline for contract register data has highlighted issues with the accuracy of the data, as well as identified that there are a high number of contracts for renewal in the coming 18 months which may cause capacity issues. There are already capacity constraints causing bottlenecks across various services in terms of timely submission to the Commissioning Panel.
- Whilst demonstrating improvements year on year, the changes made to Procurement processes still rely heavily on manual action rather than on supporting systems, with IT support being limited to databases such as the tracking of directorate contract data via SharePoint and production of contract utilisation data via Microsoft Excel.
- The behavioural changes embedded (ensuring a stronger culture of oversight) as part of the manual processes required to implement the transformation required are a positive first step, however the Council must ensure that the implementation of a new procurement system is prioritised.

Conclusion

Based on the findings above we have determined that there remains a significant weakness in arrangements relating to procurement.

This weakness is repeated from our prior year findings, and we discuss this in more detail on pages 42 - 44.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Procurement:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
3	The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into. Strategic Procurement lacks oversight of service spending and relies on services to communicate savings and contract details after delivery. The current systems do not have the functionality to produce valuable monitoring data. The Council should ensure the implementation of the incoming new procurement system is prioritised. This will allow the team to have effective oversight on the monitoring of contracts. Relevant data should be discussed with senior members of staff to report performance and/or identify efficiencies.	This recommendation is accepted, and implementation of a new Procurement system is planned but review currently underway to ensure successful implementation across the organisation and support the Procurement Modernisation Plan to improve procurement processes, improve compliance and ensure all contracts offer value for money. This includes: • Review of scope of the current planned system, ensuring that the system meets all the requirements of the Procurement Act 2023 (PA). • Review of implementation plan, including timescales and budget. This includes a review of the programme to date to identify lessons learnt and make the changes to ensure successful implementation for the remainder of the programme. The new system will not be in place for February 2025 and therefore alternative manual processes are being developed to ensure compliance with PA. • Strengthened governance of the implementation progress has been put in place with SRO as the Director of Finance and for which the Programme Board includes all key stakeholders who enable the delivery. • Communications and engagement plan with services to ensure implementation at the point of organisational readiness. It is recognised that the implementation of a new system supports the Procurement Modernisation Plan. Therefore, although a key factor, its implementation alone will not lead to the improvements needed in Procurement practice and compliance which will require a series of other actions which are currently in progress (See Management Response on next page). **S151 Officer – September 2025**	Whilst demonstrating improvements year on year – in particular the establishment of the Commissioning Board & Panel – which has been able to achieve c.£1.2m of cost avoidance to date - the changes made within Procurement remain very manual in nature and lack the wider advantages that an automated system implementation would bring. For instance, the production of contract utilisation data is done manually via Microsoft Excel rather than having the functionality to automatically monitor richer information from a system using multiple data points. There also remains issues with the confidence in the accuracy of the underlying data. The behavioural changes required to implement the transformation required are a positive first step and there has been a concerted effort to improve processes, however the Council must ensure that the implementation of a new procurement system is prioritised. As such, this recommendation remains in progress and is not yet completed.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Procurement:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
3	See previous page.	**UPDATE – November 2026 S151 Officer** This recommendation is accepted. The implementation of a new Procurement system ("Source to Contract" solution) is planned and up until recently had been within scope of the new ERP (SAP replacement programme). However, following market engagement with potential ERP providers, it has been determined that a single ERP will not fulfil all the requirements of procurement and contract management required under the Procurement Act 2023. This has now been de-scoped and plans to procure a separate system are underway. A report is planned for Cabinet in December 2026 to agree to go to tender with implementation to start in the Spring. The "Source to Contract" solution will helps manage compliance and mitigate risk, maintain auditable supply and contract management processes and, identify procure to pay process violations by alignment with sourcing and contracts activity. The solution will also provide a centralised repository for contracts in order to have visibility of contractual commitments, mitigate risk, manage renewal cycles and monitor savings realisation. The Commissioning Modernisation Programme is now well established. The programme seeks to ensure that commissioning decisions are informed by evidence, aligned to corporate priorities and focused on delivering improved outcomes for residents. It promotes earlier planning, improved understanding of market conditions and stronger integration between service areas and commercial functions. There is £323m of spend within the scope of the programme and clear oversight of these contracts is now in place and work will continue until there is full sight of all contracts and a complete contracts register and pipeline in place, supported by a new system. In addition, a deep dive into procurement is now underway through the Procurement Effectiveness Review. This will consider a number of areas, including: Strategy & Organisation; Business Engagement and Commercial Effectiveness; Sourcing Processes, Category and Supplier Management; Purchase to Pay; People & Skills; Measurement, Policies, Controls and Compliance; Systems, Data and Metrics.	See previous page.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Procurement:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
3	See previous page.	The Strategic Procurement function is adopting new objectives as part of a new delivery model and several improvements have already been delivered during the reporting period, including; - Enhanced procurement governance arrangements - Improved forward planning and pipeline visibility - Introduction of a Contract Management Framework - Development of standardised contract management templates and tools - Increased training and support for commissioners, contract managers and procurement professionals - Improved transparency and reporting arrangements - Continued developments in response to the requirements of the Procurement Act 2023. The Council recognises that commercial maturity is an ongoing journey and will continue to prioritise capability development, governance and continuous improvement.	See previous page.

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Significant Value for Money Risk

4 Commercial Property

Risk that value for money arrangements may contain a significant weakness linked to economy, efficiency & effectiveness

Significant Value for Money Risk

In line with the prior year work, there is a lack of oversight and processes in place for the effective management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment.

Our response

We have considered the processes in place for the management of the Council's commercial leases, as well as seeking to understand how compliance and regulatory requirements are met around fire safety, repairs & maintenance and health & safety.

We have assessed if the Council has adequate knowledge of its leases and the underlying terms such that it can effectively budget for any financial implications.

Our findings

- The Council's oversight of its lease responsibilities is limited due to insufficient record keeping and a lack of digitisation.
- This gap exposes the Council to various financial, legal, and operational risks. Inadequate oversight increases the likelihood of missing rental payments or failing to update rents and lease terms to reflect current market conditions. There have also been instances of the Council being unable to enforce rental arrears due to a lack of a signed agreement.
- Additionally, these shortcomings may result in the Council not fulfilling its legal duties regarding property maintenance and health and safety compliance.
- The directorate has initiated a Property Review with the aim of creating a new baseline of data, however this remains challenging given the limited resource available. This is also reflected in the slow progress made to address the Council's large backlog in respect of overdue rent reviews and leases that are holding over.
- The level of debt outstanding within the directorate continues to rise and remains challenging to address, given issues with the quality of the underlying data and the resource constraints in the team.
- Ultimately, a system solution would provide significant improvements to the process and would allow the Commercial Property team to more efficiently chase arrears, perform rental uplifts and record information relating to repairs and legal responsibilities.

Conclusion

Based on the findings above and on pages 34 & 35, we have determined that there is a significant weakness in arrangements relating to Commercial Property.

This weakness is repeated from our prior year findings – see pages 46 & 47 for further details.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Commercial Property:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
4	The Council needs full oversight of their responsibilities in relation to commercial leases. At Haringey there are ineffective processes in place for the management of the commercial property portfolio across areas such as leases, repairs and health & safety, which could impact the Council's return on investment. The Council should review all commercial property leases to ensure accurate and accounted for. Where gaps are identified, steps should be taken to address them.	These weaknesses have been highlighted in the Commercial Property audit and broadly accepted. We have strengthened the Commercial Property team and are in a better position to reactively manage the portfolio, the weakness is with data and systems. The intention is to fully review all property records held by LBH and implement and store data in an improved Property Management system which will enable us to store lease information digitally, and act on it in accordance with lease terms and obligations. This will also allow for better financial control over transactions and debt management. Ahead of that, we are systematically working through our leases, actioning lease events, and identifying and managing any onerous conditions. There are limitations in how we can record and store this data which is why a digital solution is much needed. This includes ensuring safety and repairing obligations are clarified between landlord and tenant, fulfilling our statutory obligations and achieving best consideration. **Head of Resilience – April 2027** **UPDATE November 2026 S151 Officer** These recommendations are accepted. The council adopted its first Strategic Asset Management and Property Improvement Plan (SAMPIP) in 2023, which identified a 5 year improvement programme. Officers recognised that the scale of the issues, identified in a senior officer requested Mazars audit in 2022; would take 5 years to improve and rectify. We are still on this journey and have implemented many new process and systems that have resulted in Green audit reviews. These weaknesses have been highlighted in a previous audit of Commercial Property audit and broadly accepted. Improvements have been made over the last 12/18 months, on a risk based approach to tackling the multiple issues and the work continues as part of that 5 year programme running the 2028. We have further strengthened the Commercial Property team (agreeing additional capacity) to expediate the pace of the improvements required to review the back log of leases and rents and is now ringfenced for the work required on commercial leases. The Corporate Drector and Director are also exploring options tor how more of the work required can be outsourced to an external organisation.	The Commercial Property team were only able to complete 21 lease renewals and 11 rent reviews during 2025/26, mainly due to resource & capacity restraints. Although this is a marked increase from 2024/25 of 8 renewals & 2 reviews, this still leaves c.600 leases still to review. This is a source of missed opportunity for the Council as the renewals proved particularly fruitful with an average rental uplift of 64% and an average new lease period of 12 years, securing medium-term income. As such, this recommendation remains in progress and is not yet completed, with the estimated completion date of April 2027 proving increasingly unlikely given the scale of the challenge.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Commercial Property:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
4	See previous page.	There is a weakness with data and systems. Data cleansing remains ongoing but relies on manual spreadsheets. A business case is in development to procure a new system but in the interim, opportunities to better utilise the existing system (Civica) are being explored. The intention is to fully review all property records held by LBH and implement and store data in an improved system which will enable us to store lease information digitally, and act on it in accordance with lease terms and obligations. This will also allow for better financial control over transactions and debt management.	See previous page.
5	The Council should consider investment in a system solution incorporating centralised document management with standardised checklists for identifying key terms of leases and automated tools to monitor important dates, such as the expiry of lease terms.	The Council recognises its shortcomings in not having an effective property data solution. We are actively working on this, as set out in the Council's Strategic Asset Management and Property Improvement Plan. We have identified the scope of a property review programme, completed soft market testing of suitable Property Management software, and are now working to develop the business case to gain approval for this investment. **Head of Resilience – April 2027** **UPDATE November 2026 S151 Officer** **These recommendations are accepted.** The Council recognises its shortcomings in not having an effective property data solution. We are actively working on this as set out above and as set out in the Council's Strategic Asset Management and Property Improvement Plan. We have identified the scope of a property review programme, completed soft market testing of suitable Property Management software, and are now working to develop the business case to gain approval for this investment.	The Council has begun to prepare the Property Review business case, however this is a longer-term project and the implementation of a system solution remains a number of years away. As such, this recommendation remains in progress and is not yet completed.

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Significant Value for Money Risk

5 Social Care

Risk that value for money arrangements may contain a significant weakness linked to economy, efficiency & effectiveness

Significant Value for Money Risk

The Council does not have adequate processes in place to ensure that Social Care spend is sufficiently forecast and managed, or that financial contributions from patients are assessed and recovered in a timely manner.

Our response

We have further understood the process for forecasting demand, inspected the Adult Social Care Improvement Plan to ensure the Council responds appropriately to the CQC findings and assessed the potential impact of the LGSCO report published in August 2025.

Our findings

- We note that the service has delivered an in-year surplus of £1.5m despite forecasting a £7.5m overspend as at Q1, as well as achieving delivery of 86% of its savings target.
- We have obtained a copy of the Adult Social Care Improvement Plan and the accompanying agenda item where the plan was presented to Cabinet in November 2025. The Improvement Plan aims to build on the progress made to date by providing a clear, phased approach to strengthening the Service and embedding sustainable improvement over the next 2-3 years.
- We have reviewed the minutes of the Adult Social Care Programme Board from November 2025 to date and have seen evidence of regular monitoring of key KPIs that form part of the Improvement Plan, demonstrating that active progress is being made.
- We have also reviewed an update in October 2026 to the Adults Health & Scrutiny Panel which outlines the progress made against the areas identified by CQC as well as the impact achieved to date.
- However, despite the Council's progress in implementing the action plan which would potentially address our prior year recommendation, we are aware that the CQC performed a follow up inspection in September 2026. The results of this report may be published before our Auditors' Annual Report is finalised and so we reserve the right to continue to raise a significant weakness linked to Adult Social Care.
- As at the Q1 2025/26 financial update presented to Cabinet, Adult Social Care is reporting an overspend of £700k (vs £7.6m for Q1 2025/26). This is a significant change in overspend year on year and suggests improvements have been made in forecasting methods.
- Additionally, large progress has been made to reduce the financial assessment backlog by 80% from June 2024 to date.

Conclusion

Based on the findings above we have not yet determined whether there is not a significant weakness in arrangements relating to Adult Social Care, due to the imminent CQC follow up report.

When we conclude, we will discuss our response to the prior year recommendation in more detail on pages 49 - 51.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Social Care:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
6	Part of the weakness around overspend within the Adult & Social Services budget is already captured within our significant weaknesses linked to financial sustainability, and the difficulties in managing budgets within the tight financial constraints of the Council's overall financial position. However, this weakness is specifically linked to the poor forecasting of cost given the known planned increases in resource within the service. This additional resource was introduced in order to increase the number of Care Act assessments being undertaken; hence the associated overall cost could have been better anticipated within the financial forecast. As such, we recommend that management takes steps to ensure that a more prudent estimate of forecast activity is captured within the budget setting process for FY27, making appropriate use of expected care act assessment numbers.	The Council acknowledges this recommendation for 2024/25. Significant improvements have been made during 2025/26 to strengthen modelling and forecasting processes, resulting in a much closer alignment between budget assumptions and actual demand. While waiting lists will remain an inherent feature of adult social care due to the demand-led nature of the service, these factors have now been more explicitly and systematically factored into the budget-setting process through more detailed analysis of expected activity levels and associated cost drivers. Extensive work has been undertaken to estimate likely demand and price pressures for 2026/27, and an additional budget requirement has been included in the draft budget. The increased corporate contingency for 2026/27 provides further resilience to manage risks within these assumptions. Importantly, the Council continues to focus on improving forecasting and demand modelling as part of its ongoing improvement work and has commissioned external support to further enhance the robustness and accuracy of these processes. Our overspend position at P8 is £4.8m, as a 4.6% variance to budget; last year this was £16.1m at P8, a 20.5% variance. This shows a positive direction of travel and brings us much closer in line with the national overspend position.	We have seen significant progress in reducing the financial assessment backlog, which has reduced by 80% from June 2024 to date, showing improved processes and that appropriate resource has been allocated. The service reported a surplus for 2025/26 despite an in year forecast deficit at Q1 of £7.4m, showing significant improvements in financial performance. Additionally, the Q1 2026/27 position is a significantly smaller deficit than in prior years, showing that the issue of historically poor forecasting is no longer impacting financial performance. As such, we are satisfied that this recommendation has been successfully implemented.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Social Care:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
7	Additionally, as part of our VFM work we consider the outcome of external regulatory findings, and so the 'Requires Improvement' CQC inspection and the LGSCO report - alongside the difficultly that the service has with accurately forecasting demand - have led us to conclude that there is a significant weakness linked to Social Care. We are aware that the Council has produced an Adults Improvement Plan to address the findings of the CQC inspection and LGSCO report and recommend that this is progressed and monitored throughout 2025/26 to ensure that the necessary improvements are implemented. We also recommend that work continues to improve the speed with which the Council completes the financial assessment of clients, such that all those who are deemed eligible to contribute towards their care can do so in a timely manner.	This recommendation is accepted. The Adults Improvement Plan was agreed by Cabinet in November 2025 and progress monitored and reported through the Adults Improvement Board, which is a cross-party board chaired by the Chief Executive. In addition, there will be regular updates to both Cabinet and the Adult and Health Scrutiny Panel. The LGSCO wrote to the Chief Executive on 1st Dec and confirmed that the Council's response to the report was satisfactory and fully compliant with the requirements of section 31(2) of the Local Government Act 1974. The Ombudsman has recorded a compliance outcome of "Remedy satisfied on time", acknowledging that the Council took the required actions promptly and appropriately. An independent review of safeguarding is also underway and due to report back in Feb 2026. In terms of financial assessments, there is an improvement project underway through the Adults Financial Assessment and Debt Board. Progress has already been made in 2025/26 to clear the backlog of assessments, and a hybrid model will be retained in the short term of internal assessors and 3rd party external support to keep any delays in assessments small. In June 2024, there were 794 clients receiving care without a financial assessment and as of January 2026, the backlog is down to 415, and work has commenced on 288 of the cases. Through the same project, there is also an end-to-end process review underway across all services involved from adult social care to debt recovery to improve the timeliness and quality of the assessments once a care package has been agreed. (continued overleaf)	We have seen evidence of the Council tracking & implementing its Adult Social Care Improvement Plan through the Adults Social Care Improvement Board, taking appropriate steps to address the CQC findings. However, we are aware that the CQC performed a follow up inspection in September 2026. The results of this report may be published before our Auditors' Annual Report is finalised and so we reserve the right to continue to raise a significant weakness linked to Adult Social Care depending on their updated findings.

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Value for Money: Recommendations

Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods in relation to Social Care:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
7	See previous page.	A review of the Council's Charging Policy has been completed and will ensure that the policy is being applied correctly, and all eligible clients are contributing to their care where they can afford it. Finally, we have a new Management Team in post as of April 25 and have recruited a Deputy DASS (commenced in post January 26) and a Principal Social Worker (commencing in post late Feb 26) to strengthen leadership capacity, with a focus on performance, Social Work practice and associated financial oversight.	See previous page.

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Value for Money: Performance improvement observations

The performance improvement observations raised as a result of our work in respect of identified or potential significant value for money risks in the current year are as follows:

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

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	1	The Council is not currently complying with the requirements of Awaab's Law, which was introduced in October 2025. We noted from our review of the latest damp & mould internal reporting that there are gaps in compliance. The law requires that the Council investigate any potential emergency hazards within 24 hours and significant hazards within 10 working days, however this is only happening in 71% and 82% of cases respectively. The Council is also required to undertake relevant safety work within 5 days of the investigation concluding that there is a significant hazard, however this is only happening in 68% of cases. These represent potential legal, reputational and financial risks for the Council, and the service must ensure that sufficient resource is allocated to improving these statistics into 2026/27. This is especially important given that the Government plan to extend regulations from 30 November 2026 to include hazards where they present a significant risk of harm - for instance excess cold and fire or electrical hazards - which will mean increased resource is needed to meet these requirements. We recommend that the Council ensures that the service has sufficient resource to be able to deliver in line with its statutory duties, to mitigate the risk of action from the Regulator Of Social Housing.	TBC – Management response to be confirmed before the final January 2027 paper.

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Value for Money: Performance improvement observations

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	2	The final HRA outturn for 2025/26 is an overspend of £4.3m. The largest driver of this was under-recovery of planned income due to higher than planned levels of void properties – the total net under recovery for the year was £6.9m. The Council has revised its 1% void rate target to 2% in the face of significant challenges to manage voids. The final 2025/26 void rate was 2.7%, which has since risen to 3.05% as of June 2026, representing 482 void properties within the General Needs and Social Housing stock. We recommend that the Council undertakes a thorough review to understand the root causes of this increase in voids and creates an action plan to help address these issues.	These recommendations are accepted. When the HRA business plan was agreed in March 2025, it was set based on 1% void rate. However, the Council does acknowledge that this was based on improvements in timeliness and works capacity that did not materialise as planned. This trend did continue into quarter 1 of 2026/27 but there is now an improvement plan to increase void turnaround and process management. Additional senior management oversight to work across housing and additional contractor capacity to substantially increase the number of voids brought back into use each month will have an impact from September 2026. Improved efficiency will reduce void periods and therefore income loss. As part of the 2027/28 HRA business planning process, a review of all budget assumptions is underway and in light of the improvement plan and the timing of the improvements to ensure that the % set for voids in realistic and achievable.
3	2	The Council's contract utilisation spreadsheet that is used to inform discussions at the Commissioning Board must represent the most accurate view of the Council's contracts. The data analysed suggests a high number of contracts are overspent, but this could partially be driven by incorrect data and inconsistencies between different datasets. We recommend that the Council undertakes a data review & cleansing exercise to ensure a single source of truth in respect of its contract register, to enable more meaningful analysis of the underlying data. Where there are instances of high run rate vs budget, action should be taken to ensure that this does not present a financial risk to the Council.	This recommendation is accepted. A significant amount of work has been undertaken over the last 12 months as part of the Commissioning Modernisation Programme to improve the data and develop a complete contracts register. However, the council has struggled to develop a "single source of truth" for all contracts activity due to a disparate number of systems supporting Source to Contract activity. Further, there is limited integration of systems which means there is an over reliance on manual interventions - no single system provides a complete and authoritative view of contractual activity. There is a dependency on 'Legacy systems' and the data distributed across a range of systems managing key activity. It has been agreed that a single 'Source to Contract' solution is required to standardise our approach to sourcing and contract management activity and improve contract visibility, reporting capability and supplier information management across the procurement lifecycle. A report requesting permission to go out to tender is expected to be presented to Cabinet in December 2026 for implementation to commence in the Spring. In advance of the implementation process for the new "Source to Contract" solution and to support data migration, contracts data is being reviewed and refreshed. In addition, a new Contracts Management Framework is being launched which will require all contracts to be classified and for a Contracts Manager to be identified to manage the contract and a data requirements.

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Value for Money: Performance improvement observations

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date
4	2	The Council maintains an insourcing policy, through which it aims to achieve improved value for money, as opposed to outsourcing functions of Council activity. However, we note that this policy has not been reviewed since 2019 and given the wider issues in improving economy efficiency and effectiveness raised in our reporting and the slow progress made in implementing change, we recommend that the Council reviews this policy to ascertain if this policy still represents value for money.	This recommendation is accepted and the policy developed in 2019 will be reviewed during 2026/27. However, it should be noted that through the Commissioning Panel (established through the Commissioning Programme), a full options appraisal of all delivery options must be completed and evidenced to determine that which provides best VFM and requests to commission are not agreed to proceed without this evidence.

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Value for Money: Performance improvement observations

Below we have set out our findings from following up performance improvement observations raised in prior periods:

#	Risk	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of November 2026
1	2	Lack Of Clarity In Assessing Budget vs Actual Performance In Finance Updates We have noted from our review of the quarterly finance updates to Cabinet during 2024/25 that there is consistent revision of the initial budget and savings targets agreed by the Full Council in March 2024. This reduces transparency and the ability of members to assess in year performance vs initially agreed budgets. We recommend that reporting is enhanced so as to include the initial forecasted expenditure& savings, alongside any virements approved by committee.	This recommendation is accepted and for both revenue and capital monitoring reports, from Q3 of 2025/26 will include for both revenue and capital budgets, the original budget, any virements agreed each quarter and then the latest budget for which monitoring is against. As per reporting at the moment, the rationale for each virement made every quarter will be included in detail of the appendix of each quarterly report. Chief Accountant – December 2025	We have inspected the finance update reports from Q3 2025/26 onwards as part of our follow up, and can see the additional financial detail included to provide the reader with greater clarity. As such we are satisfied that this recommendation has been implemented.
2	2	Assessing The Potential Income From A Commercial Property Review Our risk assessment work over Commercial Property has identified that there is a significant amount of lost income through overdue rent reviews and properties which have leases holding over. The Council has not yet been able to quantify this lost income to effectively assess the cost/benefit of performing the Property Review. We recommend that work is done to understand the additional income that could be achieved through this review, such that resource can then be appropriately allocated.	This recommendation is accepted. Over the last 12 months, good progress has been made in collecting data on the Council's commercial property portfolio, including on leases and the rent roll. Work is underway to work through the portfolio to carry out overdue rent and lease reviews and to date an additional £500,000 has been identified from the reviews to date. However, there remains a large backlog and this will remain a priority until complete. Additional time limited capacity is being considered to expedite these reviews because it is recognised that there are missed income opportunities which are even more crucial given the Council's financial position. Work is also underway to consider a digital solution for the maintenance of commercial property data and the management of the portfolio since much of these records are held and managed manually at this stage. Chief Accountant – January 2026 **UPDATE November 2026 S151 Officer** The Council has an improvement plan in place and progress has been made. In 2025/26, income collected was over £1m higher than in previous years and to date in 2026/27, income collected is ~£700,000 higher than the same period last year. However, it is accepted that there remains a high backlog of lease and rent reviews and additional capacity is already being put in place to expedite the pace and this will be ring fenced to addressing this backlog.	As detailed on page 45, we have continued to raise a significant weakness linked to Commercial Property and note that there remains a high number of lease reviews outstanding. There also remains no clear assessment of the value of potential lost income as a result of these reviews, should the work be undertaken. We are therefore not satisfied that this recommendation has been implemented.

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Agenda Item 8

Report for: Audit Committee – 3 November 2026

Item number: 8

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
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Ward(s) affected: N/A

Report for Key/ Non Key Decision: N/A

1. Describe the issue under consideration

1.1 This report details the work undertaken by Internal Audit in the period 1 April to 31 August 2026 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 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 2030, 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 for Legal & Governance: Michael Alexander Gordon – Principal Lawyer**

The Director for Legal and Governance has been consulted in the preparation of this report and on her behalf her Principal Lawyer 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
Appendix B – Outstanding High-Priority Recommendations

11. Background Information

None

12. Performance Management Information

12.1 Internal Audit has completed 13 reviews during the quarter. Whilst significant weaknesses were identified in several areas, the results largely reflect the risk-based nature of the audit plan and work undertaken in high-risk services. Management has accepted all recommendations and implementation will continue to be closely monitored.

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

Table 1 – Performance Indicators

Ref.	Performance Indicator	1 Apr 26 – 31 Aug 26	Year to date	Year end Target
1	Internal Audit work (Forvis Mazars) – Days Completed vs. Planned programme	18%	18%	95%
2	Priority 1 recommendations implemented at follow up	Note 1 *	Note 1 *	95%

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

13. Internal Audit work – Forvis Mazars

13.1 The activity of Forvis Mazars for the first period of 2026/27 is detailed at Appendix A. Forvis Mazars planned to deliver 153 days of the annual audit plan (723 days) during the period (to 31 Aug 2026) and delivered 130 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 13.7.

13.3 **Status of Internal Audit Recommendations**

13.4 The process and responsibility for monitoring the implementation of Internal Audit recommendations operates within each of the Directorates. This process has developed over the past year and is embedded in varying degrees across service areas. Whilst embedding of the monitoring and recording updates varies across services, engagement and progress is gaining momentum.

13.4 This report introduces a revised reporting format for the Audit Committee, designed to provide clearer oversight of recommendation implementation across the Council.

13.5 The Internal Audit recommendation follow-up process is designed to ensure that agreed management actions are implemented effectively and within the timescales committed to at the conclusion of each audit review. Management are responsible for delivering and evidencing the implementation of recommendations, whilst progress is monitored through Directorate governance arrangements and reported corporately through the Internal Audit function. Internal Audit undertakes periodic validation of completed actions to assess whether recommendations have been fully implemented and the intended control improvements achieved.

13.6 The table below sets out a summary of the internal audit recommendations and their status as at the end of September 2026. For information, the status of recommendations is as follows with details of overdue priority 1 recommendations outstanding and their current status provided at Appendix 2.

Dashboard: Summary of Recommendations Raised by Year at 30 September 2026 Status

Audit Year	Total Raised	P1	P2	P3	Previously Reported	Complete (P1/P2/P3)	Overdue (P1/P2/P3)	Not Due (P1/P2/P3)
2025/26	154	24	85	45	49 (6 /19 /24)	**5** (4 / 1 / 0)	38 (4 / 27 / 7)	**65** (13 / 38 / 14)
2024/25	205	-	-	-	187	6 (0 / 2 / 4)	12 (2 / 10 / 0)	-
2023/24	116	-	-	-	104	4 (0 / 4 / 0)	8 (0 / 8 / 0)	-
2022/23	209	-	-	-	201	5 (0 / 2 / 3)	3 (0 / 3 / 0)	-
Total	**684**	24	85	45	547	20 (4 / 9 / 7)	61 (6 /48 / 7)	**52** (11 / 32 / 12)

13.7 Significant issues arising in Quarter 1 (to August 2026)

In this period, a total of 13 final internal audit reports were issued; four were assigned “Adequate” assurance, eight were assigned a “Limited” level of assurance and further audit area was advisory and not assigned an assurance. The nature of the service and key residual risks arising from review are noted below. Whilst a number of control weaknesses have been identified during the quarter, management has accepted all recommendations and implementation is being actively monitored. Internal Audit will continue to provide assurance over key corporate risks and will report progress to the Committee throughout the year.

Project Management of Non-Corporate Savings (Directorate) – “Limited” Assurance

The purpose of this audit was to assess whether the Council has an adequate and effective framework for the identification, planning, governance, and delivery of non-corporate savings projects, specifically directorate owned savings not subject to central corporate governance arrangements. The audit was carried out to provide assurance in respect of the Council’s corporate risk at the time of the audit, reference CORP0001 – Maintaining and strengthening financial viability/balance across the Medium Term Financial Plan (MTFP), including failure to deliver identified savings.

The audit noted sufficient evidence was on file to support the accuracy projected savings, savings plan delivery was monitored on a monthly basis and issues identified in achieving the savings plan had been escalated to Corporate Finance with action taken for each of the five savings plans in the sample.

Nevertheless, against a 2025/26 target of £29.297 million, only a fraction of the savings had been delivered at the time of the audit and the full year forecasted a significant shortfall within a number of Council directorates. This indicated the Council remained behind schedule in achieving its savings goals, raising concerns about the effectiveness of current savings plans and the risk to overall financial sustainability. I was also noted that the year to date savings were not accurately recorded in the Savings Tracker.

The auditors raised three recommendations; one “priority 1”, one “priority 2” and one “priority 3”. The priority 1 recommendation has already been implemented and the remaining recommendations were due for implementation by the end of September ’26.

Corporate Arrangements for Commissioning – “Limited” Assurance

The purpose of this audit was to assess the control framework in place to manage the risks associated with commissioning in Children’s and Young People’s Services (CYPS). This review was requested by the Commissioning Lead to provide an insight into the arrangements being made within the authority to create a robust commissioning cycle. Initially, the audit was intended to review

arrangements for commissioning at the corporate level across the Council. However, due to capacity issues in the Adult's directorate, the decision was made to focus on CYPS. A separate review is scheduled for this financial year over the Corporate arrangements.

Commissioning refers to the strategic process of planning, sourcing, and managing services to ensure they meet the needs of users and deliver the intended outcomes. Rather than focusing solely on purchasing goods or services at the lowest cost, commissioning takes a broader, more holistic view. It considers the entire journey - from identifying community or organisational needs, to designing appropriate solutions, to selecting the right suppliers, and finally ensuring that the delivered service achieves measurable value. Commissioning is therefore about shaping markets, building partnerships, and continuously improving service delivery so that outcomes - not just outputs - are prioritised.

The authority recognised it did not have a standardised framework for commissioning goods and services and there are high levels of costs associated with commissioning in the Adult's and CYPS.

Thus, the Council set out to deliver a major Commissioning Modernisation Programme, approved by Corporate Leadership Team in August 2025, to strengthen and standardise commissioning practice across all directorates. The programme was launched in response to longstanding issues such as inconsistent processes, weak data quality, unclear roles between commissioning and procurement, and variable contract management approaches. Its overarching aim is to improve outcomes for residents while ensuring that the Council's £600m annual commissioned spend is needs led, evidence-based, and delivers value for money.

A key change introduced through the Programme is the establishment of a strengthened governance and assurance framework. This included the new Council-wide Commissioning Panel, which began operating in January 2026 and now reviews and approves all commissioning activity above £160k. The Panel requires evidence of statutory need, funding arrangements, savings implications, and a clear business case before activity can proceed.

The audit noted the following arrangements were in place:

- The Commissioning Framework (v9 July 2025) sets out an Analyse Plan–Do–Review cycle, supported by comprehensive templates, governance routes, and quality assurance expectations;
- The Contract Monitoring Framework (v3 July 2025) provides a risk based methodology for provider oversight, including quarterly returns, proactive and reactive monitoring routes;
- Structured coordination with Procurement via completed Procurement Initiation Forms (PIFs) in a sample of four recent contract awards, ensuring oversight by Strategic Procurement and documentation of the nature, purpose and cost of the service requirement;

- Provider performance reporting (monthly/quarterly returns) functioning as designed across a sample of five operational contracts in CYPS; and
- Governance oversight via weekly DMT meetings with timely CLT reporting.

The audit raised recommendations in respect of:
- Inadequate service user input into service assessment and specification;
- Absence of formal review of contract against original specification to confirm commissioning objectives have been met;
- Contract register was incomplete; and
- A lack of centralised storage of procurement documentation to allow for effective oversight.

The auditors raised six recommendations; one “priority 1”, three “priority 2” and two “priority 3”. All recommendations are due for implementation by the end of March ’27.

Children with Disabilities – “Limited” Assurance

The Disabled Children’s Team (DCT) forms part of the Council’s wider Children’s Social Care provision and is responsible for delivering statutory and non-statutory support to children and young people with disabilities, their families, and carers. The Service provides assessment, care planning, short breaks provision, ongoing support packages, and case management oversight for children with complex needs. The DCT is structured around several core functions, including the completion of Child and Family (C&F) Assessments, the assessment and allocation of Short Breaks support, the development and review of Care and Support Plans, and the management and approval of care packages, both through the internal Disabled Children’s Team Panel (for packages under £3,000) and the Council’s Resource Panel (for packages exceeding £3,000). The service works closely with partner agencies, including education, health, and commissioned providers, and maintains regular multi-agency forums such as school meetings and MAG (Multi-Agency Group) meetings to monitor children’s progress and emerging risks. The DCT had a revenue budget of £1.8m for 2025/26.

Internal audit noted that statutory guidance was available and accessible to staff via the Council’s TriX portal and the Council’s website provided guidance for the public on how to access Disabled Children’s Team (DCT) services, including eligibility criteria, short breaks information and contact details.

The significant audit finding was that assessments were not completed within statutory timescales, with delays resulting from capacity pressures, competing operational priorities and the absence of a clearly documented local process for monitoring and escalating overdue assessments.

The auditors raised three recommendations; one “priority 1”, one “priority 2” and one “priority 3”. The priority 1 recommendation is due for implementation by the end of January ’27 and the remaining recommendations are due for implementation by the end of March ’27.

SEN Transport – “Limited” Assurance

Under the Education Act 1996, local authorities have a statutory duty to make free travel arrangements for eligible children of compulsory school age to enable them to attend school. Eligible children include those who attend their nearest suitable school and who cannot reasonably be expected to walk to school because of special educational needs, a disability or a mobility problem, even if accompanied, or where the route is unsafe or exceeds the statutory walking distance. The Council’s provision of transport includes taxis, minibuses and wheelchair accessible vehicles. The Council also utilises personal transport budgets and independent travel training programmes. Suppliers are sourced through the Council’s Dynamic Purchasing System (DPS). Onboarding of suppliers is completed by the Council’s DPS team which sits in the wider procurement team.

The SEN Transport Team advertise routes to suppliers through the DPS. Supplier selection for requirements is based on transport type and offer evaluation is based on cost. Applications for SEN Transport are received through an eform via the Council’s website. They are then processed through the Mission Passenger Transport Software (‘Mission’). Demand for SEN transport has increased significantly across the local government sector, driven by a growing number of children whose needs are such that they require an Education, Health and Care Plan (EHCP). Increased demand has led to increasing costs with a projected contracted services cost for the year of circa £5m as of December 2025. Given safeguarding sensitivity and the increased use of public funds, SEN Transport is a high risk and high-profile area for Councils and effective contract management, safeguarding oversight and robust internal processes are required to maintain service quality and ensure value for money.

The key risk identified from the audit was that onsite inspections of suppliers were not completed on a regular basis, arising from an absence of the Contract Compliance Manager.

The auditors raised six recommendations; one “priority 1”, four “priority 2” and one “priority 3”. The priority 1 recommendation is due for implementation by the end of October ’26 and the remaining recommendations scheduled for implementation by the end of April ‘27.

Management and collection of clients contributions – "Limited" Assurance

The purpose of this audit was to assess the adequacy of controls in place to manage the collection of income via client contributions for the provision of care packages following a financial assessment.

Client contributions form a significant element of Haringey Council's Adult Social Care (ASC) funding model and represent the portion of care costs that residents are assessed as able to pay under the Care Act 2014. The Council provides information on financial assessments through its public facing website, supported by detailed guidance issued to service users during the assessment process. Financial assessments are performed to determine an individual's ability to contribute towards the cost of their care. These assessments consider income, capital, disability-related expenditure, and applicable allowances. The resulting client contribution is then recorded within the Liquidlogic Adults' Social Care System (LAS) and the associated finance module, ContrOCC. Client contribution data was held primarily within LAS and ContrOCC.

As at the time of the audit, the Council continued to face challenges (as reported by the dashboard) relating to the timeliness of financial assessments (178 average days to complete assessments).There were 473 clients that had not had a financial assessment, with a cumulative weekly cost of over £200k. Financial assessments were not consistently completed in a timely manner with a need to prioritise clearing of the longstanding backlog of financial assessment cases that resulted in delays in completing financial assessments to the 28-day target.

The level of outstanding ASC debt remained materially high at over £16m and reflected long-standing issues in end-to-end processes, from assessment through to collection. Despite previous internal improvement initiatives, performance had not significantly improved, indicating the need for a coordinated, strategic approach to strengthen financial controls, improve data accuracy, and enhance collection activity.

Overall, the robustness of client contribution processes is central to securing income that offsets ASC expenditure. Weaknesses in these processes expose the Council to ongoing financial risk and may affect the sustainability of service delivery unless addressed through targeted and sustained management action.

The auditors raised four recommendations; one "priority 1" and three "priority 2". All recommendations are due for implementation by the end of January'27.

Management of Garages – "Limited" Assurance

Garage management forms part of the Council's wider Housing and Estates function and relates to the provision, allocation, maintenance, and income collection associated with Council-owned garages. Garages are provided as a Council service to residents to support local parking and storage needs. Council-owned garages are allocated through an application-based process, with

applicants assessed against defined prioritisation criteria, placed on a waiting list and offered Garages subject to availability and eligibility. This process is intended to ensure garages are allocated consistently and fairly, while supporting effective utilisation of the Council's Garage stock.

At the time of the review, there were approximately 734 garages generating rental income and 700 void garages across the Borough according to Business Objects and NEC (housing management software). The Head of Estates and Neighbourhoods advised that the Council are undertaking an exercise to review and inspect all void garages, to better establish their condition, assess suitability for re-letting, and improve the accuracy and completeness of garage records. This work is intended to support improved oversight of the Garage estate and inform future decisions regarding management, prioritisation, and resource planning.

Performance information indicated that the Council have set a 2025/26 target of collection of 99.50% of Garage rent against the amount due. A Garage rent collection report showed that for the period of week one to week 30 of the 2025/26 financial year, the Council had collected £413,929.63 against total charges of £433,617.40, representing a year-to date collection rate of 95.46%.

The internal audit noted that Garage voids not effectively monitored, prioritised, or managed. More generally, Garage management data is inaccurate, incomplete, or not consistently reconciled across systems. There is significant risk that rental income is not fully identified, garages are incorrectly recorded/ classified as occupied, or voids and management decisions are made based on unreliable information. Garage management data lacks consistency and reliability due to a fragmented and siloed service model, where responsibility for Garage records is split across multiple teams/systems without clear ownership, standardisation or coordination.

The auditors raised eight recommendations; two "priority 1", two "priority 2" and four "priority 3". All recommendations are due for implementation by the end of December '26.

Repairs and Maintenance of Commercially Leased Property – "Limited" Assurance

The purpose of this audit was to assess the design and effectiveness of the control framework, processes and governance arrangements in place to ensure repairs, maintenance and statutory compliance are appropriately managed across its commercially leased property portfolio. The audit was designed to provide assurance over the management of a key risk, reference CORP0008 - Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).

The Council is responsible for repairs, maintenance and statutory safety across its commercially leased properties, alongside tenants whose responsibilities are defined within lease agreements.

A Commercial Property internal audit conducted in March 2024 concluded with a “Limited” Assurance rating. The auditors noted a number of recurring findings in this review from our previous report:

- A formal process for completing post inspections on high-value responsive repairs was not in place;
- Where a tenant is responsible for completing Landlord Health & Safety checks, the Council did not consistently gain assurance that the checks have been completed;
- There were no policies or procedures for the following commercial property management areas: repairs and maintenance, lifts and water safety;
- Some responsive repairs were not completed within the expected timeframe, with delays ranging from short hold-ups to several weeks; and
- A substantial number of responsive repairs had no recorded completion date and were already significantly overdue at the time of the audit, with their statuses listed as exported, open, on hold, or cancelled.

The internal audit highlighted the service lacked a central compliance monitoring system preventing the Council from evidencing full health and safety compliance across its commercial estate. The Head of Property explained that the Commercial Property Team does not hold statutory health and safety certificates or track related remedial works, as some these responsibilities rest with tenants under the terms of their leases.

A Sample review of ten Corporate Landlord managed properties found 24 missing certificates out of 60, covering six statutory compliance areas. These included, seven Landlord Gas Safety Record, two Electrical Installation Condition Report (EICR), two asbestos inspections, four Water Regulations Approval Scheme, six Lifting Operations and Lifting Equipment Regulations, and three Fire Risk Assessments.

The auditors raised 11 recommendations; two “priority 1”, and nine “priority 2”. All recommendations are due for implementation by the end of March ‘28.

Non-spend Control Panel Spending (Essential Spend) – “Limited” Assurance

As the Council responds to the significant financial challenges, the purpose of this audit was to assess the design and effectiveness of the control framework for the approval of essential spend. A new process whereby Directors are required to approve essential spending was recently introduced and spend over £1,000 that is deemed essential must be logged as essential via the Spend Control Panel form.

The authority introduced enhanced spending controls in response to significant financial pressures and the requirement to strengthen financial governance following the receipt of Exceptional Financial Support from the Government. As part of these arrangements, a revised essential spend process was implemented from 12 March 2026, requiring all expenditure over £1,000 to be submitted via the SCP. Directors are permitted to approve expenditure deemed “essential” outside of panel consideration through the SCP e-form. Approval is required to be recorded through the e-form, using the “Panel Decision Not Required” option. The essential spend process is intended to ensure that only expenditure meeting defined criteria bypasses the SCP, thereby supporting financial sustainability and alignment with the Medium-Term Financial Strategy. Essential spend is defined as expenditure relating to the delivery of core statutory services, emergency planning or critical response arrangements, approved legal services, coroners’ services, or health and safety matters where risks must be addressed.

This review focused on assessing whether essential spend categories were clearly defined and consistently applied, whether Director approvals were appropriately evidenced and challenged, and whether sufficient records were retained to demonstrate compliance with the new arrangements. These controls were selected because inconsistent application of essential spend criteria or insufficient documentation of Director challenge increases the risk that non-essential expenditure bypasses scrutiny, undermining the Council’s financial recovery objectives.

The internal audit noted that the Council’s Essential spend criteria was well defined and communicated through centrally issued guidance. A standardised Spend Control Panel (SCP) e-form was developed to capture key information, including description of expenditure, dates, amounts, expenditure codes, directors responsible, and a field for why the spend was deemed essential. The audit found that for the majority of transactions tested, a SCP e-form was not held, resulting in insufficient evidence of approval, challenge, and justification for essential spend. The Spend Control Panel process has not been consistently embedded across directorates, with inadequate oversight and monitoring to ensure that all qualifying expenditure is submitted through the SCP e-form workflow before transactions are processed. Consequently, there is a risk the new arrangements do not have the desired impact arising from cases of non-compliance and the organisational culture has not adapted to increased scrutiny over expenditure.

The auditors raised four recommendations; one “priority 1”, two “priority 2” and one “priority 3”. All recommendations were due for implementation by the end of September ‘26.

LONDON BOROUGH OF HARINGEY
Audit Committee – October 2026
Forvis Mazars Internal Audit Progress Report - Draft

Date Prepared: 22 October 2026

Strictly private and confidential

forvis mazars

Contents

01 Snapshot of Internal Audit Activity

02 Overview of Internal Audit Plan 2026/27

03 Overview of Internal Audit Plan 2025/26

04 Key Performance Indicators

05 Thought Leadership

Appendices

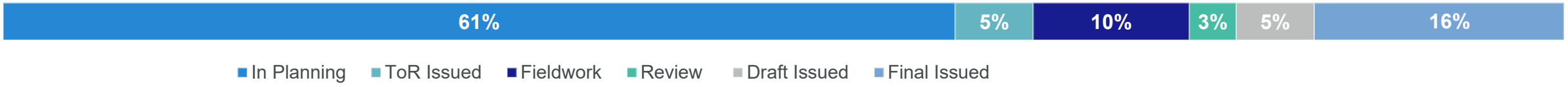
A1 Latest Reports Issued – Summary of Findings

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

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

01. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the reviews to be included in the 2026/27 Annual Internal Audit Opinion

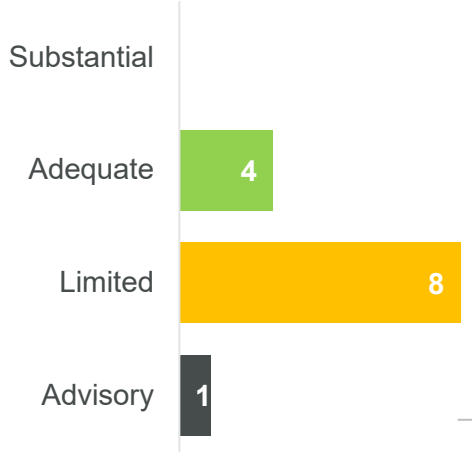


Audit Committee decision needed

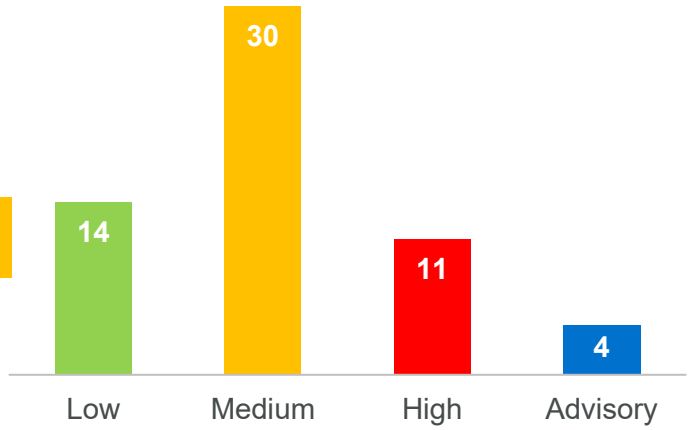
- Note the progress being reported and consider final reports included separately in the paper pack.
- Note the concentration of limited assurance opinions.
- Challenge overdue High-priority actions.
- Seek assurance from management on overdue 2025/26 responses and request a recovery plan for management response times.

RAG status of delivery of plan to timetable — **On Track**

Assurance opinions in reporting period



Recommendations in reporting period



Key updates

The 2026/27 Plan is on track against planned progress. To remain on track will require the remaining planned work to be progressed in line with the timescales set with management without delay.

In the final reports issued since the last committee, eight of the 13 (62%) assurance-related reports have been limited. While the Plan is risk focussed, this volume represents control failures across a number of Council departments. There are recurring themes across finance, property, commissioning and service management; and the pattern may affect the annual Head of Internal Audit opinion.

Performance against agreed Key Performance Indicators (KPIs) is reported in **Section 04.** While delivery of draft and final reports are meeting KPIs, the management responses times continue to exceed the expectations of 10 working days from the draft report being issued.

Finally, **Section 05** includes our most recent thought leadership pieces, covering AI oversight: key questions on AI value and risk and how we can help.

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

We continue meet with the Head of Internal Audit and Deputy Head of Internal Audit on a weekly basis to review performance, progress and IA strategy, with the last meeting held on **15 October 2026**.

02. Overview of Internal Audit Plan 2026/27

The table below lists the status of all reviews within the 2026/27 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
Payroll	Corporate Director of Finance and Resources	Final Report	June 2026	September 2026	October 2026	**Adequate**	1	0	1	0
Non-spend Control Panel Spending (Essential Spend)	Corporate Director of Finance and Resources	Final Report	May 2026	September 2026	October 2026	**Limited**	4	1	2	1
Preparedness for the London Borough of Culture	Corporate Director Culture Strategy and Comm	Draft Report	August 2026							
Data, Intelligence and Category Management	Director of Finance and Resources	Quality Review	January 2026							
Management and Control over the use of Service Connect	Operational Director-Hsg & Build Safety	Quality Review	May 2026							
Advisory Review for Board Governance	Corporate Director of Finance and Resources	Fieldwork	August 2026							
Controls Over Early Years Payments	Corporate Director of Children's Services	Fieldwork	October 2026							
Accounts Payable (Creditors)	Corporate Director of Finance and Resources	Fieldwork	October 2026							
Legionella Inspection and Management	Director of Housing / Corporate Director of Adults, Housing and Health	Fieldwork	October 2026							
Digital Transformation Governance and Strategic Alignment	Corporate Director of Finance and Resources	Draft ToR	October 2026							
						Total	**5**	**1**	**3**	**1**

03. Overview of Internal Audit Plan 2025/26

The table below lists the status of all reviews within the 2025/26 Plan that were finalised in 2026/27.

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low	Advisory
Project Management of Non-Corporate Savings (Directorate)	Director of Finance and Resources	Final Report	February 2026	August 2026	October 2026	**Limited**	3	1	1	1	0
Corporate Arrangements for Commissioning	Director of Finance and Resources	Final Report	August 2025	July 2026	October 2026	**Limited**	6	1	3	2	0
Children with Disabilities	Director of Children's Services	Final Report	March 2026	August 2026	October 2026	**Limited**	3	1	1	1	0
Case Management (LiquidLogic Children's System)	Director of Children's Services	Final Report	April 2026	September 2026	October 2026	**Adequate**	2	0	1	1	0
SEN Transport	Director of Children's Services	Final Report	October 2025	August 2026	October 2026	**Limited**	6	1	4	1	0
ASC Demand Management Advisory Review	Director of Adults, Housing and Health	Final Report	March 2026	July 2026	October 2026	**N/A**	4	-	-	-	4
Management and collection of clients contributions	Director of Adults, Housing and Health	Final Report	February 2026	September 2026	October 2026	**Limited**	4	1	3	0	0
Management of Garages	Director of Finance and Resources	Final Report	December 2025	July 2026	October 2026	**Limited**	8	2	2	4	0
Efficient and Effective use of Temporary Accommodation	Operational Director-Hsg & Build Safety	Final Report	September 2025	July 2026	October 2026	**Adequate**	2	1	1	0	0
Review of Parking Operations (PCN and Pay and Display)	Director of Resident and Engagement	Final Report	May 2025	July 2026	October 2026	**Adequate**	5	0	2	3	0
Repairs and Maintenance of Commercially Leased Property	Director of Finance and Resources	Final Report	January 2026	July 2026	October 2026	**Limited**	11	2	9	0	0
						Total	**54**	**10**	**27**	**13**	**4**

03. Overview of Internal Audit Plan 2025/26

Review	Audit Sponsor	Status	Start Date	Date Finalised	Audit Committee	Assurance Level	Total	High	Medium	Low	Advisory
Corporate Health & Safety in Housing	Operational Director-Hsg & Build Safety	Draft Report*	April 2026								
Asbestos Management in Housing Stock	Operational Director-Hsg & Build Safety	Draft Report*	November 2025								

- All draft reports in this table are outstanding, and responses have been chased from management.
- The audit of the Efficient and Effective use of Temporary Accommodation was initially assigned a “Limited” level of assurance but through prompt management action resulting in the implementation of appropriate controls, the assurance was reviewed and an “Adequate” level of assurance assigned.

04. Key Performance Indicators

A summary of the internal audit reporting performance timescales for 2026/27 is included below.

Measure	Target	Current Average
Draft report issued within 15 working days from debrief meeting / last evidence received	15 working days	**13.8 days**
Management responses received within 10 working days from draft report	10 working days	**18 days**
Final report issued within 5 working days of management responses	5 working days	**5 days**
Satisfaction survey results – overall audit satisfaction *(n.b. surveys are only issued to schools)*	All surveys to be 'Good' or 'Very Good'	**N/A – No School audits finalised from 26/27 plan**

05. AI oversight: key questions on AI value and risk and how we can help

Internal Audit Areas of focus

Are we investing in the right things? **Are we managing the risks?**

Are we getting the benefits?

AI Strategy and Value
Does the organisation have a clear AI strategy aligned to business objectives, with defined priorities, investment decisions and accountability for delivery. Are AI initiatives achieving their intended benefits and creating measurable business value.

Governance and Accountability
Are appropriate governance structures, policies, roles and decision-making processes in place to oversee the responsible use of AI. Is accountability for AI-related decisions, risks and outcomes clearly defined and effectively exercised.

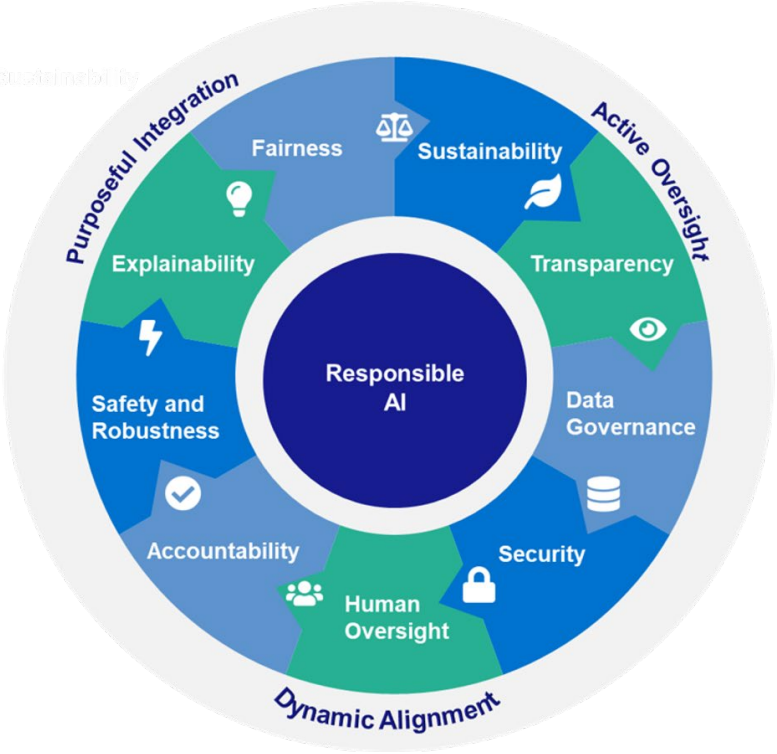
Risk, Compliance and Responsible AI
Are AI-related risks are identified, assessed, managed and monitored throughout the AI lifecycle. Is there compliance with relevant legal, regulatory and ethical requirements, including privacy, fairness, transparency and human oversight expectations.

Data, Technology and Security
How does the organisation ensure that the data, technology platforms and security controls supporting AI are reliable, secure and fit for purpose? How effectively does it manage risks relating to access, data quality, resilience, model performance and cybersecurity?

Third Party AI and Supply Chain Risk
Are risks arising from external AI providers, models, platforms and services appropriately governed and controlled. Are due diligence, contracting, ongoing monitoring and assurance arrangements for third-party AI dependencies in place.

Adoption, Change and Value Realisation
How does the organisation equip employees to use AI effectively, responsibly and in line with organisational expectations? How effectively do training, change management and monitoring arrangements support adoption and help the organisation realise the intended benefits?

Our Responsible AI Framework helps organisations build trust and confidence in AI



Selected thought leadership on AI from Forvis Mazars

- Agentic AI from principles to practice - C-suite guide.pdf
- AI at scale: from experimentation to real business value - Forvis Mazars
- AI trends in 2026: What the C suite is – and should be planning
- What the OpenAI incident tells us about AI governance - Forvis Mazars
- Preparing for the EU AI Act: practical steps for UK organisations

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A1. Latest Reports Issued – Summary of Findings 2026/27

Since our last update, we have issued our final report relating to our review of **Payroll** from the 2026/27 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To assess the control framework in place to manage the risks associated with the administration of Payroll.

Why the Audit is in your 2026/27 Plan

A cyclical area of review to assess the adequacy of controls and processes in place to manage the monthly payroll.

Your Strategic Risk

There is a risk that payroll is processed inaccurately resulting in financial loss, increased risk of fraud, employee dissatisfaction, and reputational damage to the Council.

Summary of our opinion

Adequate Assurance See Appendix A1 for definitions			
	X		

Priority 1 (High)	0
Priority 2 (Medium)	1
Priority 3 (Low)	0

Actions agreed by you	**100%**
Priority 2 completion	31 December 2026
Overall completion	31 December 2026

Summary of findings

Examples of good practice

- ✓ The Payroll Team used the Guide to Running Payrolls on SAP, a version-controlled procedural document stored on a central SharePoint.
- ✓ A walkthrough with senior Payroll Officers demonstrated that segregation of duties existed for employee record changes. **(See Section 01 for further details).**

Highest Priority Findings

- Delays in payroll overpayment recovery and limited senior management oversight.

Key root causes

- A culture of late notification by managers of employee changes, particularly leavers, absences and maternity leave, resulting in Payroll not receiving timely information required to stop or amend payments.

A1. Latest Reports Issued – Summary of Findings 2026/27 (continued)

Since our last update, we have issued our final report relating to our review of **Essential Spend (Non-Spend Control Panel)** from the 2026/27 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 the approval of essential spend.

Why the Audit is in your 2026/27 Plan

The Council is facing significant financial challenges resulting in being provided with Exceptional Financial Support from the Government. A new process whereby Directors are required to approve essential spending was recently introduced and spend over £1,000 that is deemed essential must be logged as essential via the Spend Control Panel form.

Your Strategic Risk

CORP0001: Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings.

Summary of our opinion

Limited Assurance
See Appendix A1 for definitions

		X	

Priority 1 (High)	1
Priority 2 (Medium)	2
Priority 3 (Low)	1

Actions agreed by you	**100%**
Priority 1 completion	30 September 2026
Overall completion	30 September 2026

Summary of findings

Examples of good practice

- ✓ Essential spend criteria was defined and communicated through centrally issued guidance.
- ✓ A standardised Spend Control Panel (SCP) e-form was developed to capture key information, including description of expenditure, dates, amounts, expenditure codes, directors responsible, and a field for why the spend was deemed essential.

Highest Priority Findings

- A sample of 25 transactions over £1,000 was reviewed and found that in 23 cases (92%), no SCP e-form was held, resulting in insufficient evidence of approval, challenge, and justification for essential spend.

Key root causes

- Limited impact for cases of non-compliance and culture has not adapted to increased scrutiny over expenditure. The Spend Control Panel process has not been consistently embedded across directorates, with inadequate oversight and monitoring to ensure that all qualifying expenditure is submitted through the SCP e-form workflow before transactions are processed.

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

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

Audit Objective: Assess the design and effectiveness of the control framework for the Project Management of Non-Corporate Savings within Haringey Council (the Council).

Why the Audit is in your 2025/26 Plan

To assess whether the Council has an adequate and effective framework for the identification, planning, governance, and delivery of non-corporate savings projects, specifically directorate-owned savings not subject to central corporate governance arrangements.

Your Strategic Risk

CORP0001 – Maintaining and strengthening financial viability/balance across the Medium-Term Financial Plan (MTFP), including failure to deliver identified savings.

Your Strategic / Tactical Objective

To deliver sustainable service-level savings while maintaining operational resilience, ensuring accountability, and improving the accuracy and transparency of service-level savings reporting.

Summary of our opinion

Limited Assurance			
		X	

Priority 1 (High)	1
Priority 2 (Medium)	1
Priority 3 (Low)	1

Actions agreed by you	100%
Priority 1 completion	Complete
Overall completion	30 September 2026

Summary of findings

Examples of good practice

- ✓ Sufficient evidence was on file to support the accuracy projected savings for each of the five savings plans in the sample.
- ✓ Savings plan delivery was monitored on a monthly basis for each of the five savings plans in the sample.
- ✓ Issues identified in achieving the savings plan had been escalated to Corporate Finance with action taken for each of the five savings plans in the sample.

Highest Priority Findings

- Year to Date Savings were not accurately recorded in the Savings Tracker.

Key root causes

- Lack of clear guidance over how savings should be reported.

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 **Commissioning Arrangements in Children's and Young People's 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 control framework in place to manage the risks associated with commissioning in Children's and Young People's Services (CYPS). This review was initially intended to review arrangements for commissioning at the corporate level across the Council. However, due to capacity issues in the Adults Directorate, the decision was made to focus on CYPS. Therefore, the opinion does not provide assurance over Adults or Council-wide commissioning.

Why the Audit is in your 2025/26 Plan

The Council does not have a standardised framework for commissioning goods and services and there are high levels of costs associated with commissioning in the Adults and CYPS. To assess the Council's approach to commissioning goods and services in CYPS and whether it is structured to align with the strategic needs and service delivery objectives

Your Strategic Risk

There is a lack of a strategic, and corporately adopted commissioning framework, leading to inconsistent practices across services, misalignment with organisational priorities, and failure to achieve value for money (VfM) in service delivery.

Summary of our opinion

Limited Assurance			
		X	

Priority 1 (High)	1
Priority 2 (Medium)	3
Priority 3 (Low)	2

Actions agreed by you	**100%**
Priority 1 completion	31 March 2027
Overall completion	31 March 2027

Summary of findings

Examples of good practice

✓ The Contract Monitoring Framework (v3 July 2025) provides a risk-based methodology for provider oversight, including quarterly returns, proactive and reactive monitoring routes.

Highest Priority Findings

- Contract register incomplete.

Key root causes

- Multiple systems used to oversee contracts which creates administrative difficulty in tracking active contracts.

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 **Children with Disabilities** from the 2025/26 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework for managing the Children with Disabilities service

Why the Audit is in your 2025/26 Plan	Your Strategic Risk
To assess the adequacy of controls and processes in place to manage the children with disabilities service.	CORP0007 - 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.

Summary of our opinion

Limited Assurance			
		X	

Priority 1 (High)	1
Priority 2 (Medium)	1
Priority 3 (Low)	1

Actions agreed by you	100%
Priority 1 completion	31 January 2027
Overall completion	31 March 2027

Summary of findings

Examples of good practice

- ✓ Statutory guidance was available and accessible to staff via the Council's TriX portal.
- ✓ The Council's website provided guidance for the public on how to access Disabled Children's Team (DCT) services, including eligibility criteria, short breaks information and contact details.

Highest Priority Findings

- Assessments were not completed within statutory timescales.

Key root causes

- Assessment delays were due to capacity pressures, competing operational priorities and the absence of a clearly documented local process for monitoring and escalating overdue assessments.

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 **Case Management (LiquidLogic Children's System)** from the 2025/26 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the LiquidLogic System for case management across Children's Services.

Why the Audit is in your 2025/26 Plan

To assess the adequacy of controls in place to ensure that LiquidLogic supports compliant, secure, and accurate case management across Children's Services.

Your Strategic Risk

CORP0007 - 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.

Summary of our opinion

Adequate Assurance			
	X		

Priority 1 (High)	-
Priority 2 (Medium)	1
Priority 3 (Low)	1

Actions agreed by you	100%
Priority 2 completion	31 December 2026
Overall completion	31 December 2026

Summary of findings

Examples of good practice

- ✓ Through a system walkthrough, mandatory fields for key statutory information (such as referral details, assessment dates, decisions and approvals) were clearly flagged as required and could not be bypassed.
- ✓ Through a system walkthrough, we noted that preventive controls were applied at the point of record creation, whereby the system flagged potential duplicate records based on key identifiers (such as name and demographic details) and alerts users where an existing profile may already exist.

Highest Priority Findings

- No proactive, documented oversight of LCS user access and automated duplicate-record monitoring was in place.

Key root causes

- Reliance on informal, service-led practices and creation-stage system controls resulted in reactive oversight, with no centrally coordinated or documented process for proactively reviewing user access or duplicate records.

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 **SEN (Special Educational Needs) Transport** 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 SEN transport at the Council.

Why the Audit is in your 2025/26 Plan

The SEN Transport service has experienced substantial modifications since 2021. In response to these developments, a review was commissioned by management to ascertain the effectiveness of certain aspects of the newly implemented processes. Management seeks confirmation that the procedures introduced since 2021 are functioning as intended.

Additionally, the service is facing increased costs, primarily attributed to rising demand for SEN transport provision.

Your Strategic Risk

Failure to achieve value for money and safeguard children using the SEN Transport service.

Summary of our opinion

Limited Assurance See Appendix A1 for definitions			
		X	

Priority 1 (High)	1
Priority 2 (Medium)	4
Priority 3 (Low)	1

Actions agreed by you	100%
Priority 1 completion	31 October 2026
Overall completion	30 April 2027

Summary of findings

Examples of good practice

- ✓ The evaluation criteria for bids were outlined clearly in the DPS Entry and Operation Guide.
- ✓ Service review forms include DBS and driving licence numbers for all drivers provided by a supplier.
- ✓ Complaints evidence was saved centrally in passenger files.

Highest Priority Findings

- Onsite inspections of suppliers were not completed on a regular basis.

Key root causes

- Absence of the Contract Compliance Manager.

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 and Collection of Client Contributions** 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 adequacy of controls in place to manage the collection of income via client contributions for the provision of care packages following a financial assessment.

Why the Audit is in your 2025/26 Plan

To assess the adequacy of controls in place to manage the collection of income via client contributions for the provision of care packages following a financial assessment.

Your Strategic Risk

FR0001 - Our financial sustainability and risk of s114. Unable to set a balanced budget for 2025/26 and beyond.

Summary of our opinion

Limited Assurance
See Appendix A1 for definitions

		X	

Priority 1 (High)	1
Priority 2 (Medium)	3
Priority 3 (Low)	0

Actions agreed by you	**100%**
Priority 1 completion	31 January 2027
Overall completion	31 January 2027

Summary of findings

Examples of good practice

- ✓ Review of a sample of ten financial assessments found in all cases that assessors had obtained and reviewed supporting evidence for all applicable assessments.
- ✓ ContrOCC automatically triggered financial assessment uplifts each April and updated benchmarks centrally. Testing confirmed that for all 12 samples, annual uplift letters were issued for all cases using standard templates.

Highest Priority Findings

- Financial assessments were not consistently completed in a timely manner.

Key root causes

- Prioritisation of clearing the longstanding backlog of financial assessment cases resulted in delays in completing financial assessments to the 28-day target.

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 Garages** 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 control framework in place for the Management of Garages.

Why the Audit is in your 2025/26 Plan

Area of historic poor performance which has been subject to an improvement plan. A planned organisational restructure affecting the Garages service was not fully implemented.

Your Strategic Risk

CORP0008 - Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).

Summary of our opinion

Limited Assurance
See Appendix A1 for definitions

		X	

Priority 1 (High)	2
Priority 2 (Medium)	2
Priority 3 (Low)	4

Actions agreed by you	**100%**
Priority 1 completion	31 December 2026
Overall completion	31 December 2026

Summary of findings

Examples of good practice

- ✓ Prioritisation criteria were transparent and accessible to tenants when applying for a garage.
- ✓ Each application was given a unique reference number so that they could be tracked by customers contacting the Council.

Highest Priority Findings

- Garage voids not effectively monitored, prioritised, or managed.
- Where garage management data is inaccurate, incomplete, or not consistently reconciled across systems, there is a risk that rental income is not fully identified, garages are incorrectly recorded/classified as occupied, or voids and management decisions are made based on unreliable information.

Key root causes

- Garage voids have been deprioritised relative to housing repairs activity due to greater regulatory pressures within housing services, combined with capacity issues and the absence of formal monitoring arrangements.
- Garage management data lacks consistency and reliability due to a fragmented and siloed service model, where responsibility for Garage records is split across multiple teams/systems without clear ownership, standardisation or coordination.

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 **Parking Operations** 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 at the London Borough of Haringey (LBH) to manage the PCN Lifecycle

Why the Audit is in your 2025/26 Plan

Parking and Penalty Charge Notices (PCNs) is a regulated area, and this review assessed the controls in place over revenue collection (which is ringfenced for specific purposes in line with Section 55 of the Road Traffic Regulation Act 1984), compliance with statutory regulations, and the effectiveness of controls preventing fraud, error, and reputational risk.

Your Strategic Risk

FR0001 - Our financial sustainability and risk of s114. Unable to set a balanced budget for 2025/26 and beyond.

Summary of our opinion

Adequate Assurance See Appendix A1 for definitions			
	X		

Priority 1 (High)	-
Priority 2 (Medium)	2
Priority 3 (Low)	3

Actions agreed by you	**100%**
Priority 2 completion	14 August 2026
Overall completion	14 August 2026

Summary of findings

Areas with controls working as expected

- ✓ Performance monitoring and Quality Assurance (QA) arrangements were in place, with managers routinely applying QA checks of letters sent by Investigations Team.
- ✓ Operational guidance was in place across key stages of the PCN lifecycle.
- ✓ Power BI dashboards utilised for performance monitoring across Parking directorate.

Highest Priority Findings

- There were KPI inaccuracies within Parking Operations.
- Absence of a repeat offender policy within PCN cancellations.

Key root causes

- Policy development has prioritised high-volume cancellation categories.
- Manual Excel spreadsheets are being used as the primary mechanism for KPI calculation which contain underlying calculation errors.

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 **Repairs & Maintenance of Commercial Property** from the 2025/26 Plan. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: Assess the design and effectiveness of the control framework, processes and governance arrangements in place to ensure repairs, maintenance and statutory compliance are appropriately managed across its commercially leased property portfolio.

Why the Audit is in your 2025/26 Plan

To assess the adequacy of controls and processes in place to manage repairs and maintenance of commercially leased property.

Your Strategic Risk

CORP0008 - Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).

Summary of our opinion

Limited Assurance See Appendix A1 for definitions			
		X	

Priority 1 (High)	2
Priority 2 (Medium)	9
Priority 3 (Low)	0

Actions agreed by you	**100%**
Priority 1 completion	31 March 2028
Overall completion	31 March 2028

Summary of findings

Areas with controls working as expected

- ✓ We reviewed ten leases from January to November 2025 and found that all set out health and safety responsibilities, including tenants' obligations to comply with statutory requirements and fire safety duties.

Highest Priority Findings

- The Council lacked a central compliance monitoring system preventing the Council from evidencing full health and safety compliance across its commercial estate.
- Sample review of ten Corporate Landlord managed properties found 24 missing certificates out of 60, covering six statutory compliance areas. These included, seven LGSRs, two EICRs, two asbestos inspections, four WRAs, six LOLERs, and three FRAs.

Key root causes

- The Head of Property explained that the Commercial Property Team does not hold statutory health and safety certificates or track related remedial works, as some of these responsibilities rest with tenants under the terms of their leases.
- Responsibilities for retaining statutory compliance documentation were unclear between Corporate Landlord and the Commercial Property Team

Contact

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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 rely 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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APPENDIX B – Outstanding High-Priority Recommendations

Audit & Year	Priority	Recommendation	Responsible Officer	Due Date	Revised Due Date	Latest Response
2024/25 Arrangements for managing contracts	H	Asset Management team to work with Procurement to review contracts held and have own contracts register to monitor terms, KPIs and performance. Strategic procurement monitor contracts over £25k.	Director – Asset Management	30/07/25	TBA	1. Strategic Procurement hold a consolidated contract register which is compiled from two main sources, SAP and Liquid Logic. The consolidated contracts register is published quarterly on the Council's intranet. HPCS does have contract management functionality, but this is very limited and may not provide the management information required to effectively monitor contract performance. However, as an interim measure, HPCS could be used to manage and monitor contracts, until HPCS is replaced. HPCS is to be replaced within the next 12 months with a e-procurement system that will have contract management and performance capability. With effect from July 2025, Strategic Procurement should now be collating and storing contract data for all contracts above £25k in HPCS in line with the Procurement Act. 2. Asset Management will work with Strategic Procurement to implement their own Contracts Register using the data held on HPCS in the interim until this is replaced, at which point the new system will be used for this purpose.

APPENDIX B

Audit & Year	Priority	Recommendation	Responsible Officer	Due Date	Revised Due Date	Latest Response
2024/25 Responsive Repairs	H	KPI evidence and plan to reduce backlog	Director - Repairs & Compliance Housing Repairs & Compliance Housing	31/10/25	30/09/26	This recommendation is partially complete as per the following: 1. A formal plan was agreed to reduce the open and overdue repairs, which has decreased from 19,753 to 10,773. 2. Targets to reduce the total were agreed and progress is monitored at the Repairs Board, chaired by the Director of Housing and Assistant Director of Repairs & Compliance. 3. A new approach to gathering monitoring current numbers and data by the management team is in place as part of the re-organisation of the management structure, which has supported the overall reduction. 4. Source data is produced from Service Connect and we are looking at how this can be proceduralised and independently validated.
2025/26 Contract Management1	H	The Council should: 1. Introduce an indicator on the contract register to confirm that a signed contract is in place; 2. Introduce periodic sample testing to confirm that signed contracts are centrally stored and accessible; 3. Establish formal agreement for Contract 4400025238 immediately, ensuring appropriate interim documentation is	Procurement Policy and Sustainability Manager)	30/05/26	TBA	1. Procurement Policy and Sustainability Manager) to investigate options - Options being explored under the ERP solution 2. Procurement Policy and Sustainability Manager) to implement monitoring – Covered in CM & Quality Assurance Framework reporting requirement. Not sure how SP can implement monitoring? Resources & system will be required. 3. Procurement Policy and Sustainability Manager) to follow up with service - We can investigate this

Audit & Year	Priority	Recommendation	Responsible Officer	Due Date	Revised Due Date	Latest Response
		also recorded if services continue while the formal contract is under legal review.				by 30/04/26 but delays might be due to legal capacity
2025/26 Governance over and Delivery of Savings	H	Management should: 1. Carry out an urgent review to strategically assess the viability of the current savings target. This should include reviewing all savings plans to assess their feasibility and identify any associated risks to delivery. 2. Embed formalised monitoring/governance framework across savings delivery with clearly documented roles and responsibilities for services, FBPs, Corporate Finance, Directors and CLT. Communicate the framework across the organisation to enforce 3. Ensure that Corporate Finance play a proactive role in challenging savings assumptions and supporting services in identifying alternative options where delivery is at risk. 4. Consider more frequent monitoring of savings that are deemed high risk.	Corporate Director of Finance and Resources	30/6/26	31/12/26	A new savings tracker has been developed and implemented to strengthen the monitoring and reporting of savings delivery. Whilst compliance with reporting requirements remains inconsistent, Finance has introduced a revised operating structure and a Finance Service Offer that clearly defines roles, responsibilities, and expectations across services.
2025/26 Governance over and	H	Management should:	Corporate Director of	30/6/26	31/12/26	A new savings tracker has been developed and implemented to strengthen the monitoring and

Audit & Year	Priority	Recommendation	Responsible Officer	Due Date	Revised Due Date	Latest Response
Delivery of Savings		1. In addition to the recommendations above (issue 1), formally assign named senior officers (e.g., Directors or Assistant Directors) to each major savings initiative, with responsibility for delivery oversight, and reporting progress and risks. 2. Ensure that savings delivery and risks are a standing item on the agendas of both CLT and the SFRG. This should include: • Review of current savings performance against targets • Discussion of risks and mitigation strategies • Escalation of underperforming savings initiatives 3. Work with the Data and BI team to develop a high-level dashboard that consolidates savings performance across directorates, highlighting: • RAG status of each savings initiative • Delivery confidence levels • Financial impact on the Medium-Term Financial Strategy (MTFS) This dashboard should be reviewed monthly by CLT and quarterly by Cabinet and Audit Committee to ensure transparency and accountability	Finance and Resources			reporting of savings delivery. Whilst compliance with reporting requirements remains inconsistent, Finance has introduced a revised operating structure and a Finance Service Offer that clearly defines roles, responsibilities, and expectations across services.

APPENDIX B

Audit & Year	Priority	Recommendation	Responsible Officer	Due Date	Revised Due Date	Latest Response
2025/26 Use of Data and Business Intelligence	H	LBH should: 1. Focus on the use of data itself including the engineering and management of data to make it more usable and to provide more insight. 2. Enhance awareness of BI capabilities by organising targeted workshops and regular liaison meetings with service leads, aimed at improving communication, showcasing practical use cases, and demonstrating the support available from the Data and BI team. 3. Carry out a lesson learned exercise on the application of BI across the Council and whether it is working as expected. Following this, an action plan should be designed to address the areas where improvement is needed.	Strategic Data and BI Lead	12/01/25	TBA	We acknowledge the need to strengthen engagement between the Data and BI team and service departments. Since the restructure, we have been actively working to embed a culture of data-driven decision-making across the Council. As this report notes, we are starting from a low baseline so it will take a while for the new approach and capabilities to deliver tangible outcomes, but we do expect the organisation to become rapidly more mature with data over this next year. The Council is facing financial constraints, and any large-scale engagement activity needs to be seen through that lens.

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Agenda Item 9

Report for: Audit Committee – 3 Nov 2026

Item number: 9

Title: Audit Committee Member Skills Matrix

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 At its meeting on 23 July 2026, Audit Committee members agreed to undertake a self-assessment of all areas within the remit of the Committee. It was agreed members agreed to complete an on-line skills matrix assessment and the feedback provided will be used to identify any training needs.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is asked:

To note the contents of this report and the proposed dates for training set out at para 7.6.

4. Reasons for decision

4.1 The Audit Committee's responsibility are set out under Part Three, Section B, Responsibility for functions: Full Council & Non-Executive Bodies of the constitution. To maintain the effectiveness of the Committee, members of the committee are asked to engage in the training provision as part of continuous development of committee members

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.

7. Outcome of Self-Assessment

7.1 Members of the Audit Committee were asked to complete the self-assessment skills matrix by assessing their level of awareness of the following attributable areas of the Audit Committee remit. Details of these areas and information about the level of awareness is set out at Appendix A: -

- Organisational Knowledge;
- Audit Committee Role and Functions;
- Corporate Governance;
- Internal Audit;
- Financial Management and Accounting;
- External Audit;
- Risk Management;
- Counter Fraud;
- Values of Good Governance;
- Treasury Management; and
- Financial Reporting.

7.2 For each area, members were further asked to score their current knowledge and understanding of these areas from 1-5, based on the following criteria: -

1= Very Low awareness
2= Low awareness
3= Medium awareness
4 = High awareness
5 = Very High awareness

7.3 The outcome of the self-assessment from members showed that eight of the nine members had completed the self-assessment, the table below sets out the attributable area; the total score for all members and the average score per member of the Committee. Please note the table below sets out the scoring of the self-assessment in the same order as the questionnaire. The maximum score that can be assigned to any area is 40 and the minimum is 8.

Area	Total Score	Average Score
Organisational Knowledge	28	3.50
Audit Committee Role and Functions	29	3.63
Corporate Governance	26	3.25
Internal Audit	28	3.50
Financial Management and Accounting	29	3.63
External Audit	30	3.75
Risk Management	34	4.25
Counter Fraud	24	3.00
Values of Good Governance	31	3.88
Treasury Management	22	2.75
Financial Reporting	30	3.75

7.4 The area where members highlighted the greatest awareness was "Risk Management" (score of 34) and the lowest awareness was attained for "Treasury Management" (score of 22).

7.5 The table below is a representation of the information above but sorted in ascending order of the "total score". The purpose of this analysis is to develop a training programme for the committee that is risk based and prioritises those areas with a lower score. To give context, the table also includes the highest and lowest score assigned by members.

Area	Total Score	Average Score	Highest Score	Lowest Score
Treasury Management	22.00	2.75	4.00	3.00
Counter Fraud	24.00	3.00	5.00	2.00
Corporate Governance	26.00	3.25	4.00	2.00
Organisational Knowledge	28.00	3.50	5.00	2.00
Internal Audit	28.00	3.50	5.00	2.00
Financial Management and Accounting	29.00	3.63	5.00	2.00
Audit Committee Role and Responsibility	29.00	3.63	5.00	3.00
External Audit	30.00	3.75	4.00	2.00
Financial Reporting	30.00	3.75	5.00	3.00
Value of Good Governance	31.00	3.88	4.00	2.00
Risk Management	34.00	4.25	5.00	2.00

7.6 It is proposed that the initial training plan incorporate as many areas as possible where the score is 26 or less. In the main, these are the “technical” areas of the Audit Committee’s remit. It is proposed the training is structured as follows: -

- Counter Fraud – November / December 2026 (if possible)
- Treasury Management – 25 January 2027
- Corporate Governance – 15 March 2027

8. Contribution to the Corporate Delivery Plan and High level Strategic Outcomes?

8.1 An effective Audit Committee will contribute to the creation of a positive culture and good governance.

9. Carbon and Climate Change

9.1 There are no direct Carbon implications arising from this report.

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

Finance

10.1 There are no material financial implications arising from this report. The initial training plan, if procured from an external provider, will result in a small cost to the authority that will be met from the existing members’ training budget.

Procurement

10.2 Strategic Procurement confirm there are no procurement-related matters arising from this report that would prevent the Audit Committee from approving this report.

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

10.3 The Council’s Head of Legal Services has been consulted in the preparation of this report and provide the comments at paragraphs 10.4 to 10.5.

10.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) is the public finance accountancy body that provides guidance and rules for people in public finance. It published a **Position Statement** on Audit Committees for Local Government, which sets out the role and responsibilities of Audit Committees. This statement was endorsed in 2022 by the Department of Levelling Up and Communities and is adopted each year by local government Audit and Standards Committees.

10.5 CIPFA Position Statement requires that there is appropriate training available to members of Audit Committees. In addition to the CIPFA guidance to be provided, it is proposed that a programme of recommended training be agreed by the Committee, including introductory training to cover the role of Audit Committees and then more specific courses on key responsibilities

including risk management, and understanding financial statements, to prepare members to give assurance in signing the Council's annual Statement of Accounts.

10.6 The proposed training contained in this report and in the appendix to this report is in accordance with CIPFA's recommendations.

Equality

10.7 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.

11. Use of Appendices

Appendix A - Skills Matrix for Audit Committee Members

12. Background Information

None

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London Borough of Haringey - Skills Matrix for Corporate Committee Members

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
Organisational knowledge	• An overview of the governance structures of the authority and decision-making processes • Knowledge of the organisational objectives and major functions of the authority	• This knowledge will be core to most activities of the audit committee including review of the AGS, internal and external audit reports and risk registers		
Audit committee role and functions (part of Corporate Committee)	• An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements • Knowledge of the purpose and role of the audit committee	• This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
Corporate Governance	• Knowledge of the seven principles of the CIPFA/Solace Framework and the requirements of the AGS • Knowledge of the local code of governance	• The committee will review the local code of governance and consider how governance arrangements align to the principles in the framework • The committee will plan the assurances it is to receive in order to adequately support the AGS • The committee will review the AGS and consider how the authority is meeting the principles of good governance.		
Internal audit	• An awareness of the key principles of the PSIAS (Public Sector Internal Audit Standards) • Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the	• The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards • The audit committee will review the assurances from internal audit work		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
	head of internal audit is fulfilled	and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional standards • In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed • The corporate committee chair will be interviewed as part of the external quality assessment and the committee will receive the outcome of the assessment and action plan		
Financial management and accounting	• Awareness of the financial statements that a local authority must produce and the	• Reviewing the financial statements prior to publication, asking questions		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
	principles it must follow to produce them • Understanding of good financial management principles • Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2018)	• Receiving the external audit report and opinion on the financial audit • Reviewing both external and internal audit recommendations relating to financial management and controls • The audit committee should consider the role of the CFO and how this is met when reviewing the AGS		
External audit	• Knowledge of the role and functions of the external auditor and who currently undertakes this role • Knowledge of the key reports and assurances that external audit will provide	• The audit committee should meet with the external auditor regularly and receive their reports and opinions • Monitoring external audit recommendations and maximising benefit from audit process		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
	• Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken	• The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service		
Risk management	• Understanding of the principles of risk management, including linkage to good governance and decision making • Knowledge of the risk management policy and strategy of the organisation • Understanding of risk governance arrangements, including the role of members and of the audit committee	• In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements and should also have awareness of the major risks the authority faces • Keeping up to date with the risk profile is necessary to support the review of a number of audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts. Typically, risk registers		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
		will be used to inform the committee • The committee should also review reports and action plans to develop the application of risk management practice		
Counter fraud	• An understanding of the main areas of fraud and corruption risk to which the organisation is exposed • Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) • Knowledge of the organisation's arrangements for tackling fraud	• Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy • An assessment of arrangements should support the AGS and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
Values of good governance	• Knowledge of the Seven Principles of Public Life • Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff • Knowledge of the whistleblowing arrangements in the authority	• The audit committee member will draw on this knowledge when reviewing governance issues and the AGS • Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported		
Treasury management	• Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: regulatory requirements • treasury risks	• Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny		

Area	**Details of core knowledge required**	**Application of knowledge**	**Self-assessment score** 1= Very Low awareness 2= Low awareness 3= Medium awareness 4 = High awareness 5 = Very High awareness	**Comment**
	• the organisation's treasury management strategy • the organisation's policies and procedures in relation to treasury management			
Financial Reporting	• An understanding of financial strategy and the financial reporting requirements.	• Oversight of the Council's financial statements, the basis upon which the accounts have been prepared to allow members to engage in financial management of the Council.		

Please send return to minesh.jani@haringey.gov.uk (Head of Audit and Risk Management)

Report for: Audit Committee 3rd November 2026

Item number: 10

Title: Anti – Fraud, Bribery and Corruption Progress Report Quarter 1 2026/27

Report authorised by: Taryn Eves – Director of Finance

Lead Officer: Fiona Roe – Deputy Head of Audit & Risk Management
fiona.roe@Haringey.gov.uk
0208 489 5973

Ward(s) affected: N/a

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

1. Describe the issue under consideration

This report details the work undertaken by the in-house resources in the Audit and Risk team and communicates a first quarter update on completion of the work plan for 2026/27.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee is recommended to note the activities of the team during quarter one of 2026/27.

4. Reasons for decision

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

5. Alternative options considered

Not Applicable.

6. Background information

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

7. Contribution to the Corporate Delivery Plan High Level Strategic outcomes.

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

8. Carbon and Climate Change

There are no direct financial implications arising 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: Michael Alexander Gordon – Principal Lawyer

This report was prepared pursuant to and in accordance with section 151 of the Local Government Act 1972 and section 6 of The Accounts and Audit (Amendment)(England) Regulations 2006. The Council's Head of Legal and Governance has been consulted in the preparation of this report, and in noting the progress made with delivering the Audit Plan, and the activities undertaken in relation to risk management and anti-fraud, advises that there are no direct legal implications arising out of the report.

Equality

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

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

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

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

10. Use of Appendices

Not Applicable

11. Background papers

Not Applicable

12. Introduction

12.1 This report covers the period 4th April 2026 to 30th June 2026 and summarises the work of the Audit & Risk Service in relation to anti-fraud, bribery and corruption.

12.2 The work of the team is driven by the Council's Anti-Fraud, Bribery & Corruption Strategy dated September 2024 and reviewed in September 2026. The Strategy is supported by a risk assessment and operational work plan, which is annually reviewed and the outcomes communicated to Committee as part of the quarter one report.

12.3 The Fraud structure within the Audit & Risk Service consists of a Head and Deputy Head of Audit & Risk who have operational line management responsibility for six investigator posts filled by circa equivalent to five FTEs as two team members are part time/flexibly retired. In January 2026 an additional agency worker was approved and recruited into team to help meet work demands. Unfortunately, another team member was ill following an operation and took a sabbatical, returning mid-September 2026, so the benefit of the extra capacity will not be fully seen until later in 2026/27 reporting periods.

12.4 Fraud risk is considered when scoping all audit assignments, undertaken by Forvis Mazars, and where there is a high inherent risk of fraud in the system and process additional focus is included in the scope. The in-house resource investigates allegations of fraud and irregularity that arise, or other risk areas identified in the strategic audit planning. The results of all this work as well as intelligence from referrals feeds into our assessment of fraud risk in the Council.

12.5 Annually, the governance of the organisation is reviewed, and this informs the Annual Governance Statement, which was presented to Members in July. This review considers the system of internal control which helps to inform our overall risk assessment. The Annual Report and Head of Internal Audit Opinion outlines weaknesses in internal control. There remain a number of areas where first and second line controls require further strengthening to improve the prevention and detection of fraud.

13. Risk Assessment 2026/27

13.1 A revised fraud risk assessment has been undertaken and is incorporated within the Anti-Fraud Plan. This risk assessment considers the external environment the Council is operating within, as well as internal risks.

14. Anti-Fraud & Corruption Work Plan for 2026/27

14.1 The team's work plan this year is set out in the Anti-Fraud and Corruption plan for 2026 – 2028. This includes several strands of proactive work, with key elements on audit activity outlined below. Updates on progress will be further reported in the Quarter Two update in January 2027.

15. ANTI-FRAUD ACTIVITY

Govern / Acknowledge

15.1 **Review Anti-Fraud, Bribery and Corruption Policy and Strategy, supporting policies and processes** – A review has been undertaken and revised documents submitted to the 3rd November Audit Committee meeting. The revised documents are in accordance with the relevant legislation requirements.

15.2 **Refresh Fraud Plan, Risk Assessment and Performance Measures –** A refresh has been completed and revised documents submitted to the 3rd November Audit Committee meeting. These incorporate a documented plan, risk assessment and performance measures for the period 2026 - 2028, that will remain flexible across the period as the landscape unfolds.

15.3 **Review and promotion of Fraud reporting routes, for internal and external sources. Aligned with the International Fraud Awareness Week** - This has commenced, with the review of the Fraud reporting routes, predominantly the Fraudcall email route, identifying the extent of referrals, information provided and required and service area understanding of potential frauds. Promotion is being rolled out within fraud awareness training and in line with the International Fraud Awareness Week communications, both internally and externally.

15.4 **Quarterly reporting to Audit Committee** – this will continue to be reported at each meeting, with the format of reporting evolving as the plan evolves.

Prevent

15.5 **International Fraud Awareness Week 2026** (15 – 21 November 2026) - The international focus is very much on raising awareness of emerging fraud risks, particularly AI-enabled fraud, cyber scams, insider fraud, identity fraud and strengthening organisational resilience. The Council's fraud team will be supporting this campaign by engaging with the public and Council staff, providing 'drop-in' centres across the Borough, to raise fraud awareness and encourage people to be vigilant and to speak up.

15.6 **Fraud awareness and reporting training to internal teams** – this is being rolled out across services over the coming months, working with services to deliver the most effective solution. Discussions regarding the format and content of the training has been held with management. Training is expected to increase the level of genuine potential fraud cases, providing all relevant information, and reduce the level of non-fraud activities required to remain within the service.

15.7 **Data analytics proactive targeted reviews** – the Fraud team undertake continuous targeted reviews across the year, derived either from individual cases raising wider concerns or from known 'hotspots'. A schedule of the targeted reviews has been incorporated within the plan, which will continue to evolve in line with the risk landscape. Outcomes of the targeted reviews will be reported to Audit Committee under targeted pro-active activity below.

15.8 **Fraud intelligence alerts** – as part of the International Fraud Awareness Week in November, monthly fraud intelligence alerts will be launched across the Council, citing current cases or potential threats to be aware of.

15.9 **NFI Initiative data collection and submission** – The NFI timeline for 2026/27 is shown in the table below:

Key NFI 2026/27 Timeline

Activity	Date
Draft data specifications issued	By 1 April 2026
Final data specifications published	By 30 June 2026
NFI web application available	From 3 July 2026
Verify expected datasets	3 August - 28 August 2026
Privacy notice compliance completed	By 28 August 2026
Data extraction date	30 September 2026
Data upload window	30 September - 21 October 2026
Main exercise cut-off	5pm, 21 October 2026
Reviewer accounts established	By 1 December 2026
Matches released to participants	From December 2026 onwards
Investigation phase	December 2026 through 2027/28
Outcomes recorded	Ongoing as matches are investigated

The key datasets for 2026/27 are:

- Payroll

- Pensions
- Trade Creditors
- Council Tax
- Council Tax Reduction Scheme
- Electoral Register
- Housing Tenants
- Housing Waiting Lists
- Personal Budgets
- Residential Care Home Residents
- Taxi Licences
- Blue Badges
- Concessionary Travel Passes
- Residents' Parking Permits
- Right to Buy
- Business Rates

Outcomes from the 2026/27 data matching exercise will be reported in the Quarter four outcomes.

15.10 **Due diligence over Right-to-buy (RTB) applications**

15.11 As of end of Quarter One there were 418 ongoing RTB applications, with a backlog continuing; 73 of which are due to outstanding revaluations which are not progressing, these date back to 4th February 2025. Twenty two new cases were received in the period. This also matches the number of RTB properties sold within the period. During the quarter, 30 RTB cases were either withdrawn, out of time or refused, 11 of which were due to fraud investigation and the remaining 19 without investigation.

15.12 Applicants are served reminders, by legal, regarding timescales and the Corporate Anti-Fraud Team work flexibly with applicants and their solicitors to gather the required evidence to satisfy the money laundering regulations.

Pursue

15.13 As part of the Anti-Fraud operational plan for 2026 – 2028, a revised set of performance indicators has been devised for reporting against, from Quarter 2 onwards, for reporting at the Quarter 3 Audit Committee meeting.

15.14 **Ad Hoc Requests –** The team responds to a high volume of ad hoc enquiries, including management advice, guidance, and data protection requests from internal teams and external public sector organisations. Requests are managed through the Fraudcall mailbox, introduced in 2025/26. Many require preliminary assessment to determine whether they constitute fraud referrals or should be addressed by the originating service. Fraud awareness training is being rolled out across the Council to improve referral quality, increase staff vigilance, and ensure genuine fraud cases are identified earlier, enabling the fraud team to focus resources on higher-risk investigations and prosecutions.

15.15 **Investigations conducted** fall within the following categories:

- Blue Badge Fraud
- Tenancy Fraud – Council properties
- Temporary Accommodation
- No Recourse to Public Funds (NRPF)
- Internal Employee Investigations (excluding dual working and whistleblower referrals)
- Dual Employment Cases / Agency Worker cases
- Whistleblowing Referrals

15.16 Blue Badge Fraud

15.17 To 30th June 2026 there have been 389 cases accepted as part of the fraud prevention project. Outcomes from cases in Quarter One:

- 76 new cases
- 30 closed
- 12 no further action
- 16 cautions administered
- 3 interviews conducted
- 0 prosecutions
- 0 cases with legal
- 14 cases being prepared for prosecution
- 141 live cases – eight at interview under caution stage.

15.18 For 2026/27 the outcomes from cases are:

- closed, no further action.
- prosecutions.
- cases with legal.
- cautions administered.
- live cases – at interview under caution stage.

15.19 The project has proven to be successful, with an established process to identify, process and investigate potential Blue Badge fraud. Capacity has hindered the outcomes of investigations due to the heavy administration burden to identify the Blue Badge holder and suspected misuse prior to enforcement action. Having had a strategy of focusing the finite resources on the worst offenders and prosecuting them, since 2025/26 our emphasis has shifted to apply low level sanctions on a larger number of cases. A project to automate part of the process commenced in 2025/26 and concluded in October 2026. In addition, a significant part of the administration process to identify the Blue Badge holder and circumstances of the suspected Blue Badge misuse prior to considering enforcement action, is being referred to the Parking Services team in October 2026. Legal services are dealing with any non-responses to the Section 17 letters and reminders, to progress cases to prosecution where sufficient evidence is present. The refined processes and automation provide increased

capacity in the fraud team to achieve both low-level sanctions on a larger number of cases and prosecute more serious cases involving deliberate deception.

15.20 The following is the notional cost to the public purse used in prosecution cases. Blue Badge fraud is significant and, by claiming exemption from the congestion charge, a blue badge holder saves £2,500 per year. They may also avoid having to pay for a resident's parking permit, at £50 - £250 a year. If the motorist avoids paying hourly on-street parking charges of £3 per hour for 40 hours a week, this adds up to a further £6,000 a year (this could be even higher if commuting to central London). Fraudulent misuse could be costing local government (TfL and the boroughs) £5,000 - £10,000 a year per badge, in addition to the extreme inconvenience for disabled motorists and passengers. The income to the team from sanctions in 2025/26 was circa £16k.

15.21 **Tenancy recovery** - Financial values are assigned to these outcomes based on the discounts not given and the estimated value of providing temporary accommodation to a family. Previously, the Cabinet Office set the value for a property recovery, (set at £78,300). This was replaced by a new framework, as from 1st May 2026 the Renters Rights Act 2026 replaced the fixed term Assured Shorthold Tenancies with open-ended periodic tenancies, abolished the Section 21 'no fault' evictions, and introduced rent caps – requiring a complete recalibration of recovery valuations. The new framework shifts the valuations from a fixed-term high-certainty model to one that must account for ongoing tenant security, restricted landlord action and higher compliance costs. Accurate valuations will require updated methodologies, risk adjustments and a focus on post-Act market realities.

15.22 Tenancy Fraud – Council properties

15.23 The Corporate Anti-Fraud Team works with Housing colleagues to target and investigate housing and tenancy fraud. Housing have integrated a post in their team fully within the fraud team, to boost resources tackling Housing related fraud. With the additional resources brought in to assist in tackling the backlog of cases across the housing and other areas of fraud, this has enabled pro-active fraud work to be undertaken.

15.24 The Corporate Anti-Fraud Team works with the Housing team to identify the most effective use of fraud prevention and detection resources across teams to enable a joined-up approach to be taken, especially where cases of multiple fraud are identified e.g., both tenancy fraud and right to buy fraud. Circa half the live cases were generated from proactive work by the team: attending gas safety's; data matching or proactive fraud work the other half mainly from internal officer referral, tenancy officers, and small number from members or residents. The team undertake reviews of applications for Grant of Tenancy, Succession and Mutual Exchange and provide assurance to management who have to approve these applications.

15.25 In relation to Quarter One position, the opening figure incorporates an adjustment for the year end position. The carry forward into Quarter Two: There

are 361 open fraud investigation cases, of which 181 cases are with the housing team and there are 69 fraud prosecution cases with legal / five of which are awaiting a court date.

15.26 Table 3 - Tenancy Fraud Activity and Outcomes

Opening Caseload	**417**
New Referrals received	22
Total	**439**
Properties Recovered	**25**
Case Closed – no fraud/no recovery action possible	53
Total	(-78)
Ongoing Investigations	**361**

15.27 No Recourse to Public Funds (NRPF)

15.28 In Quarter One, seven referrals have been received and responded to by the Corporate Anti-Fraud Team. The role of the Corporate Anti-Fraud Team is to provide a financial status position for the NRPF team to include in their overall Children and Family Assessment. The average cost of NRPF support per family (accommodation and subsistence for a two-child household) is around £20,000 pa.

15.29 Internal Employee Investigations (excluding dual working and whistleblower referrals)

15.30 The Audit & Risk team are responsible for investigating all allegations of fraud, corruption and financial irregularity against employees. At the start of Quarter One the team had five live employee cases brought forward. A further one new case was referred to the team to investigate. There are three criminal cases, two where the prosecution file is with legal services and one with investigators progressing the cases with Interviews Under Caution and HR actions.

15.31 The Audit and Risk service work closely with officers from HR and the service area involved to ensure that the appropriate investigation, following a referral, is completed as quickly as possible. The cases are prioritised according to risk to the Council and severity of the allegations. For all cases there is consideration of root causes and where weaknesses in our control environment have contributed or enabled fraud, corruption, or other breaches of code of conduct and other rules and procedures to occur. These audit observations are highlighted to management.

15.32 Dual Employment Cases / Agency Worker cases

15.33 In recent years there have been high numbers of these cases across the public sector. The NFI has developed data matching to help identify individuals with multiple employment contracts. These cases are all referred to the fraud team either from external sources, management, or Employee Relations Team so that preliminary fraud checks and assessment can be undertaken and fraud powers deployed. The team work closely with other organisations on these cases where there is criminality found a prosecution case will be led by the authority who has experienced and can evidence the greatest financial loss. The case is referred into the disciplinary process as soon as the evidence is available. The team will track all cases to conclusion and will report any significant outcomes as they occur.

15.34 At the start of Quarter One we had two live ex-agency worker dual employment cases, one being led by another authority and one ex—employee case where we are leading. One ex-employee case, which the lead authority has reported to the police and the file is with the crown prosecution service. Although many other cases have resulted in disciplinary action the burden of evidence in a criminal case is such that many cases do not progress to court. Across the public sector a number of fraud teams have cases that have been passed to their legal teams and where there is success at court this is publicised widely in the press, which does help to increase the deterrent factor to fraudsters.

15.35 In Quarter One there has been one new dual worker case and one previous case was closed with no fraud found. The cases remain live and outcomes will be reported later in the year.

15.36 Whistleblowing Referrals

15.37 The Head of Audit and Risk Management maintains a record of referrals made using the Council's Whistleblowing Policy. At the start of Quarter One the team had seven open referrals being investigated by the team.

15.38 Ten new whistleblower allegations have been accepted in quarter one, under the policy; all required initial investigation by audit. Seven of the new cases remain open at the end of the quarter. Of the seven carried forward from 2025/26, three have been closed as no case to answer; and four remain open with the team. There are therefore 11 cases open at the end of Quarter one.

15.39 **Targeted Pro-active Activity**

15.40 **Residency Checks: Void Properties / Deceased List** – the team monitor the Council's use of a deceased persons list, through the insights gained from case investigation, data matching with benefits and the outcomes of NFI data matching. An initial exercise was undertaken in 2023/24, which resulted in the recovery of 24 properties and a further three open cases with Legal and three with Housing to complete recovery. Significant improvements have been made in recent years but there is still a clear indication that some services are not ceasing services in timely fashion, either due to process error or potential fraud. Further data matching checks will be undertaken in 2026/27 from the current NFI data along with targeted internal data matching.

15.41 **Revenues and PCN payments through the ATP system** – Previously it was reported that high numbers of PCNs are paid using stolen card details. This has since expanded to Council Tax and Business Rates, with payments being made on accounts through the ATP system. This has created significant resource wastage for the Council, including significant Fraud resources, and could indicate organised crime in the Borough. The service areas and the fraud team are working together to tighten controls, minimise impact and engaged the ATP payment system provider, banks and police in tackling the significant and rising cases.

15.42 **Council Tax Accounts –** There is a risk that Council Tax accounts are established fraudulently to provide credible evidence that an individual resides at a particular address and receives a Council Tax bill. One route for this is the Govtech automated online process, which currently allows accounts to be created without independent verification of residency. In addition, approximately 10% of Council Tax bills remain unpaid. A proactive review is underway to analyse links between unpaid accounts, accounts created via Govtech, failed ATP payment attempts, and instances of dual payments followed by refund requests across Revenues systems. The objective is to identify potential "ghost" accounts, improve the accuracy of Council Tax records, support recovery action against actual occupants, and provide a more realistic assessment of collectable income.

15.43 **Procurement** due to the inherent nature of procurement and vulnerability to potential fraud, work continues in this area. Internal audit is currently reviewing procurement arrangements in several areas, to assess compliance with procurement requirements and potential fraud. The outcomes of these audits will be analysed for trends and areas for proactive fraud work. This will include shared contact details across suppliers and invoice pattern analysis for amounts just below the threshold.

15.44 **Housing Benefits** – A widely recognised area of risk whereby claimants of pension age continue to claim housing benefit after permanently entering a care home or reside with family, with no intention to move back to the property. In these cases the housing benefit should cease. Risks include properties being sublet and / or as the housing benefit conditions are no longer met, significant overpayments created from a small number of cases. Data matching is being undertaken to identify any cases, for action to be taken on the benefits and tenancies were owned by the Council.

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Agenda Item 11

Report for: Audit Committee – 3rd November 2026

Item number: 11

Title: Anti-Fraud, Bribery and Corruption Strategy

Report authorised by: Director of Finance and Resources

Lead Officer: Fiona Roe, Deputy Head of Audit and Risk Management
Tel: 020 8489 5973
Email: Fiona.roe@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 As part of its governance framework, Haringey Council is committed to ensuring that appropriate arrangements are in place for the prevention, detection, reporting and investigation of suspected fraud, bribery, corruption and other forms of economic crime.

1.2 The Audit Committee is responsible for Anti-fraud and Corruption arrangements as part of its Terms of Reference. In order to provide assurance that the corporate policy is consistent with relevant regulations and other best practice requirements, it is reviewed on a regular basis.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the Audit Committee reviews and endorses the Corporate Anti-fraud and Corruption Strategy together with the appended Fraud Response Plan, Whistle-blowing Policy, Sanctions Policy, Anti-money Laundering Policy and the Anti-Bribery and Corruption Policy.

4. Reasons for decision

4.1 The Audit Committee is responsible for reviewing and endorsing the Council's Anti Fraud, Bribery and Corruption Strategy under its Terms of Reference.

5. Alternative options considered

5.1 Not applicable.

6. Background information

6.1 Haringey Council seeks to maintain high standards of probity and has put in place arrangements for protecting the public purse. Sound systems to demonstrate public accountability are also vital for effective management of services and in maintaining public confidence; the minimisation of losses from fraud and corruption is essential for ensuring resources are used for their intended purpose.

6.2 To investigate fraud and corruption the Council has a dedicated Corporate Anti-Fraud Team comprising six investigators who undertake pro-active and reactive work across all areas of the Council's activities. Generally, local authorities in London have invested in anti-fraud work consistently over many years following guidance and advice from regulatory bodies including the former Audit Commission, CIPFA, the Cabinet Office and by the National Fraud Authority in their 'Fighting Fraud Locally' publications.

6.3 The Council's Anti-fraud and Corruption Strategy gives guidance to relevant individuals, employees, councillors, members of the public and organisations working in partnership with the Council, on the Council's stance on Fraud and Corruption and the steps people should take if they suspect fraud and corruption. The strategy also sets out how the Council will deal with any allegations.

6.4 Essentially, the strategy states the Council has a zero tolerance to fraud and corruption and the Council will use the full range of sanctions to act against individuals or organisations found to be committing fraud against the Council. Given finite resources, a risk-based approach is taken and an annual counter-fraud work plan is developed each year. The Audit Committee receive quarterly updates and an Annual Report that communicates the outcome of our work under this strategy. This provides ongoing assurance to the Audit Committee regarding the effectiveness of the Council's counter-fraud framework and response to identified fraud risks.

6.5 The Council's Anti-fraud and Corruption Strategy and the related appendices are published on the Haringey website and intranet site. In addition, all polices are published separately to enable anyone searching for the individual policy to locate these easily. The website pages also provide details of how to report suspected cases of fraud and corruption.

6.6 The Head of Audit & Risk Management and the Deputy Head of Audit & Risk Management are responsible for maintaining the Anti-fraud and Corruption Policy, together with all related policies: Whistleblowing, Sanctions, Anti-Money Laundering and Anti-bribery. The Head of Audit and Risk Management, in consultation with senior stakeholders, review all anti-fraud and corruption policies to ensure they reflect current legislation and recommended best practice. The latest review has incorporated the principles and strategic themes contained within the national Fighting Fraud and Corruption Locally strategy to ensure the Council's arrangements remain aligned with recognised local government good practice.

6.7 The review of the Whistleblowing policy is undertaken in consultation with the Head of Human Resources to ensure all relevant employment issues are incorporated into any changes to the policy.

6.8 The Council's Anti-fraud and Corruption Strategy follows the Chartered Institute of Public Finance and Accountancy's (CIPFA) guidance and best practice recommendations. The Council's Whistle-blowing policy conforms to the best practice guidance issued by Public Concern at Work, the independent charitable organisation which advises on whistleblowing and governance matters.

7. Contribution to the Corporate Delivery Plan High Level Strategic outcomes

7.1 The Council has an important role to demonstrate stewardship of the public purse. The management of fraud risks is an important part of ensuring that Council utilises its resources effectively to achieve its corporate objectives.

8. Carbon and Climate Change

There are no direct financial implications arising 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. The strategies will be implemented within existing agreed budgets.

Procurement

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

Director for Legal & Governance: Michael Alexander Gordon – Principal Lawyer

The Head of Legal and Governance has been consulted in the preparation of this report, and in noting that the policies, plan and strategy follow legislative requirements / industry guidance and best practice, has no comments.

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; and
- foster good relations between people who share those characteristics and people who do not.

10. Use of Appendices

Appendix 1 – Fraud Response Plan
Appendix 2 – Whistle blow Policy
Appendix 3 – Sanctions Policy
Appendix 4 – Anti Money Laundering Policy
Appendix 5 – Anti Bribery and Corruption Policy

11. Background Papers

Not applicable.

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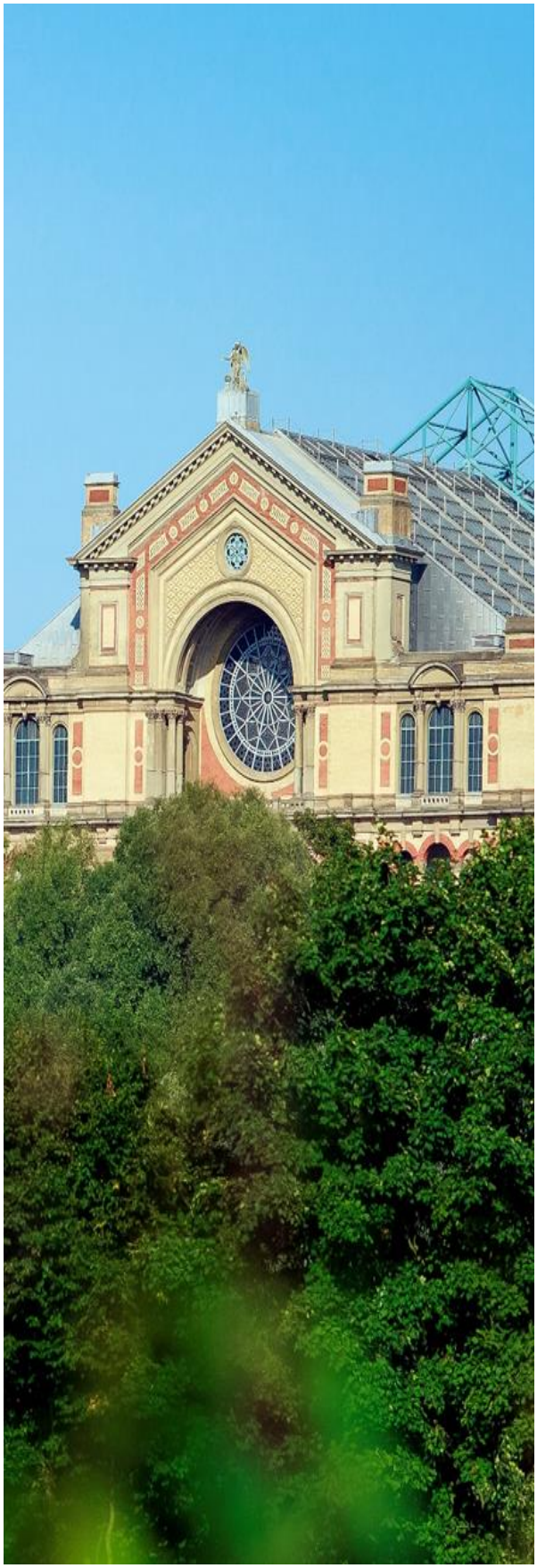

HARINGEY COUNCIL

ANTI-FRAUD, BRIBERY & CORRUPTION STRATEGY 2026-2029

8.5

Policy History					
Version	**Summary of Change**	**Contact**	**Approval at Audit Committee**	**Review Date**	**EqIA Date**
8.1	Added Standards in Public Life (Nolan Principles)	Head of Audit & Risk Management	July 2018	June 2018	June 2014
8.2	Updated Money Laundering Regulations	Head of Audit & Risk Management	September 2020	July 2020	July 2020
8.3	Aligned to the Fighting Fraud Locally Strategy for 2020s	Head of Audit & Risk Management	September 2022	August 2022	August 2022
8.4	Updated against Government Functional Standard GovS013 – Counter Fraud	Deputy Head of Audit & Risk	October 2024	Sept 2024	Sept 2024
8.5	Aligned to the Economic Crime and Corporate Transparency Act 2023 Failure to Prevent Fraud Offence Home Office Fraud Strategy	Deputy Head of Audit & Risk	November 2026	Sept 2026	Sept 2026

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Section	**Page**
1. Policy	1
2. Strategy	3
3. Our Approach	5
Appendix 1 – Whistleblowing Policy	Updated January 2026
Appendix 2 – Anti-money Laundering Policy	Updated October 2024
Appendix 3 – Sanctions Policy	Updated October 2026
Appendix 4 – Money Laundering Policy	Updated October 2026
Appendix 5 – Anti-Bribery and Corruption Policy	Updated October 2026

Links and Dependencies
Employee Code of Conduct Member Code of Conduct Contract Terms and Conditions Disciplinary Policy & Procedures Council Constitution Gifts & Hospitality Policy and form Conflicts of Interest Policy and form Fraud Risk Assessment Service Improvement Action Plan Anti-Fraud, Bribery & Corruption Procedures and Guidance to Stakeholders Declarations of Interests

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Anti-Fraud, Bribery & Corruption Policy

1.1 Haringey Council operates a ‘zero tolerance’ approach towards fraud and corruption (including bribery), is committed to maintaining proportionate and risk-based fraud prevention procedures and will use the full range of sanctions available against any individual or organisation found to be committing fraud. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most.

1.2 There are both internal and external threats of Fraud & Corruption. The Council strives to remain compliant with good practice in local government; and have adopted the Fighting Fraud Locally regime to Govern, Acknowledge, Prevent, Pursue and Protect the public purse and the interests of our clients, partners, employees, supply chain and other stakeholders, to retain a high ethical standing within the community. Operationally the dedicated Council resources are held to account against the Government Functional Standards for Counter Fraud and this drives our service improvement action plan.

1.3 Relevant legislation for this policy is the Fraud Act 2006, the Bribery Act 2010 and the Economic Crime and Corporate Transparency Act 2023.

1.4 This policy applies to all parts of the Council and to all our employees, temporary and agency workers, volunteers, contractors, and consultants in relation to their work with/for us. We rely on the support of staff, businesses, and the community to deliver the services we provide to people in need. Loss of confidence in the Council as a result of fraud or corruption could have an adverse impact on our funding and investment in the area, leading to a more severe impact on the services we deliver than the initial theft.

1.5 We expect all individuals, groups and organisations that receive services from, or provide services on behalf of the Council to be honest in their dealings with us and our clients and customers. Councillors and managers are expected to lead by example in regard to observing the Principles of Standards in Public Life, as set out by the Nolan Committee. These are shown below:

Selflessness- Holders of public office take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.

Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness- Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty- Holders of public office have a duty to declare any private interests relating to their public duties to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership- Holders of public office should promote and support these principles by leadership and example

1.6 It is in everyone's interests to prevent fraud and corruption from happening. There is a clear 'tone from the top' with regards Anti-Fraud and Corruption and as a result we expect all our Councillors, employees, agency and temporary workers, consultants, contractors, partner organisations, service users and all residents to be honest, and to give us any help, information and support we need to deal with fraud and corruption.

1.7 We expect stakeholders to report any suspected incident immediately to someone, independent of the incident, in the chain of line management and to the Head or Deputy Head of Audit & Risk Management.

In return, the dedicated resources in the Council will:

- Promote the Anti-Fraud and Corruption culture throughout the organisation through awareness and training;
- Periodically risk assess the threats;
- Formally record, assess and monitor fraud risks within the Council's corporate risk management framework, with ownership assigned to service management;
- Ensure appropriate measures within systems and process exist to prevent and deter fraud;
- Review the Corporate Strategy at least every two years;
- Introduce and maintain mechanisms to pro-actively detect fraud and corruption;
- Fully participate in the National Fraud Initiative (NFI) and utilise data analytics;
- Encourage all stakeholders to report any suspicions of fraud and corruption;
- Provide resources to train our investigators and ensure they have access to the tools required to fulfil their role;
- Ensure internal cases are also investigated under the disciplinary process;

- Instigate appropriate civil, or criminal proceedings; and
- Report suspected fraud to the police and all relevant organisations.

Anti-Fraud, Bribery and Corruption Strategy

2.1 This Strategy aims to communicate the Councils response to the threat of fraud, bribery and corruption, how this strategy fits into a wider governance framework, and our objectives in coming years to ensure that our arrangements remain in line with expected standards as the risks and threats in the public sector evolve. This strategy reflects the priorities set out in the authority's counter-fraud and economic crime strategies and reflects the priorities set out in national counter-fraud strategies.

Definitions of Fraud and Corruption

2.2 The **Fraud Act 2006** and the **Bribery Act 2010** include the legal definitions of fraud and bribery, which can be used for the criminal prosecution of offences.

2.3 **Fraud** can be defined as a wrongful act or criminal deception intended to result in financial or personal gain.

2.4 **Bribery**, offering or receiving of a bribe, is a form of **Corruption** which can be defined as the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

2.5 Section 1 of the Fraud Act creates a general offence of fraud and introduces three ways the offence can be committed:

- Fraud by false representation (Section 2 Fraud Act);
- Fraud by failure to disclose information when there is a legal duty to do so (Section 3); and
- Fraud by abuse of position (Section 4).

2.6 There are four key offences under the Bribery Act:

- bribing another person (Section 1 Bribery Act);
- accepting a bribe (Section 2);
- bribing a foreign official (Section 6); and
- failing to prevent bribery (Section 7).

2.7 The failure to prevent fraud offence introduced by the Economic Crime and Corporate Transparency Act 2023 requires organisations within scope to maintain reasonable and proportionate fraud prevention procedures. The statute introduced the requirement for the Council to maintain reasonable and proportionate fraud prevention procedures, based on six core principles:

- Top level commitment
- Fraud risk assessment
- Proportionate risk-based procedures
- Due diligence
- Communication and training
- Monitoring and review

Fraud Landscape and Risk Assessment

2.8 Fraud risks, both internal and external threats, are well known in public sector organisations and efforts to quantify them show that whether the economy is in recession or boom the fraud threat remains high. However, we have to acknowledge that in times of economic downturn individuals will find it easier to justify that act of fraud.

2.9 In the 2020s the threat of organised crime and cybercrime are more prominent than ever. As this strategy is being refreshed, in 2026, the country is facing a cost of living, high interest rates remain, the finite resources in the public sector are under significant pressure. That said, the fraud community faces these challenges through collaboration and the tools available to investigator's now through technological and legislative powers are stronger than ever.

2.10 Although not an exhaustive list the highest value risk areas of fraud and corruption for the Council from external threats are:

- Cyber Attack;
- Housing - Tenancy;
- Housing - Right to Buy;
- Social Care and Direct Payments;
- Contracts and Procurement;
- Blue Badges;
- Grants, Tax Discounts and Exemptions;
- False identity, right to work or references for prospective employees; and
- Insurance claims.

2.11 Although not an exhaustive list the highest risk areas of fraud and corruption for the Council from internal threats are:

- Contracts and Procurement
  - collusion with external companies in procurement process
  - or contract management processes
- False claims for expenses, overtime, flexitime, or any other allowance;
- Working in undeclared other employment or using council resources to run private business;
- Misuse or theft of council assets including data;
- Conflicts of Interest;

- Abuse of position;
- Fraudulently claiming any benefits;
- Exaggerating Insurance claims; and
- Accepting gifts or hospitality from contractors, or organisations who are bidding for work, or who we have contracts with, or who receive grants from us.

2.12 Fraud risk assessments provide a structured and documented approach in the effective management of fraud, bribery, corruption and economic crime risks in protecting public funds, maintaining public confidence and achieving the Council's strategic objectives, these incorporate:

- A Corporate Fraud Risk Register;
- Service-level fraud risk assessments;
- Fraud risk owners;
- Documented controls;
- Assurance mapping across three lines of assurance;
- Inherent and residual risk assessments; and
- Horizon scanning arrangements for emerging threats.

2.13 This strategy is supported by training/awareness activities and guidance/ procedural material to support internal stakeholders in fulfilling their roles and responsibilities. Our overall objective is to comply with good practice and have a risk-based work plan annually that we achieve. An action plan has been devised to support the embedding of this strategy, within the Council, and to help achieve our objectives set out in 3.6.

2.14 External facing campaigns and information on the Council's website support external stakeholders in reporting concerns. Councillors receive awareness updates relating to fraud so that they can support their constituents when fraud or corruption is suspected.

SPEAK OUT ABOUT FRAUD	**If you have any concerns about fraud or corruption we want to know:** **Call in confidence: 0330 808 4269** **Email: fraudcall@haringey.gov.uk** **Write to: Fraud Team, PO Box 22727, London, N22 7WS**

Our Council Strategic Approach, Operational Response, Roles and Responsibilities

3.1 Whilst the Council works in accordance with Government Functional Standards the fraud team have aligned our Corporate anti-fraud approach to that recommended within the Fighting Fraud Locally Strategy for the 2020s as this is a public sector focused guide. The guiding principles of this Strategy are to: Govern; Acknowledge; Prevent; Pursue and Protect. Within these principal approach areas, outlined below, we also detail response and responsibilities.

3.2 Govern

Those charged with governance support the local arrangements and the policy is embedded throughout the organisation.

The Audit Committee:

- Approving and monitoring corporate anti-fraud policies;
- Reviewing performance reports relating to fraud risk areas and investigations from internal and external auditors; and
- Reviewing the Annual Report from Head of Audit & Risk Management.

The Corporate Leadership Team and Statutory Officers Group:

- Overseeing the Council's approach to counter-fraud activity, setting the tone to embed a culture of high standards;
- Ensuring a consistent approach to identifying and managing fraud risk is adopted by all service areas; and
- Reviewing reports to ensure that risks relating to fraud are being managed appropriately.

The Head of Audit & Risk Management:

- Ensuring the strategy remains in line with good practice;
- Reviewing reports to ensure that risks relating to fraud are being managed appropriately and reporting accordingly; and
- Review of compliance against GovSO13 and the FFCL self-assessment

This strategy is supported and interlinks with several other policies and strategies in the Council's Governance Framework and is underpinned by a number of plans and procedures, as outlined on page1. Annually the Accounts and Audit Regulations require the Council to publish a review of Corporate Governance as part of the statement work accounts, this process ensures that annually our key governance arrangements are challenged. Policies such as Conflict of Interest and Gifts and Hospitality exist to protect the council and its stakeholders. The Council's Whistleblowing Policy (Appendix 1) is intended to encourage stakeholders to raise serious concerns confidently. The Council's Anti-Money Laundering Policy ensure we adhere to regulations within Council financial transactions (Appendix 2).

3.3 Acknowledge

The risks faced by the Council are recognised and evaluated to ensure the right capability and capacity are in place. Understanding the risks helps to determine how we respond. Annually, risks and responses are considered by the Head of Audit & Risk Management in consultation with stakeholders and this drives the allocation of resources for the coming year. A fraud risk assessment is updated periodically in year as intelligence changes.

The Head of Audit & Risk Management:

- Undertakes regular assessments of fraud risks;
- Reviews the resources and skills available, with the scale, cost and impact to tackle fraud;
- Ensure there is adequate awareness of fraud risk across the high-risk directorates and systems across the Council;
- Deploys audit resources to independently review the Council's Fraud Risks;
- Resources a proactive fraud plan to gain additional assurance and intelligence with regards fraud risks; and
- Monitors the performance and outcomes of fraud activity, aligned with the sector, with annual reporting.

Directors/ Assistant Directors/ Heads of Service and Management:

- Ensuring that a fraud or corruption risk assessment has been conducted for their service area/ corporate programme, aligned to corporate risk processes; and
- Notifying all suspected fraud or corruption incidents within their service area/ programme to the Head of Audit & Risk Management.

3.4 Prevent

As part of the Annual Audit Plan the controls within processes, owned by management, to prevent or deter internal and external fraud and corruption are evaluated as well as the corporate availability of technology and data sharing mechanisms that form a second line of defence in preventing and/or detecting fraud and corruption activities. Many resources are deployed to prevent the opportunity for fraud or corruption to occur in the Council. The Council will utilise powers available under the Procurement Act 2023 to assess supplier integrity and consider exclusion and debarment arrangements where fraud, bribery, corruption or related offences are identified.

Awareness campaigns, sharing success stories:
Directors/ Assistant Directors/ Heads of Service and Management:

- Introduce and maintain effective controls to prevent fraud or corruption from happening in their service area, or corporate programme;
- Undertake risk-based due diligence on contractors, suppliers, consultants, agency workers, delivery partners and grant recipients to assess fraud, bribery and corruption risks; and

- Approve follow up action to be taken in response to actual incidents of fraud or corruption.

The Head of Audit & Risk Management:
- Tracks audit and management actions to ensure fraud risk are mitigated in future;
- Participates in Annual Review of Corporate Governance;
- Attends the Statutory Officers Group to report on corporate risks and issues; and
- Facilitates fraud awareness and training to increase awareness and support mitigation, detection and reporting.

Employees, Agency Workers and Members:
- Understand and comply with the Council's Codes of Conduct, Constitution and other approved rules and procedures.

3.5 Pursue

All investigations will be conducted in accordance with recognised professional standards and applicable legislation, including evidence handling and case documentation.

We will develop the capacity and capability to efficiently investigate and use sanctions to punish fraudsters and recover losses, and prioritise the use of civil sanctions and collaborating with other agencies. We will use all sanctions available to us to deal with anyone committing fraud or corruption, including referring cases to the police, prosecuting offenders, and seeking recovery of monies and/or other assets obtained by fraud or corruption.

Employees, Agency Workers and Members:
Informing their manager, or Assistant Director and Head of Audit & Risk Management of any suspected fraud or corruption incidents.

Audit Committee and Director of Finance:
- Ensure adequate resources are available to enable the Council to meet the policy and strategy objectives.

The Head of Audit & Risk Management:
- Consulting with Directors/Assistant Directors about the best course of action when suspected fraud or corruption incidents are raised;
- Allocating an investigator, consulting with appropriate senior managers and HR personnel at agreed stages during any investigation into internal fraud or corruption and completing the investigation within agreed timescales;
- Notifying the police, and other organisations, when a criminal prosecution is required;
- Facilitating fraud and corruption awareness training;

- Providing regular reports to CLT/SOG and Corporate Committee on fraud risks and pro-active and responsive investigations;
- Providing advice and guidance on internal controls to prevent fraud or corruption; and
- Undertaking pro-active projects to identify possible fraud or corruption.

Although cases vary greatly in nature our general response is outlined below. The process starts at step 3 for an external stakeholder referral.

Fraud happens (or is suspected) by an internal stakeholder

Issue(s) raised with a line manager, senior manager (where appropriate)

Referral made to Head of Audit & Risk Management (by management or an external stakeholder)

Risk assessment and initial fact-finding or intelligence gathering review takes place by Audit & Risk Management

Fraud & Corruption or Financial issues identified	**No Council related Fraud/Corruption or Financial issues identified**
Investigation plan and resources are agreed and the investigation commences. Internal stakeholders and/or statutory officers are briefed as required. Other external bodies, such as the Police may be notified.	Referral closed, or matter passed to the relevant team i.e. Internal Audit for review under the Audit Strategy / Human Resources for a management investigation under disciplinary policy or to an external organisation i.e. HMRC, DWP, Police etc.

Investigator (or investigation team) complete the planned work, monitored by The Head of Audit & Risk Management or Deputy. Deliverables produced will be dependent on case type.

The Head of Audit & Risk Management reviews outcome, with other stakeholder and approves or recommends action, see Sanctions Policy (Appendix 3).

Sanctions Applied/Loss Recovered - Civil Action / Prosecution

3.6 Protect

The protection of public funds, the organisation from serious and organised crime and protecting individuals from becoming victims of crime.

The Council has a number of objectives and actions that underpin these, to ensure that we continue to ensure we can Protect effectively.

- To ensure the Council remains compliant with good practice
  - Annual/Biennial planned review of our approach and response;
  - Maintain a Service Improvement Plan – monitored by Statutory Officers Group;
  - Pro-active detection through data analytics, data matching, intelligence led exercises, horizon scanning:
  - Participation in London Wide and National Fraud Initiatives; and
  - Annual Counter Fraud Performance reporting.
- To ensure the dedicated fraud resources remain compliant with good practice:
  - Review training needs annually as part of the My Conversation process; and
  - Specific focus on technological tools and enhancement for team.
- To ensure we maintain appropriate focus on frauds affecting other public sector bodies and our residents and raise awareness to support in the holistic reduction in fraud activity:
  - Ensure a current understanding of the wider fraud threats in the Borough;
  - Maintenance of strong relationships with other bodies and government departments; and

- Awareness campaigns targeted at high risk and vulnerable residents.

APPENDIX 1

OFFICIAL

Fraud Response Plan

1. Why we have a Fraud Response Plan

1.1 Reports in the media suggest fraud is on the increase although fraud is not usually an everyday occurrence, and most people are surprised to discover a potential fraud issue. Knowing what to do and taking the right steps when the fraud is discovered allows us to make sure the investigation is carried out properly.

1.2 Having a structured response plan helps everyone to handle any fraud issues in the same way and avoid potential problems like: inadvertently tipping off the suspect, enabling them to destroy incriminating evidence; failing to keep the matter confidential; and taking inappropriate action caused by having insufficient information.

1.3 A Fraud Response Plan ensures that incidents are handled in a systematic and efficient manner, not only to conclude a successful investigation, but also to show that the organisation acted in an effective and lawful manner; and that it does not tolerate fraud.

2. What you should do if you suspect fraud or corruption

2.1 Our employees and councillors are often the first to realise when things may be going wrong, or Fraud, bribery, corruption or other economic crime may be taking place. However, they may think that they would not be supported if they raised their concerns, or they may even be afraid of being harassed or bullied. In these circumstances, an individual may feel it would be easier to ignore their concerns, rather than report it. We want to tell you that this is not the case.

2.2 Our 'Whistleblowing' Policy is in place to encourage and enable individuals to raise legitimate concerns, rather than overlooking a problem. The policy applies to all Haringey employees and agency workers and staff of Council contractors.

2.3 If you suspect fraud or corruption, you should raise your concern with your line manager. Failing that, you should approach your Head of Service, or Assistant Director. If you cannot raise your concern within your own service area, you should approach the Head of Audit & Risk Management.

2.4 We want to encourage any member of the public, or a partner organisation, who suspects Fraud, bribery, corruption or other economic crime identified to contact the Council's Head of Audit and Risk Management in the first instance.

2.5 **Remember:** tell someone, don't keep it to yourself; make a note of anything which made you think a fraud was happening; keep things confidential initially; do not confront the suspect(s); only take away any evidence if there is any risk that it will be destroyed or thrown away. **Leave the investigation to Audit & Risk Management.**

APPENDIX 1

OFFICIAL

3 Investigations into allegations of fraud or corruption

Although we cannot say how each individual case is dealt with, the following process is outlined as a general guide.

Fraud happens (or is suspected) by an officer

↓

Issue(s) raised with a line manager, Director/Assistant Director

↓

Referral made to Head of Audit & Risk Management (first stage for the public)

↓

Risk assessment and initial fact finding review takes place by Audit & Risk Management

Fraud & Corruption or Financial issues identified Case conference is held with investigator, HR and Assistant Director, to agree the next steps. Formal investigation commences – *a referral to the police may be made at this stage*.	**No Fraud/Corruption or Fraud, bribery, corruption or other economic crime identified** Case closed, or referred for management investigation/follow up if other (non-financial) issues are identified.

↓

Investigator (or investigation team) is allocated to undertake the work and report within agreed timescales

↓

Conclusion of investigation and report to management (including any recommended changes to control environment or lessons learned)

↓

Sanctions Applied - Disciplinary action / Civil Action / Prosecution

↓

Loss recovery procedures started where appropriate

Appendix 2

Whistleblowing Policy

1. What is 'Whistleblowing'?

1.1 Whistleblowing encourages and enables workers (regardless of their employment type) to raise any serious concerns they may have, rather than overlooking a problem. Serious concerns covered by this policy include:

- a criminal offence, for example fraud
- someone's health and safety is in danger
- risk or actual damage to the environment
- a miscarriage of justice
- a company is breaking the law, e.g. does not have the right insurance
- you believe someone is covering up wrongdoing

1.2 There are instances not covered by the whistleblowing law for example personal grievances such as: bullying, harassment, discrimination, unless your particular case is in the public interest. There are other relevant policies and procedures to refer to in these instances HR Policies and Procedures Library | Intranet

1.3 Workers are often the first to realise that there is something wrong within the Council. However, they may be reluctant to say anything or raise their concerns as they feel that speaking up would be disloyal to their colleagues or to the Council; or they may feel that they would be victimised for doing so.

1.4 The Public Interest Disclosure Act 1998 (PIDA) offers all workers legal protection against any detriment, or unfair dismissal, as the result of speaking out about crime, fraud, miscarriages of justice, dangers to health and safety, breaches of civil service code or risks to the environment.

1.5 In order to qualify for a protection, you must make a 'protected disclosure'. This has three main elements to it:

- You must provide information of a concern that you 'reasonably believe' shows a category of wrongdoing set out in the law;
- You must reasonably believe that the concern is in the public interest;
- You must raise your concern in accordance with the law – either internally to your employer or externally to an outside body.

Further information can be found here: https://protect-advice.org.uk/pida/

Appendix 2

2. Our Commitment

2.1 We are committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees, and others that we deal with, who have serious concerns about any aspect of our work to come forward and tell us about those concerns.

2.2 If any worker raises their concerns in the public interest and they reasonably believe that the information they are giving is true, our Whistleblowing policy aims to ensure that they receive support; and their concerns are properly investigated and addressed.

2.3 We will publicise this policy across the Council on a regular basis, so all our workers are aware of the support available and what is required of them. There is also further procedural guidance available to managers and workers.

3. Who does the Policy apply to?

3.1 The policy applies to all our workers. You are considered a worker if you have a contract or other arrangement to do work or services personally for a reward, this can be direct with the Council or through a third party. The types of protection the Council can provide may be influenced by the contractual relationship with the worker.

4. This policy aims to:

1. encourage all improper, unethical or inappropriate behaviour to be identified and challenged at all levels in the organisation;
2. ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve anything improper, unethical or inappropriate;
3. provide a clear procedure for reporting concerns and receive feedback on any action taken;
4. manage all disclosures in a timely, consistent and professional manner;
5. provide assurance that all disclosures will be taken seriously, treated in confidence and managed without fear of retaliation; and
6. re-assure employees that they will be protected from possible reprisals or victimisation if they have reasonable belief that they have made a disclosure that is in the public interest.

Appendix 2

5. How to raise a concern

5.1 As a first step, any concerns should normally be raised with your immediate supervisor/manager. However, if the concern is serious, relates to a sensitive matter, or your line manager may be involved, you should approach a senior manager, or Assistant Director/Director within your service area.

5.2 Our Financial Regulations state that the Head of Audit and Risk Management should be told of any concerns that relate to financial or accounting irregularities or suspected irregularities. This policy allows the opportunity to raise your concerns about any financial matters directly to the Head of Audit and Risk Management. Alternative contacts if required are the Deputy Head of Audit & Risk Management or the Director of Finance. If your concern is not about financial issues, you may also raise it with the Chief People Officer or Council's Monitoring Officer – The Assistant Director Legal and Governance.

5.3 If you need confidential advice or support regarding your concerns and who to talk to the Head or Deputy Head of Audit & Risk Management would be happy to have a confidential conversation to support you. Often even if this policy is not applicable the concerns are of an interest to Internal Audit.

5.4 PIDA encourages staff to approach their employer in the first instance: this way you are legally protected; and any subsequent disclosure of the same information you make externally will be protected. However, the government advises that if you felt that your employer would cover your concerns up, or would treat you unfairly, or they have not resolved the issue when they have been told about it previously; you can make a referral to a 'prescribed person' and some examples of these are listed at the end of this policy.

5.5 Alternatively, you could ask your Trade Union to raise the matter on your behalf; or seek advice from your professional organisation, if you are a member of one.

5.6 Other procedures are available, for example the Grievance procedure which relates to complaints about your own employment. This policy also does not replace other corporate complaints procedures, which are for public use.

Appendix 2

6. How we will respond to concerns raised under this policy

6.1 We will aim to review your concerns and complete any investigations required as quickly as possible. It is not possible to say how every concern will be treated but as a general guide, within ten working days of the concern being raised, we will:

- Assess the complaint and identify the most effective process to use to investigate the allegations raised
- Notify the Head of Audit and Risk Management that a concern has been raised to ensure it is recorded properly in accordance with this policy
- Write to the person raising the concern (as long as the concern has not been raised anonymously) to acknowledge their complaint and indicate how the matter raised will be dealt with
- Indicate a likely timescale to complete the investigation
- Provide individuals with information on staff support mechanisms that are available.

7. Confidentiality – Protection for Whistleblowers

7.1 We want to protect anyone who raises a concern; including keeping their identity confidential if this is what the employee wants. The requirement of anonymity needs to be highlighted straight away in the referral process. All concerns will be treated in confidence, and we will make every effort not to reveal people's identity, but please consider that we may need to provide a witness statement if the matter is subject to a disciplinary process or referred to the police. Information will only be shared on a strict need-to-know basis.

8. Safeguards and Victimisation

8.1 We recognise that the decision to report a concern can be a difficult one to make. If what you are saying is true, or you believe it to be true, you should have nothing to fear as you will be acting in the best interests of the Council and everyone, we provide a service to.

8.2 We will not tolerate any harassment or victimisation (including informal pressures); and we will take appropriate action, including disciplinary procedures, to protect you when you raise a concern which is in the public interest.

8.3 If you make an allegation, which you think is genuine but is not proven, no action will be taken against you. However, where there is clear evidence that you have made a malicious allegation then action may be taken against you under the Disciplinary procedure.

Appendix 2

8.4 We want to encourage our employees to put their name to their concerns so we can investigate them properly. However, some people may wish to remain anonymous. In these circumstances, we will still consider concerns raised, taking into account the seriousness of the issues raised and the credibility of the concern, but our ability to take the matter further may be restricted if anonymity needs to be maintained.

9. Monitoring

9.1 The Council's Monitoring Officer is responsible for the maintenance and operation of this policy. The Head of Audit and Risk Management will maintain a record of concerns raised and the outcomes (but in a form which does not breach your confidentiality) and will report to the Statutory Officers Group and to Audit Committee.

9.2 The Monitoring Officer and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

WHISTLEBLOWING - GUIDANCE NOTES FOR MANAGERS

When staff suspect or discover something is wrong, they are encouraged to report this to their manager. This gives managers the chance to correct any potential or actual malpractice before the issue escalates. Please note that if there are allegations of potential fraud, or financial irregularity, then these must be reported to the Head of Audit and Risk Management in line with the Council's Financial Regulations.

Victimising or deterring staff from raising legitimate concerns is a serious disciplinary offence. Whistleblowers are also afforded protection under the Public Interest Disclosure Act. Therefore, managers must ensure that anyone who makes a complaint have confidence that it is going to be properly investigated and addressed; and they will suffer no detriment as a result of speaking out.

Managers must respect the confidentiality of any staff raising concerns if they (the staff) want this. However, managers should advise staff that during the investigation the source of the information may need to be revealed and the individual may be required to provide a statement, or appear as a witness in any disciplinary or police investigation. You should advise the employee that they will be supported in these processes, if required. You should also advise the employee of any other support processes that are available to them.

In all cases where an employee uses the Council's Whistleblowing policy to raise their concerns, the person receiving the concern must notify the Head of Audit and Risk Management. They are the Council's nominated officer for recording any

Appendix 2

Whistleblowing referrals and are required to maintain a log, which ensures confidentiality, and provide periodic information on the use of the Whistleblowing policy.

Investigating Referrals

Managers need to review an employee's concerns raised under the Whistleblowing Policy and complete any investigations required as quickly as possible. As a general guide, within ten working days of the concern being raised, the manager should:

- Formally acknowledge the concern to the employee, or their Trade Union/ professional organisation;
- Undertake an initial review of the concerns (or refer the matter to the Head of Audit and Risk Management where fraud is alleged);
- Appoint an independent and impartial manager to undertake an investigation;
- Agree a timescale to complete the investigation with the investigating manager and advise the employee, or their representative, of the likely timescale;
- Conduct an investigation under the Whistleblowing Policy, following the same process as the Disciplinary Procedures for investigating cases of misconduct/ gross misconduct;
- An investigation may conclude that, potentially, there has been a breach of the Council's Code of Conduct and Disciplinary Rules. In these circumstances, you should invoke the disciplinary process; and
- Subject to any legal constraints, inform the employee, or Trade Union/ professional organisation, of the progress and outcome of any investigation.

Examples of Relevant Prescribed Persons

If you decide to blow the whistle to a 'prescribed person' rather than your employer, the government has produced a Prescribed Persons List.

More information on Whistleblowing can be found on the GOV.UK website: www.gov.uk/whistleblowing

Examples of prescribed persons include:

Her Majesty's Chief Inspector of Education, Children's Services and Skills ("the Chief Inspector") about matters relating to the regulation and inspection of establishment and agencies for children's social care services.
Ofsted
Piccadilly Gate
Store Street
Manchester M1 2WD
Tel: 0300 123 3155
Email: whistleblowing@ofsted.gov.uk

Appendix 2

Care Quality Commission about the provision of health care on the NHS or independent health care services.
CQC National Customer Service Centre
Citygate
Gallowgate
Newcastle upon Tyne
NE1 4PA
Tel: 03000 616161
www.cqc.org.uk

The Health and Safety Executive about health or safety at work or the health and safety of the public.
Health and Safety Executive
Rose Court
2 Southwark Bridge
London
SE1 9HS
Online form: www.hse.gov.uk/contact/workplace-complaint.htm
Tel: 0300 0031647
www.hse.gov.uk

The Comptroller and Auditor General about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services.
The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
Tel: 020 7798 7999
www.nao.org.uk/contact-us

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Appendix 3

Sanctions Policy

1. Policy Statement

1.1 We will use the full range of sanctions available to us, including criminal prosecution, civil recovery, internal disciplinary procedures and referral to regulatory bodies in order to deter fraud, bribery and corruption.

1.2 Our Legal Services and the Crown Prosecution Service will be used to undertake prosecutions; and we will refer all relevant cases to the appropriate professional bodies and other law enforcement agencies. We will assist external organisations if they decide to bring their own prosecution cases and could be named in action that other Authorities lead on where a memorandum of understanding is agreed.

1.3 Our fraud, bribery and corruption strategy states that we will seek the full range of sanctions against anyone found to have committed fraud against the Council: and they will apply to any fraud either against the Council or against money that the Council has responsibility for.

2. Deciding what sanction to apply

2.1 We have a range of sanctions that we can use, including internal disciplinary procedures and criminal and civil prosecutions; and we have this policy to make sure that we:

- Apply all available sanctions consistently;
- Apply sanctions efficiently and cost effectively; and
- Have a transparent and robust decision making process.

2.2 In some cases, we may apply more than one sanction e.g. if a member of staff has stolen money from us, we may take internal disciplinary proceedings, refer the matter to the police, and undertake civil recovery procedures.

2.3 We may decide to pursue a criminal prosecution in some cases; these will usually be reserved for those cases, which we think, are the most serious. The Council has the power to undertake some prosecutions itself using our Legal Services, but some cases can only be decided on by the Crown Prosecution Service.

2.4 All cases which are considered for prosecution will apply firstly the ‘Evidential Test’; and secondly the ‘Public Interest Test’, as set out in the Code for Crown Prosecutors 2020 as follows:

Appendix 3

Evidential Test - The investigator will consider the following questions in assessing whether there is sufficient evidence to prosecute the case: Can the evidence be used in court? Is the evidence reliable? Is the evidence credible?

Public Interest Test - If the Evidential Test has been met, the investigator will then consider whether or not a prosecution would be in the public interest. Each case will be assessed on its own merits and a review will include: How serious the offence is; the level of culpability of the suspect; the circumstances of and the harm caused to the victim; if the suspect was under the age of 18 at the time of the offence; the impact on the community; whether prosecution is a proportionate response; and whether sources of information require protecting.

Whenever it is appropriate, the Council will consider offering other sanctions as an alternative to prosecution. The decision to offer (or not to offer) an alternative sanction is a matter for the Council alone.

3. Types of fraud and the possible sanctions (include but not limited to)

3.1 Types of fraud offence:

- Fraud by false representation.
- Fraud by failure to disclose information when there is a legal duty to do so.
- Fraud by abuse of position.

3.2 In 2024 a new offence of 'Failure to Prevent Fraud' also comes into force.

3.3 <u>Employees, Agency Workers, Councillors, Teachers, School Staff</u>
If we find that any of employees or councillors have committed fraud, or been involved in bribery or corruption, we will undertake disciplinary action under the relevant policy or end the agency worker assignment, in conjunction with a fraud investigation. This includes any social welfare fraud by these individuals. If we identify that the Council has suffered any financial loss, we will always seek to recover this, including through civil and criminal prosecutions. Where staff are members of professional bodies or have to comply with national codes of conduct (teachers, social care staff etc), we will refer any cases of fraud, bribery and corruption to these professional bodies.

3.4 <u>Blue Badge Fraud</u>
The Council will consider education, warnings, withdrawal of permits, civil recovery, financial penalties and prosecution according to the seriousness of the offence and available legal powers to Blue Badge cases. The financial sanction is determined by the level of investigative resources required on the case and consistency is ensured via management review and for complex cases a panel involving legal. The most serious of cases or cases where

Appendix 3

cautions cannot be applied will be prosecuted and a criteria is in place to determine those, again these are progressed based on a panel decision.

3.5 Housing and Right to Buy Fraud
In all cases where anyone has fraudulently applied for Right to Buy, housing support, or a tenancy from the Council, we will always seek repossession of the property and recovery of any financial losses. Where we identify that a tenant is sub-letting their property illegally, we will use the Prevention of Social Housing Fraud Act 2013 to prosecute them and recover any money they gained by sub-letting their property. We will also consider using the Fraud Act 2006.

3.6 Other fraud
There are a number of other areas such as: insurance claims, direct care payments, grants to organisations, exemptions and reliefs from Council Tax or Non-domestic rate payments, and applications for financial and other assistance where theft and fraud may occur.

We will always seek to recover any money lost and consider a criminal or civil prosecution. Where an external organisation is involved, we will make a referral to any relevant governing body such as the Law Society, Charities Commission, or the Registrar of Companies.

Proportionality and the Public Interest Test are applied on a case by case basis by the Head of Internal Audit and case conferences are convened with legal to consider decisions.

4. Proceeds of Crime Act 2002

4.1 The Proceeds of Crime Act 2002 (POCA) was put in place to demonstrate that crime does not pay. We will use POCA wherever we can to obtain confiscation orders, including compensation orders, as well as recovery of the full overpayment of benefits. We may use accredited Financial Investigators attached to other enforcement agencies, or the police, to assist us.

5. Monitoring

5.1 The Council's Monitoring Officer is responsible for the maintenance and operation of this policy and with work with the Head of Audit and Risk to ensure sanctions are consistently and equitably applied.

5.2 The Monitoring Officer and Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

Appendix 3

5.3 Sanctions activity, outcomes, financial recoveries and lessons learned will be reported periodically to the Audit Committee.

APPENDIX 4

ANTI-MONEY LAUNDERING & COUNTER TERRORIST FINANCING POLICY

1. What is Money Laundering and Terrorist Financing?

1.1 Money Laundering is the term used for several offences involving the proceeds of crime. This includes possessing, or in any way dealing with, or concealing, or converting the proceeds of any crime. Money laundering is used to describe the activities of criminals who convert the proceeds of crime into legitimate activities, with the intention of hiding the true sources of their income.

1.2 The Financing of Terrorism is the provision of funds or providing financial support to individual terrorists or non-state actors. Despite there being separate legislation to adhere to, the threats to the Council are similar to those relating to Money Laundering and our responses to both align.

1.3 In relation to the Council, both areas would involve the attempt to do legitimate business with the Council e.g. through the buying/leasing property, or paying for goods and services using assets or money derived from the proceeds of crime or terrorist activities.

1.4 This policy applies to all employees, agency workers, contractors and councillors and sets out the legal requirements relating to money laundering and terrorist financing, including how to respond if anyone suspects that money to pay for property, goods, or services comes from criminal activities.

1.5 The criminals will seek to legitimise cash or property from criminal or terrorist activities, it often involves the following three steps: -

- **Placement –** cash is introduced into the financial system by some means. For example, depositing the cash into bank accounts, exchanging currency or simply changing small notes for larger notes (or vice versa).
- **Layering –** a financial transaction to camouflage the illegal source; transfer between accounts including offshore, offering loans, investments and complex financial transactions.
- **Integration** – acquisition of financial wealth from the transaction of the illicit funds. For example, buying residential or commercial property, businesses and luxury goods.

2. Laws covering Money Laundering and Terrorist Financing

2.1 Legislation has shifted the burden for identifying acts of money laundering and terrorist financing from police and government agencies to organisations and their employees. The principal legislation and regulation relating to money laundering are: the Proceeds of Crime Act 2002 (POCA), the Terrorism Act 2000 (TA), and the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 (the as amended in 2022 and 2023).

APPENDIX 4

2.2 There are two main types of offences, which may be committed:
- Money laundering offences; and
- Failure to report money-laundering offences.

2.3 The main types of money laundering offences are:
- **Concealing** – knowing or suspecting a case of money laundering, but concealing or disguising its existence
- **Arranging** – becoming involved in an arrangement to launder money, or assisting in money laundering
- **Acquisition, use or** possession – benefiting from money laundering by acquiring, using or possessing the property concerned.

2.4 Examples include :-
- acquiring, using, or possessing criminal property;
- handling the proceeds of crimes, such as theft, fraud and tax evasion;
- investing the proceeds of crime in other financial products;
- being knowingly involved, in any way, with criminal or terrorist property;
- entering into arrangements to facilitate laundering criminal or terrorist property;
- transferring criminal property;
- failing to report a suspicion that money laundering offences are taking place; and
- 'tipping off' someone who is, or is suspected of being involved in money laundering, in such a way as to reduce the likelihood of being investigated, or prejudicing an investigation.

2.5 The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

2.6 Depending on the severity of the suspected offence, the Magistrates' Court can issue fines of up to £5,000, or sentences of up to 6 months in prison (or both), and, in the Crown Court, fines are unlimited, and sentences of up to 14 years may be handed down.

3. The obligations of the Council

3.1 The main requirements of the legislation are:

- To appoint a Money Laundering Reporting Officer (MLRO);
- Maintain client identification procedures in certain circumstances;
- Implement a procedure to enable suspicions to be reported; and
- Maintain record keeping procedures.

3.2 The Council's MLRO is the Head of Audit and Risk Management.

APPENDIX 4

3.3 The Council has developed formal client identification procedures, which must be followed when Council land or property is being sold. These require individuals (and companies) to provide proof of identity and current address. If satisfactory evidence is not obtained, the transaction must not be progressed and guidance should be sought from the MLRO. All records maintained in respect of suspected money laundering activity must comply with the Data Protection Act.

4. Examples of potential money laundering situations

4.1 It is not possible to provide a definitive list of possible situations involving money laundering; or how to decide whether to report suspicions to the MLRO. However, the following are risk factors, which either may, individually or cumulatively, suggest possible money laundering activity:

- Payment of a substantial sum of money in cash (over £10,000), either in a single transaction, or a number of smaller transactions which total more than £10,000;
- Payment of cash sums where cash is not the usual means of payment;
- A new customer, or use of a new/shell company, with no financial history;
- A customer who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, location, or identity of a customer;
- Unnecessarily complex transactions e.g. routing or receipt of funds from third parties, or through third party accounts;
- Involvement of an unconnected third party without any reasonable explanation;
- Overpayments by a customer, or payments of deposits subsequently requested back;
- Absence of an obvious legitimate source of funds;
- Movement of funds overseas, particularly involving a higher risk country, or tax haven;
- The cancellation, or reversal, of a previous transaction;
- Requests for the release of customer account details, other than in the normal course of business;
- Transactions at substantially above or below current market values;
- Poor business or financial records;
- A similar previous transaction (completed or requested) from the same customer;
- An inability to trace the customer, or organisation;
- Individuals or companies that are insolvent but have funds.

5. Reporting procedure

5.1 If you have any questions or doubts about an individual, company, or transaction that you have been dealing with, then it is important to get advice from the MLRO or Deputy Head of Audit & Risk Management as soon as

possible – **do not delay reporting your concerns, as this may make you subject to criminal prosecution**.

5.2 Your report to the MLRO should include as much details as possible, including:
- Full details of the people involved e.g. name, address, company name, directorships, contact details etc;
- Full details of their (and your) involvement;
- The type(s) of money laundering activity suspected;
- The date(s) of the suspected money laundering activity, including whether the transactions have happened, are ongoing, or are imminent;
- Where they took place;
- How they were undertaken (cash payment, bank transfer etc);
- The (likely) amount of money or assets involved;
- Why, exactly, you are suspicious.

5.3 Your report should also provide the MLRO with copies of any related supporting documentation. If you are acting in a legal capacity and consider that legal professional privilege may apply to the information, you should set this out in the report to the MLRO and why the information is legally privileged. The MLRO will determine whether the information should be exempt from any reports to the National Crime Agency (NCA).

5.4 Once you have reported your concerns to the MLRO, you must not undertake any further enquiries into the matter. The MLRO will refer the matter on to the NCA, if required, in order for them to undertake further investigation. No further action must be taken in relation to the transaction(s) until either the MLRO, or NCA, has given their consent in writing.

5.5 You should not voice any suspicions to the person(s) who you suspect of money laundering; or make any reference on IT systems, or client/hard copy files that you have reported your concerns to the MLRO. If an individual requests access to information, any notes will need to be disclosed, which may tip them off and may make you liable for prosecution.

5.6 A record will be maintained, including details of the customer due diligence, which will be kept for five years after the end of the business relationship; together with a record of the transactions also kept for five years. Guidance on performing the required due diligence checks can be obtained from the Head of Audit and Risk Management.

APPENDIX 4

6. Review of disclosures by the MLRO

6.1 When the MLRO receives a report of suspected money laundering, they will review the information and any other relevant information, including:

- Reviewing any other transactions patterns and volumes;
- The length of any business relationship involved;
- The number of any one-off transactions and any linked one-off transactions;
- Any identification evidence held.

6.2 The MLRO will complete their review, which may include speaking to the person who made the referral, in order to determine whether there is sufficient evidence of actual/suspected money laundering and whether there are reasonable grounds to know (or suspect) that this is the case. The MLRO will then determine whether the NCA needs to be involved and their defence against money laundering/SAR obtained for a transaction to proceed. In these circumstances, the transaction must not proceed until the NCA consent has been formally received (or if no consent has been received from the NCA after 7 working days).

6.3 If the MLRO concludes that there are no reasonable grounds to suspect money laundering, they will record their decision on the report and give their consent to proceed with the transaction.

6.4 In cases where legal professional privilege may apply, the MLRO will liaise with the Council's s151 Officer to decide whether there is a reasonable reason for not reporting the matter to the NCA.

7. Additional requirements for Finance and Legal employees

7.1 In addition to the reporting procedure in Section 5 above, employees providing certain finance and legal services must also comply with 'due diligence' requirements:

Simplified due diligence. Required when there is low risk of money laundering e.g. new business with a company; when checks on company and director registration details would represent sufficient due diligence.

Enhanced due diligence. Required when there is a higher risk of money laundering e.g. remote transactions where the customer is not present to be identified would require additional information and documents to be provided.

If satisfactory evidence cannot be provided, then the transaction cannot proceed.

7.2 Customer identification processes must be undertaken when the Council:

- Forms a business partnership with a customer;
- Undertakes a one-off transaction relating to property or debt of more than £10,000;

- Undertakes a series of linked transactions involving total payment of more than £10,000;
- Knows, or suspects, that a transaction or a linked series of transactions involves money laundering.

7.3 Customer identification must be completed before any business is undertaken with the individual in relation to accountancy, procurement, audit and legal services with a financial or real estate transaction. In order to complete customer identification the following processes should be undertaken:

- Identify the person who wants to form the business relationship or complete the transaction;
- Verify their identity using independent sources of information;
- Identify who benefits from the transaction;
- Monitor transactions to make sure that they are consistent with what is understood about the individual or country;
- Understand the source of their funds;
- Ensure there is a logical reason why they would want to do business with the Council.

7.4 Due diligence should also be undertaken on suppliers, contractors and grant recipients where money laundering, sanctions evasion or other economic crime risks are identified.

8. Training

8.1 The MLRO will ensure that training on the law relating to money laundering and the Council's procedures is provided to all relevant employees on a regular and ongoing basis.

9. Monitoring

9.1 The Council's Monitoring Officer is responsible for the maintenance and operation of this policy. The Monitoring Officer, Head of Audit and Risk Management will liaise with the Chief People Officer when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

APPENDIX 5

OFFICIAL

Anti-Bribery and Corruption Policy

1. Policy Statement

1.1 The Bribery Act 2010 made bribery a criminal offence. The Council is committed to maintaining the highest standards of integrity, honesty, transparency, accountability and ethical conduct in all of its activities. **The Council adopts a zero-tolerance approach to bribery, corruption, fraud and other forms of economic crime.**

1.2 The Council and everyone employed by us, including members, temporary and agency staff, consultants, contractors and volunteers will not offer, promise, give, request or accept bribes, inducements, kickbacks facilitation payments and other improper inducements or benefits, either directly or indirectly through third parties.

1.3 The Council is committed to preventing, detecting, deterring and responding to bribery, corruption, fraud and any other forms of economic crime. Action will be taken against any individual or organisation found to have engaged in such activities.

1.4 All employees, Members, agency workers, contractors, consultants, volunteers and those acting on behalf of the Council have a responsibility to uphold this policy and report any concerns regarding suspected bribery, corruption or unethical conduct.

2. What is bribery and Corruption?

2.1 Bribery is the offering, promising, giving, requesting or accepting of a financial or other advantages, designed with the intention of influencing an individual to take an improper decision or action to secure an improper advantage. These inducements can take many forms including offering cash, gifts, hospitality, loans, discounts, holidays, event tickets or preferential treatment. Decisions could relate to recruitment, the award of contracts, planning consents, licensing, grants and other awards.

2.2 There are four key offences under the Bribery Act 2010:

- bribing another person (section 1);
- accepting a bribe (section 2);
- bribing a foreign public official (section 6); and
- failing to prevent bribery (section 7).

2.3 Individuals convicted of an offence under the Bribery Act 2010 may face imprisonment of up to ten years, unlimited fines and reputational damage. The Council may also take disciplinary, civil or contractual action where appropriate.

2.4 Corruption is the abuse of entrusted power, position or authority for personal benefit or to confer an improper advantage on another person or organisation. Many local authority investigations involve corruption rather than straightforward bribery.

2.5 Corruption can include undeclared conflicts of interest, manipulation of procurement exercises, favouritism in recruitment, improper award of grants, abuse of position, misuse of confidential information and unauthorised contract variations.

3. Scope of the policy

3.1 This policy provides a coherent and consistent framework to enable all our employees to understand and implement arrangements to enable compliance with the Bribery Act 2010. Compliance with this policy forms part of the Council's wider Anti-Fraud, Bribery and Corruption Framework, enabling individuals to identify and effectively report a potential breach.

3.2 This policy applies to all Council activities and operations and to all staff including all permanent, temporary and agency staff, contractors, agents, members (including independent members), volunteers and consultants, acting on behalf of the Council. The Council expects suppliers, delivery partners, commissioned providers, contractors and organisations receiving Council funding to maintain standards consistent with this policy.

4. Our commitment to Preventing Bribery and Corruption

4.1 In order to comply with the Bribery Act 2010, the Council will:

- Maintain and regularly review this policy.
- Promote a culture of honesty and integrity.
- Undertake fraud and corruption risk assessments.
- Maintain effective internal controls.
- Provide training and awareness programmes.
- Operate gifts and hospitality arrangements.
- Maintain conflict of interest declarations.

- Encourage reporting of concerns.
- Investigate allegations promptly and professionally.
- Work with law enforcement and regulatory agencies where appropriate; and
- **Take a robust line against anyone found to have breached this policy or to have committed or facilitated bribery**.

4.2 As regards training and awareness programmes, we will be cognisant of the Ministry of Justice guidance on the Bribery Act 2010 emphasising six principles:

- proportionality
- top-level commitment
- risk assessment
- due diligence
- communication/training
- monitoring and review.

4.3 The Council recognises that increased bribery and corruption risks may arise in relation to:

- Procurement and commissioning.
- Major works and capital programmes.
- Contract management.
- Adult social care commissioning.
- Planning and licensing.
- Housing allocation and temporary accommodation.
- Recruitment and appointments.
- Grant administration.
- Sponsorship arrangements.
- Partnerships and joint ventures.

4.4 It is unacceptable for any person covered by this policy to:

- Offer or provide a bribe.
- Request or accept a bribe.
- Facilitate or conceal corrupt activity.
- Abuse their position for personal gain.
- Fail to declare a conflict of interest.
- Attempt to influence procurement or recruitment decisions improperly.
- Provide confidential information to obtain an advantage.
- Retaliate against anyone reporting concerns.
- Engage in any conduct that breaches this policy.

5. Contracts and Third-Party Relationships

5.1 Appropriate due diligence may be undertaken on suppliers, contractors, consultants, commissioned providers and delivery partners where bribery or corruption risks have been identified.

5.2 Any attempt to improperly influence procurement, commissioning or contract management decisions must be reported immediately.

5.3 Under the Procurement Act 2023, a company is automatically barred from competing for public contracts where it is convicted of a corruption offence. Companies that are convicted of failing to prevent bribery and corruption are not automatically barred from participating in tenders for public contracts. We have the discretion to exclude organisations convicted of this offence and you should get advice from our Procurement team on this issue.

6. Raising a concern

6.1 We want everyone who has any concerns to be able to report these effectively. Our Whistleblowing policy sets out how to do this, including making an anonymous referral through our Fraudcall@haringey.gov.uk email.

7. Monitoring

7.1 The Council's Monitoring Officer is responsible for the maintenance and operation of this policy. The Monitoring Officer and Head of Audit and Risk Management will liaise with the Assistant Director of Human Resources when the policy is subject to review in order to ensure all relevant employment requirements are taken into account.

7.2 The Council will proactively monitor bribery and corruption risks through:

- Internal Audit reviews.
- Data analytics.
- Contract monitoring.
- Management assurance processes.
- National Fraud Initiative data matching exercises.
- Review of gifts and hospitality declarations.
- Conflict of interest registers.

APPENDIX 5

7.3 Information obtained through monitoring activities may be used to identify potential indicators of fraud, bribery or corruption and to strengthen controls.

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Report for: Audit Committee – 03rd November 2026

Item number: 12

Title: Treasury Management Q2 Report 2026-27

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

Lead Officer: Jamie Abbott, Head of Pensions and Treasury Management
Jamie.Abbott@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 2026/27 was approved at a full Council meeting on 2nd March 2026. The Council undertakes borrowing and investment activities to support the delivery of its capital programme and manage day-to-day cash flow requirements. As a result, it is exposed to a range of financial risks, including credit risk, liquidity risk, refinancing risk and the impact of changes in interest rates. The effective identification, monitoring and management of these risks remains a fundamental component of the Council's Treasury Management Strategy, ensuring that security, liquidity and affordability are maintained.

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 30th September 2026, 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 30th September 2026 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 2026/27 on 2nd March 2026.

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. Global economic conditions during the period were dominated by the conflict in the Middle East, which renewed upward pressure on energy prices and increased uncertainty around the inflation outlook. Oil and gas prices rose sharply during the quarter, reversing some of the easing seen earlier in the year and raising concerns that higher energy costs could feed through into wider inflationary pressures. Against this backdrop, central banks remained cautious, closely monitoring the risk that elevated energy prices could become embedded in wage growth and domestic pricing.

6.8. In the UK, inflation remained relatively contained despite the increase in energy costs. Headline CPI rose from 2.6% in June to 3.1% in August, driven largely by higher transport and energy-related costs, while core inflation remained stable at 2.6%, indicating that underlying price pressures were continuing to moderate. The labour market also showed signs of easing, with vacancies declining and earnings growth slowing, reducing the risk of sustained domestically generated inflation.

6.9. The Bank of England maintained Bank Rate at 3.75% throughout the period. However, Monetary Policy Committee voting became progressively more hawkish as concerns grew over the persistence of higher energy prices and the possibility of renewed inflationary pressures. While the Committee continued to expect restrictive monetary policy, spare capacity and a softer labour market to reduce inflation over time, it acknowledged that inflation risks had shifted to the upside.

6.10. Despite these challenges, UK economic growth proved more resilient than anticipated, with GDP growth of 0.6% in the first quarter and 0.5% in the second quarter. Looking ahead, the Council's treasury advisers, Arlingclose, expect Bank Rate to remain at 3.75%, although risks remain skewed towards higher rates due to ongoing geopolitical uncertainty, elevated energy prices and uncertainty surrounding future fiscal policy. These factors continue to influence borrowing costs, investment returns and the overall treasury management environment.

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. Government bond yields increased materially during the period, reflecting evolving market expectations for inflation, interest rates and fiscal policy in the UK. Higher bond yields indicate market expectations that interest rates may remain elevated for longer, with implications for both local authority borrowing costs and investment returns.

6.13. The PWLB certainty rate for 10-year maturity loans was 5.86% at the beginning of the period and 6.41% at the end. The lowest available 10-year maturity certainty rate was 5.75% and the highest was 6.44%. Rates for 20-year maturity loans ranged from 6.23% to 6.85% during the period, and 50-year maturity loans from 6.09% to 6.68%. The cost of short-term borrowing from other local authorities has been similar to or a little above

the Base Rate for most of the period, with interest rates between 4.10% and 5.20%.

6.14. 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. As part of its strategy for funding previous and current years' capital programmes, the Council held £1,114 million in loans on 30th September 2026, an Decrease of £18.1m compared to 30th June 2026.

6.16. 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

6.17. 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.

6.18. The Council holds significant invested funds, which represent income received in advance of expenditure, as well as balances and reserves held. Throughout the period, the Council's investment balances ranged between £36.9m and £188.6m due to timing differences between income and expenditure. The investment position on 30th September 2026 is shown in Table 7 in Appendix 1 to this report.

6.19. Bank Rate remained unchanged at 3.75% throughout the period from April 2026 to September 2026, following the reduction from 4.00% in August 2025 and 3.75% in December 2025. Short-term interest rates broadly tracked this level. Rates available on Debt Management Account Deposit Facility (DMADF) overnight rate has been 3.70% and the average Money Market fund rate has been 3.77% for the period.

6.20. 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
31.03.2026	4.95	A+	100%	1	4.23%
30.09.2026	4.01	A+	100%	1	3.91%
Similar Local Authorities	4.72	A+	87%	20	4.00%
All Local Authorities	4.58	A+	67%	10	4.15%

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

6.21. 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.

6.22. 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 levels in comparison to the Operational Boundary and Authorised Limit as detailed in section 8 of Appendix 1, which was also reported in the Quarter 4 monitoring report for year 2025-26.

6.23. 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. Borrowing at affordable levels underpins the delivery of the Capital programme. If the cost of borrowing rises beyond certain levels, capital schemes will become non-viable. Additionally, the generation of investment income is also crucial to manging the overall cost of capital to the Council.

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 Outturn Report 2026-27

11. Background Papers

11.1. None

Appendix 1 - Treasury Management Update Report Q2 2026/27

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 2026/27 was approved at a full Council meeting on 10th February 2026. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

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

Economic background

2.1. The key story remained the conflict in the Middle East and its impact on global energy prices and inflation, while on the UK politics side, Andy Burham became the new Prime Minister. Although energy prices had shown signs of moderating towards the end of (calendar) Q2, the continuing conflict pushed oil and gas up sharply once again in Q3. Around mid-September, Brent oil and UK gas prices were over 30% and 70% higher respectively compared to the period preceding the Bank of England's (BoE) July Monetary Policy Report (MPR).

2.2. Given the inflationary impact of the previous energy shock from the Russia/Ukraine war, central bank policymakers remained alert to higher energy prices feeding into wider price and wage-setting behaviour ('second-round effects'). In the UK, higher fuel and energy prices were evident in headline inflation, but there was limited evidence of material second-round effects. At the same time, underlying wage pressures continued to moderate, and the labour market remained relatively loose.

2.3. The BoE's Monetary Policy Committee (MPC) maintained Bank Rate at 3.75% throughout the period. In April the MPC voted by 8-1 to leave rates unchanged, with one member wanting a 0.25% increase. The voting subsequently became more hawkish, moving to 7-2 in June and 6-3 in both July and September, with all dissenters preferring to increase Bank Rate to 4.00%. The change in voting patterns reflected increasing policymaker concern over the persistence of the energy shock and the risk that higher headline inflation could become embedded in domestic prices and wages.

2.4. At the September MPC meeting, the Committee judged the inflation risks were further to the upside compared to its July MPR. Energy prices had risen again and borrowing costs were materially higher than before the US/Iran conflict. Despite expecting inflation would rise further in the near-term, most members believed that a soft labour market, spare capacity and restrictive monetary conditions would reduce inflation over time. Moreover, the data showed there was still little evidence of material second-round effects, although the MPC emphasised that the risk of these effects would increase the longer elevated and volatile energy prices persisted.

2.5. UK headline consumer price inflation (CPI) initially declined, suggesting the initial energy shock was not spreading into a wider range of goods and services. However, later in the

period inflation picked up again, with CPI rising from 2.6% in June to 3.1% in August due largely to higher transport costs. Core CPI was 2.6% in July and August, suggesting the divergence between that and headline inflation was due to energy rather than a broad increase in underlying inflation.

2.6. UK economic activity was somewhat stronger than initially anticipated over the period. GDP expanded by 0.6% in the first quarter of the calendar year and 0.5% in the second quarter, slightly stronger than the initial estimate of 0.4%. Monthly activity was more volatile, with a contraction of -0.1% in April, followed by gains of 0%, 0.3% and 0.4% in May, June and July respectively.

2.7. Labour market data continued to show softening employment conditions. The unemployment rate fell to 4.9% in April and remained at that level to July, against expectations it would tick up. Job vacancies also continued to decline, to 702,000 in the three months to July. Earnings growth moderated, with regular earnings at 3.5% in the three months to July and total earnings at 3.9%, suggesting weaker labour demand was continuing to restrain domestic wage pressures.

2.8. Arlingclose, the authority's treasury adviser, expects Bank Rate will stay at 3.75%. However, higher energy prices due to the ongoing conflict(s) and uncertainty around the government's upcoming Budget have increased the near-term upside risks. Moreover, stronger inflation projections, which accompanied the September MPC decision, shifted market expectations for Bank Rate higher. In addition, despite little evidence of second-round effects to date, the changing tone of the MPC minutes suggests it may not need something seismic to tip the Committee to increase Bank Rate.

2.9. Following a 0.25% increase in June, the European Central Bank raised its three key policy rates by a further 0.25% in September, taking the deposit facility rate to 2.50%. Inflation increased from 2.9% in July to 3.2% in August, and an initial estimate suggested a further rise to 3.8% in September, with energy prices the principal driver. The ECB emphasised the uncertainty around the duration of the energy shock and the risk prolonged higher inflation could feed into wider price-setting.

Financial markets

2.10. After the sharp deterioration early in the period, financial market sentiment improved somewhat as there were ongoing hopes that the US/Iran war would be resolved. However, towards the end of the period, signs of any potential resolution appeared premature and oil prices rose alongside inflation and bond yields while equity market volatility increased as investors weighed conflict-related as well as AI-related concerns.

2.11. Bond yields in both the US and UK increased markedly over the period, with the gap between gilts and US Treasuries tightening towards the end of the period. While term premia are still embedded in gilt yields given the relatively uncertain fiscal outlook, a more hawkish Fed alongside persistent US inflation and fiscal concerns have pushed the yields on US Treasuries to their highest levels in years.

2.12. Some relatively market-friendly announcements were made by Andy Burham in his speech at the Labour Party conference, but it will be the Budget at the end of October that will hopefully provide some clarity on what the UK's fiscal position might look like going forward.

2.13. The table below shows the movement of the major benchmark gilt yields throughout the period.

Table 2: Gilt Yields

Benchmark Gilt Yield	Dec-25	Mar-26	Jun-26	Sep-26

5 year	3.93%	4.47%	4.30%	4.98%
10 year	4.48%	4.92%	4.76%	5.42%
20 year	5.11%	5.48%	5.39%	5.90%

The Sterling Overnight Rate (SONIA) averaged 3.73% over the quarter to 30th September.

Credit review

2.14. Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

2.15. During the period, Fitch upgraded numerous banks due to a rating methodology change, as well as the reference obligations used for Issuer Default Ratings and introduced more differentiated notching between deposits, senior preferred, senior unsecured and senior non-preferred debt ratings.

2.16. After spiking in April following escalation in the Iran war, credit default swap prices on UK banks declined during most of the period but started to pick up again in September. They ended the period well below levels that may give cause for concern but remain under constant monitoring.

2.17. European banks' CDS prices followed a similar pattern to the UK, while Canadian bank CDS prices rose early in the period and then remained at similar levels, while Australian and Singaporean banks tended to trend downwards. Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

2.18. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

3. Local Context

3.1. On 30th September 2026, the Council had net borrowings of £1,114.0m arising from its revenue and capital income and expenditure. The Capital Financing Requirement (CFR) measures the underlying need to borrow for capital purposes. A breakdown of the CFR is summarised in Table 1 below.

3.2. **Table 1: Balance Sheet Summary**

	31.03.26 Actual £m	31.03.27 Forecast £m
General Fund CFR	760.5	1,229.2
HRA CFR	804.5	777.0
Total CFR[1]	**1,565.0**	**2,005.7**
Less: Other debt liabilities[2]	(45.0)	(45.0)
Borrowing CFR - comprised of:	**1,520.0**	**1,960.7**
External borrowing	1,213.4	1,515.1
Internal borrowing	306.6	445.60

[1]subject to audit [2]finance 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 goal 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 30th September 2026 and the change over the quarter is shown in Table 2 below.

Table 2: Treasury Management Summary

Type of Borrowing/Investment	30.06.26 Balance £m	Movement £m	30.09.26 Balance £m	30.09.26 Weighted Av. Rate %
Long-term borrowing	1,196.4	-58.5	1,137.9	3.24%
Short-term borrowing	17.0	6.0	23.0	19.17%
Total borrowing	1,213.4	**-52.5**	1,160.9	3.78%
Short-term investment	0.0	0.0	0.0	0.00%
Cash and cash equivalents	81.3	-34.4	46.9	3.84%
Total investments	81.3	**-34.4**	46.9	3.84%
Net borrowing	1,132.1	**-18.1**	1,114.0	

4. Borrowing Activity

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

4.2. The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in the future.

Borrowing strategy during the period

4.3. As outlined in the treasury strategy, the Council's primary objective when borrowing is to strike an appropriately low-risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising longer-term stability of the debt portfolio.

4.4. Gilt yields have been volatile, reflecting expectations of tighter monetary policy compared to previous expectations due to the war. Long-term gilt yields are very high, with investors lacking confidence in UK fiscal plans amid political uncertainty.

4.5. The PWLB certainty rate for 10-year maturity loans was 5.62% at the beginning of the period and 6.17% at the end. Rates for 20-year maturity loans moved from 6.13% to 6.61% during the period, and 50-year maturity loans from 6.01% to 6.37%. The cost of short-term borrowing from other local authorities has been above Bank Rate during the period at 3.8% to 5.5%: costs have risen throughout the period. This is primarily due to many local authorities avoiding more expensive long-term rates and relying more heavily on the short-term market. Low cash levels and the non-receipt of SEND grants are also likely to have contributed to a high borrowing demand.

4.6. The PWLB HRA rate which is 0.4% below the certainty rate is available up to March 2027. 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 £1,160.9million in loans at 30th September 2026, a decrease of £52.5million compared to 31st March 2026.

4.8. The outstanding loans on 30th September 26 are summarised in Table 5.

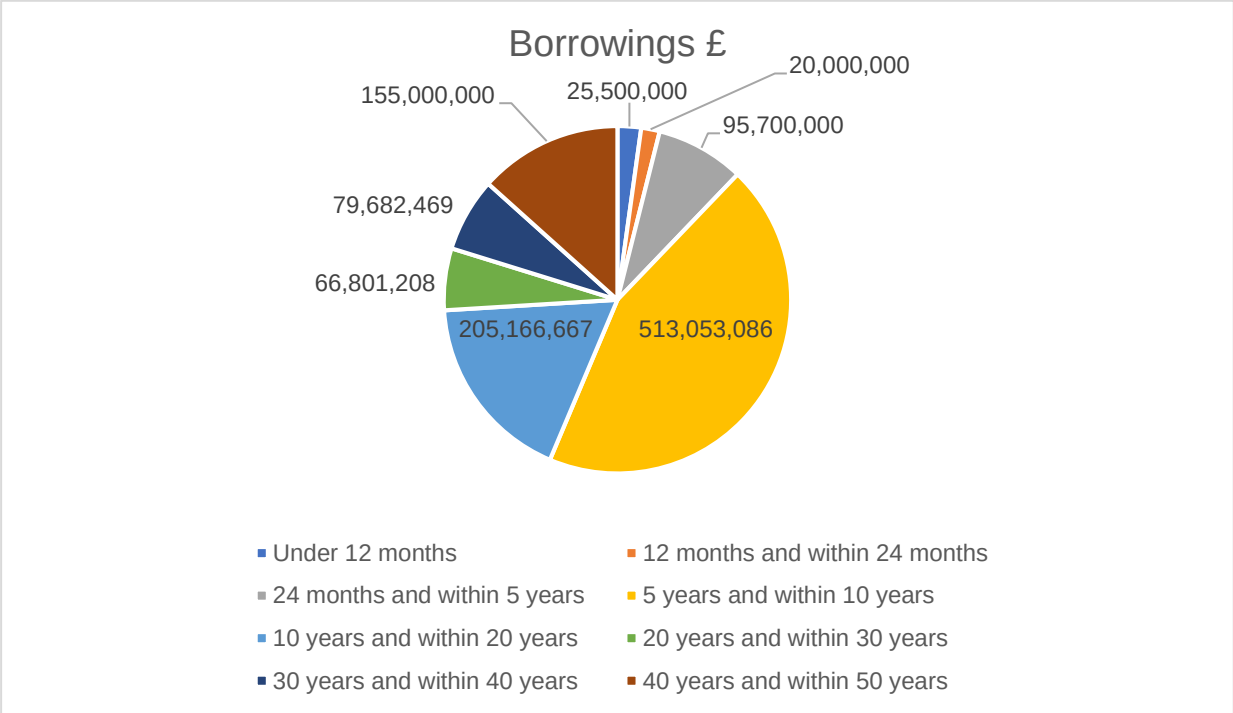
Table 5: Borrowing Position

Type of Borrowing	31.03.26 Balance £m	Net Movement £m	30.09.26 Balance £m	30.09.26 Weighted Ave. Rate %	30.09.26 Weighted Ave. Maturity years
Public Works Loan Board	1,146.4	(18.5)	1,127.9	**3.23%**	**15.4**
Banks (LOBO)	50.0	(40.0)	10.0	**4.75%**	**16.5**
Local authorities	17.0	6.0	23.0	**19.17%**	**36.4**
Total borrowing	**1,213.4**	**(52.5)**	**1,160.9**	**3.78%**	**16.2**

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 borrowing on 30th September 2026 is shown in the chart below.

4.11. There is a refinancing risk within the Council's debt portfolio, as existing borrowing matures and must be replaced at current market interest rates, which are significantly higher than the historic rates on many legacy loans. As borrowing is refinanced, this increases the overall cost of debt and places additional pressure on the revenue budget through higher interest expenditure.



LOBO Loans

4.12. On 30th September 2026, the Council held £10m of LOBO loans (Lender's Options Borrower's Options), where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

4.13. At the beginning of the year the Council held £50m of LOBO loans. However, the Council has been able to successfully negotiate the repayment of £40m of those loans at a significant discount to the market value which was valued at £57m on 31st March 2026, by Arlingclose. The £7m representing a premium for the embedded options, above face value. It is estimated that the early redemption of the loans will garner a cost saving to the Council £227k over the next 3 years, inclusive of fees and charges, due to replacement borrowing from the PWLB being at a lower rate. The 3-year timeframe being the next option date of 2028.

4.14. With market interest rates having risen, the probability of call options on the LOBOs being called has been higher than in the recent past.

4.15. The Council currently holds £10m of LOBO loans with call dates within the next 12 months. The Council continues to engage with treasury management advisors, Arlingclose, to assess the likelihood of the options being exercised. If the option is exercised, the Council plans to repay the loan at no additional cost. In doing so, the Council will use any available cash or borrow from other local authorities or the PWLB to repay the LOBO loans.

Table 6: LOBO Position as at 30th September 2026

Lender Name	End Date	Original Principal £'m	Interest rate	LOBO Frequency Year	Next Call Date
Dexia Credit Local	10/04/2043	10.0	4.75%	0.5	10/04/2027
Total borrowing		**10.0**			

5. Treasury Investment Activity

5.1. The CIPFA Treasury Management Code now defines treasury management investments as investments that result from the Council's cash flows or treasury risk management activity. These investments represent balances that need to be invested until the cash is required for business operations.

5.2. The Council holds invested funds, which represent income received in advance of expenditure, as well as balances and reserves held. Throughout the period, the Council's investment balances ranged between £36.9m and £188.6m due to timing differences between income and expenditure. The investment position on 30 September 2026 is shown in Table 7 below.

Table 7: Treasury Investment Position

Type of Investment	31.03.26 Balance £m	Net Movement £m	30.09.26 Balance £m	30.09.26 Weighted Ave. Rate %	30.09.26 Weighted Ave. Maturity
Debt Management Office	31.3	(31.3)	0.0	**0.0%**	**1 days**
Money Market Funds	50.0	(3.1)	46.9	**3.84%**	**1 days**
Total Investments	**81.3**	**(34.4)**	**46.9**	**3.84%**	**1 day**

5.3. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, taking into account the security and liquidity of its treasury investments before seeking the optimum rate of return or yield. The Council aims to strike an appropriate balance between risk and return when making treasury investments, while minimising the risk of incurring losses from defaults and receiving unsuitably low investment income.

5.4. Over the course of the quarter, the Debt Management Account Deposit Facility's (DMADF) overnight deposit rate was 3.70%. The Money Market rates ranged between 3.70% and 4.9%.

5.5. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking is shown is Table 9 below. These results demonstrate that there has been an improvement in the credit ratings and score of the Council's investments over the first quarter.

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Ave. Maturity (Days)	Rate of Return
31.03.2026	4.95	A+	100%	1	4.23%
30.09.2026	4.01	A+	100%	1	3.91%
Similar Local Authorities	4.72	A+	87%	20	4.00%
All Local Authorities	4.58	A+	67%	10	4.15%

Scoring: AAA = highest credit quality = 1; D = lowest credit quality = 26
Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

5.6. Financial markets experienced significant volatility over the six months to 30th September 2026, although performance varied considerably between asset classes. Equity markets generally performed well, recovering strongly from the falls seen in March and remaining resilient despite renewed geopolitical uncertainty and higher interest rates. UK equities recorded gains over the period, while global equities were also supported by generally resilient corporate earnings and continued strength in technology-related stocks.

5.7. Bond markets were considerably weaker, particularly towards the end of the period. Government bond yields rose as higher energy prices and rising inflation increased expectations that interest rates would remain higher for longer. Longer-dated yields were also affected by concerns over elevated government borrowing and bond issuance, with investors demanding greater compensation for holding longer-term debt. These pressures were not confined to the UK, with government bond yields rising across most major developed economies. This rise placed downward pressure on the capital values of funds with exposure to bonds.

5.8. Income distributions from strategic pooled funds generally remained resilient over the period, despite the volatility in underlying asset prices. However, distributions from individual funds can vary between periods depending on their payment frequency, the timing of underlying income receipts and fund distribution policies. Performance over a six-month period should therefore not be viewed in isolation when assessing the longer-term income generated by these investments.

5.9. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.

6. Treasury Performance

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

Table 10: Treasury Performance

Borrowing costs	Actual to date £m	*Forecast 2026/27 £m	Annual Budget £m	Forecast (Over)/under £m
General Fund borrowing	3.6	34.4	36.0	(1.6)
HRA borrowing	7.0	26.8	26.7	0.1
Total borrowing costs	**10.6**	**61.2**	**62.7**	**(1.5)**
Treasury investment income	**(1.8)**	**(3.5)**	**(2.0)**	**(1.7)**

*Forecast figures are based on the assumption that planned future borrowing will be undertaken in line with current expectations. Consequently, these forecasts may change if borrowing occurs later than anticipated, is not required, or exceeds the levels currently assumed.

6.2. Borrowing costs as at quarter two have been lower than budgeted for, principally due to the capital scheme spend not progressing as anticipated. It is also in relation to the timing of the interest repayments due, with the bulk of the expected expenditure to occur in the final two quarters of the year.

6.3. Income generation has been higher due the Council having higher than anticipated cash balances also due to the slower pace of capital spend, so the Council has held higher cash balances for longer periods than initially expected.

7. Non-Treasury Investments

7.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code includes all the financial assets of the local authority, as well as other non-financial assets that the local authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes or (made explicitly to further service objectives) or for commercial purposes (made primarily for financial return).

7.2. The Investment Guidance, issued by the Ministry of Housing, Communities and Local Government (MHCLG)) and Welsh Government, broadens the definition of investments to include all assets held partially or wholly for financial return.

8. Compliance

8.1. The Chief Finance Officer reports that all treasury management activities carried out during the year complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

8.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 11 below.

Table 11: Debt Limits

	30.09.26 Actual £m	2026/27 Operational Boundary £m	2026/27 Authorised Limit £m	Complied?
Borrowing	1,160.9	1,591.0	1,641.0	Yes
PFI and Finance Leases	45.0	51.0	56.0	Yes
Total debt	**1,205.9**	**1,642.0**	**1,697.0**	**Yes**

8.3. Although not classed as borrowing, the Council's PFI balances and finance leases increased have increased as a result of the reporting changes brought in by IFRS16.

8.4. The operational boundary is a management tool for in-year monitoring. Therefore, it is not significant if the operational boundary is breached on occasion due to variations in cash flow, and this is not considered a compliance failure. However, the council's overall debt remained well below this limit throughout the entire financial year.

9. Treasury Management Indicators

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

Security

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

	30.09.26 Actual	2026/27 Target	Complied?
Portfolio average credit score	A+, 4.68	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.

	30.09.26 Actual/£m	2026/27 Target/£m	Complied?
Total cash available within 3 months	50.0	30.0	Yes

Interest Rate Exposures

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

	30.09.26 Actual	2026/27 Target	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	£1.3m	£2m	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£1.2m	£2m	Yes

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

Maturity Structure of Borrowing

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

	30.09.26 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	6.7%	40%	0%	Yes
12 months and within 24 months	6.5%	40%	0%	Yes
24 months and within 5 years	22.3%	50%	0%	Yes
5 years and within 10 years	28.1%	50%	0%	Yes
10 years and within 20 years	10.4%	100%	0%	Yes
20 years and within 30 years	5.8%	100%	0%	Yes
30 years and within 40 years	6.9%	100%	0%	Yes
40 years and within 50 years	13.4%	100%	0%	Yes
50 years and above	0.0%	100%	0%	Yes

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

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

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

	30.09.26 Actual	2026/27 Limit	Complied?
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	1.11%	20%	Yes

Principal Sums Invested for Periods Longer than a year

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

	2024/25	2025/26	2026/27
Actual principal invested beyond year end	nil	nil	nil
Limit on principal invested beyond year end	£10m	£5m	£5m
Complied?	**Yes**	**Yes**	**Yes**

Agenda Item 13

Report for: Audit Committee – 3 November 2026

Item number: 13

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 13 October 2026 and consider whether it is satisfied that appropriate mitigation arrangements are in place for the Council's most significant corporate risks, as at 13 October 2026, and attached at Appendix A.

Appendix C provides a summary of the key planned mitigation actions associated with each corporate risk.

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 continues to provide the framework through which the Corporate Risk Register is maintained and monitored, 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 13 October 2026. Key points arising from that meeting are captured within the corporate risk register. The profile of the Council's residual risk is shown in the table below. To aid the Committee, the risk register has been reprofiled, showing the planned future actions to manage each risk, is attached at Appendix C.

IMPAC					
Catastrophic (5)			**8**	**6, 2, 9, 12,15**	**1, 14, 10**
Severe (4)		**4**	**5, 11, 13**	**18**	
Material (3)			**3**	**19(new)**	
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.

- **Risk 14 - The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk.** This is a significant financial risk and concerns the significant projected overspend at the NLWA that may impact on the financial contributions required from the seven boroughs it serves from 2030.

- **Risk 10 – Building Control.** This is a risk added to the Corporate risk register in September 2025, and numerous mitigations explored and instigated. The Council’s exposure has not improved. Recognising that staffing is an issue across the organisation, and the nature and number of other corporate risks, CLT has again, directed the appropriate Directorate Leadership Team to manage this risk in future.

- **Risk 14 - 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 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.

- **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 agreed on further mitigations.

- **Risk 18 (new) - Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs),**

leading to harm, regulatory enforcement action, service disruption and reputational damage. Six HSE Improvement Notices issued. This is a risk raised at the last cycle by the service in respect of the management of asbestos within Housing services, exposing the authority to Health and safety risks, reputational and financial risks. The risk remains broadly the same as previously reported.

- **Risk 6 - Significant Cyber Security Incident (NCSC category C3) leading to all or multiple council systems becoming unavailable or unusable 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 risk wording has changed and the exposure increased from “15” to “20” with an Impact is “5” and Likelihood of “4”.

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

- **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 was an updated risk for CLT to consider and recognising the risks associated with the management of local election in May ‘26. CLT noted a project board has oversight of this risk and continues to offer mitigations. This risk has now passed and will be removed from the next iteration of the corporate risk register. The risk has now been removed from the Corporate Risk Register as the elections have passed.

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

- **Risk 3** - **Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.** CLT considered this risk and updates from recent actions will be captured for the next iteration.

- **Risk 5 - Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards.** CLT sought assurances to understand the reason for a reduction and be satisfied improvements had been made. CLT has asked the service to revisit the assessment and additional assurances over the proposed change.

6.5 Whilst a number of significant risks remain, Corporate Leadership Team continues to review and monitor these risks regularly. The most significant exposures remain financial sustainability, cyber security, workforce capacity and external waste disposal pressures. Mitigation actions are in place and progress continues to be monitored through the Council's risk management framework

Next Steps

6.6. The service has been considering a number of areas to enhance the practice of risk management within the authority, working with our partners, Zurich Municipal. The areas that CLT agreed to proceed with the following initiatives:

- Risk Identification for Housing Services
- Risk Appetite for CLT
- Risk Management for Audit Committee Members (15/03/2027)
- Bow Tie Analysis and Key Risk Indicators
- Assurance Mapping

7. Contribution to the Corporate Delivery Plan and High level Strategic Outcomes?

7.1 Effective risk management supports delivery of the Corporate Delivery Plan by ensuring that threats to strategic objectives are identified, assessed and managed appropriately.

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.

9.2 **Director for Legal & Governance: Michael Alexander Gordon – Principal Lawyer**

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 13 October 2026
Appendix B – Risk Management Guidance
Appendix C – Corporate Risk Register Actions as at 13 October 2026

11. Background Information

None

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CORPORATE RISK REGISTER

Latest Review - 13/10/2026

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	The Council's financial position has deteriorated and the increase in reliance on EFS has increased from at least £37m in 2025/26 to £84m in 2026/27. A range of actions have been put in place and are under review to adopt an approach over the next three years to improve the Council's financial sustainability and reduce reliance on Exceptional Financial Support. This includes: •Revised Financial Regulations agreed by Council strengthening financial management and clearer roles and responsibilities for accountability. •Tightened spending controls through the Spending Control Panel or Directors (for essential spend) that reviews and approved all non-essential spend over £1,000. •Review and restrictions on purchasing methods, such as P cards and One time vendors to improve compliance with No PO No Pay which is managed through the Purchasing and Compliance Board •Stricter recruitment and extension controls of both permeant and agency staff. •All reports that led to spending over £25,000 to be approved by the Section 151 Officer •Single point of governance for all commissioning and procurements over £160,000 through the Commissioning Panel, chaired by the Director of Commissioning and SME attendees and strengthened governance through a three way gateway process to challenge evidence and need before approval. •Fully embedded Commissioning Board, chaired by the Section •151 Officer and quarterly updates on compliance against CSOs and areas of non-compliance escalated to Directorates and Finance Recovery Board. •A more intense focus on the delivery of approved savings, which monitors both savings delivered and changes needed to deliver savings. •Improved forecasting, particularly with demand led services areas using performance and activity data and scenario planning which has led to less volatility in forecasts. •New governance process in place of the Capital Programme to bring more control and scrutiny of schemes in the programme with a more robust gateway approval process overseen by the Strategic Capital Board and chaired by the Section 151 Officer	5	4	20	CLT Corporate Director of Finance and Resources	The mitigating actions listed in the previous column must continue and none are yet completed / fully embedded. There needs to be a cross organisations approach to improve financial management compliance. Other specific actions include: •Non compliance reported to Financial Recovery Board and work underway to implement consequences for non compliance. This could include removing ability to manage and spend against a budget or actions in line with the Council's HR policies. •Revised Financial Sustainability Plan prepared by the Chief Executive and Section 151 Officer that focuses on balancing the budget in year across the next three years. •External independence now part of the Finance Recovery Board for external scrutiny and challenge. •Internal Audit Plan reviews on the Council's financial sustainability for testing controls and compliance with action plans against any recommendations.	Oct-26
14	The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk. There are multiple risks within the project which are as follows: Failure of NLHPP supply chain due to contractor failure to engage suppliers, or economic and political climate Significant delays to ERF delivery beyond end 2026 due date. Could be caused by contractor performance such as issues arising during commissioning and the availability of sufficient specialist engineering and construction personnel. Transition process to deliver and operate new facilities may not be well managed across a number of partners and suppliers Risk of litigious contractor relationship Risk of loss of Environment Agency approval if the new Energy Recovery Facility does not fulfil the pre operational /operational conditions contained within the environmental permit	Joint risk with NLWA and NLWA Boroughs Corporate Director ERE and Corporate Director Finance	5	5	25	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: - Dir of Envt (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 to members and senior officers. NLWA members have reinstated the Programme Committee for the NLHPP to maintain scrutiny and challenge.	Oct-26
14	The contingency that has been allocated to fund project exposure for the NLHPP (new NLWA facilities) 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	This is a joint risk with NLWA and partner boroughs. Engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: - Dir of Envt (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 to members and senior officers. NLWA members have reinstated the Programme Committee for the NLHPP to maintain scrutiny and challenge.	Oct-26
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 • Currently 1 qualified permanent staff, • 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	• Staff achieved relevant qualifications and registration with BSR • Recruitment Team published videos and rolling adverts. • Head of BC – Market Supplement sought 10%, rejected, job evaluation, no change to grade honorarium agreed for 6 months • Team Manager – Market Supplement sought 55%, rejected by HR, job evaluation, increased grade. To be reviewed. • Senior RBI – Market Supplement sought 40%, approved 15%, approved 28% in March 2026 • RBI – Market Supplement sought 5%, approved 5% • As of October 2026, approved % Market Supplements have not attracted new successful candidates • Recruitment Team to work with Matrix to get more agencies with wider talent pool working with Haringey for short term agency staff solution • 2x LABC Trainees (funded externally) now qualified and appointed into permanent post. 1x further LABC Trainee starting January 2026 • Workforce Plan 'Trailblazer' • Train some staff in Structural Engineering Team to support 24/7 dangerous structures emergency planning rota cover • Review out of hours / on call arrangements for HC contract staff – rejected by SOG March 2026	5	4	20	Rob Krzyszowski Denis Ioannou	Respond to upcoming MHCLG consultation referred to in letter from MHCLG/HSE/BSR in October 2025: "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" Continue convening London Councils Directors/BC/HR Steering Group, sub-groups with recruitment/retention plans & meetings with MHCLG. Continue to monitor MHCLG Building Control Independent Panel Report and MHCLG responses.	Oct-26

10 (Cont)	• 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), upcoming Euro 2028, Alexandra Palace events, Finsbury Park events (no capacity to advice Licencing Team). Sports Grounds Safety Authority (SGSA) Audit update (April 2026) "High" Risk. "the overall level of resilience within the team remains the key risk" • 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	Rob Krzyszowski	5	5	**25**	Immediate, short & medium term	• 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 regular & Steering Group to launch London-wide survey, recruitment campaign, possible agency rate cap, possible lobbying • Potential London CEO meeting • Met with Hertfordshire Building Control to explore options • Met with consultancy services firm to explore options Met with Matrix Milestones to explore options • Increased fees through corporate Fees & Charges • Quarterly Building Control performance is reported to Strategic Planning Committee • Included in draft Corporate Delivery Plan 2026+	5	4	**20**	Rob Krzyszowski Denis Ioannou		Oct-25
15	The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The expansion of the scheme to waste incineration will impact financially and operationally on the Council's disposal arrangements, which by statute are via NLWA (through its Energy fom Waste plant in Edmonton). There is the risk of significantly higher costs through failure to divert fossil-based waste (eg. plastics) from the residual waste stream resulting in the need to purchase permits on the ETS market in competition with other GHG emitting industries.	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 predominantly financial and would ultimately fall on boroughs through payment of higher levy costs. Mitigation will be dependent on maximising the diversion of fossil-based waste from our waste stream. Haringey will implement actions to deliver the objectives of the North London Joint Waste Strategy to reduce waste and increase reuse and recycling. We will also continue engagement with regional/national sector bodies and NLWA through cross-borough/NLWA meetings: - Dir of Envt (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)	5	4	**20**	Corporate Director ERE and Corporate Director Finance	Government has announced a delay to the implementation of carbon permit trading being applied to waste incineration. The change was due to start in 2028 - no replacement launch date has been set yet. This defers the potential additional costs but does not remove the risk of significantly higher disposal costs if fossil based waste is not removed from the residual waste stream at scale. eg. through reduction/recycling.	Oct-25
2	**Non-delivery of transformational change due to lack of corporate change functions**	All	5	4	**20**	Short and Medium term	• 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	A decision was made by CLT to 'step down' the Change Delivery group in Dec 2025, with directorates being responsible for providing monthly assurance across Cat A programmes where these do not have their own governance (e.g. Enabling Services programme board, Civic Centre Programme board). Funding was extended for the Councils Change function from Apr 26 - Sep 26, to allow the Corporate Director of F&R to consider future options for the Corporate Change function. Since the last update, various changes have taken place: > Consultation for the new CPMO and Business management function is complete and recruitment is underway now. > The current model of Category A reporting is no longer deemed suitable, and this will be updated in line with the development of the new Corporate Delivery plan. Roles and responsibilities for the new CPMO and Business management function will be fully defined as part of the transition towards the new team structure which is being launched on 1 Nov 2026.	Oct-25
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	Responding to the Climate Emergency is one of the council's priorities and will be monitored through the new Corporate Delivery Plan (CDP). Mitigations include producing long-term strategies and plans to reduce the risk and consequences of climate change in the borough including how we help communities and services to adapt to climate change. 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), Climate Adaptation and Resilience Action Plan, Pollution Control - Contaminated Land, the Flood Risk Management Strategy, Parks & Green Spaces Strategy and the Affordable Energy Strategy.	5	4	**20**	Programme Director Wellbeing & Climate Project delivery for climate related items in the CDP is owned by teams across the council	1. Carbon Offset Funding is allocated to a range of carbon-reduction projects such as Community Carbon Fund, energy efficiency audits, solar and energy efficiency projects and tree planting. 2. Climate Emergency Briefing screening held for council staff and councillors in July 26. 3.Ongoing engagement with the community through the Haringey Climate Partnership, facilitating local climate action. 4. Range of energy reduction work taking place across the borough including solar PV installations on operational and school sites to reduce energy consumption and retrofit work on social housing. 5. Integration of the London Council's Resilience Toolkit to the local response including: * Building on Heatwave JSNA for the borough. * Highways Flood Maps. * Emergency Planning Response. * Community outreach on adaptation measures. * Building in community resilience to extreme weather events. 6. Haringey's Annual Carbon Report presented to Full Council in March capturing progress against Net Zero targets and key activity taking place in the borough to tackle climate change. 7. Wellbeing & Climate Corporate Board in place to give governance and oversight to climate related activity across the council. Cross council meetings being held on topic-specific activity and issues.	09-Oct-26

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	New Workforce Development Strategy 2024 has been approved and launched in September 2024. Review of the use of Agency Workers use is ongoing and there is an accelerated recruitment protocol in place. Agency costs have reduced substantially in the past 18 months, and permanent employee numbers have increased. More action is however now required as agency numbers are starting to increase again. Restructures and Focused Recruitment Campaigns - high volumes across directorates and recruitment campaigns arranged as required. Market supplements used where appropriate and justifiable to recruit/retain key roles. Template and workshops designed to assist Directors in formulating workforce action plans New approach to Manager training has been designed and the pilot has launched in September 2024, which will inform future activity. Feedback has been positive and this will continue as long as resources allow. Human Resources reviewed additional employee benefits New purchasing annual leave scheme launched in April 2025, run again for April 2026/27 with similar success. Will be re-run in 2027/28	5	3	15	Chief People Officer	Directorate workforce plans are being developed, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning. Next tranche of plans will start alongside service planning in Autumn 2026 Introduce new employee benefits – salary sacrifice lease cars Run recruitment campaigns for c.100 roles, aim to replace current agency workers with permanent employees Re-run annual leave purchase scheme in 2027/28	Summer 2026 Winter 2026/27 Winter 2026/27 Spring 2027 April 2027
6	**Significant Cyber Security Incident (NCSC category C3) leading to all or multiple council systems becoming unavailable or unusable 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	4	20	Short and Medium term	• A 24/7/365 Security Operations Centre (SOC) was onboarded in September 2026. • Digital architecture reviewed and key controls established. • 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). • Immutable backups are in place for our data held in Microsoft, (OneDrive, SharePoint, Teams etc) with seven months worth of data. • Similar Immutable backups of Virtual Servers and Databases are in place. • Regular internal audits to seek independent assurance • Technical solutions for firewall , firmware/soft/ware/hardware solutions are in place. • Training for all staff on Cyber Security Awareness • Staff Awareness on cyber security via regular posts by Digital Compliance Manager. • Pentest Partners procured to provide technical expertise in the management / control of a cyber event. • Cyber-Security in My Learning is Mandatory. **• Current (October 2026) world geo-political situation, has increased the likelihood of attacks by nation-state linked adversaries.**	5	3	15	Corporate Director of Finance and Resources / SIRO / Director Digital and Change	As a government body, the council will always be a target for attack and the threat vector is changing and increasing constantly. The risk will never be zero and the impact will remain high until the council has implemented a zero trust architecture model with a corresponding catalogue of controls which will increase the council's resilience and minimise the impact of any attack. The immediate and medium-term focus will be to: - Clarify, document and rehearse the process and procedures for when a major incident occurs. - Continue to raise awareness in the organisation, and change the culture to one of widespread cyber-literacy. Develop a medium to long term technology roadmap to zero trust. • Develop a comprehensive Cyber Security Improvement Programme. • Seek independent assurance from internal audit. • Identify options for backup solutions that provide immutability and threat hunting (identification of known and newly identified compromises). • Improve the council's vulnerability and patch management capacity, knowledge, and processes (including Zero-Day vulnerability management). • Develop robust AI policy and processes, including secure development life cycle controls. • Review of Cyber and Infrastructure teams' capacity to cover essential security activities.	31/10/2026
18	**Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs), leading to harm, regulatory enforcement action, service disruption and reputational damage. 6 HSE Improvement Notices issued.**	Corporate Director Culture Strategy Communication CLT Corporate Director for Service/Team Corporate Landlord / Housing Leads	4	4	16	Short & Medium term	The Council has acknowledged the 6 x HSE Improvement Notices and is working with the HSE to meet all compliance requirements. Asbestos Register being reviewed and updated for inspected sites. (Corporate Landlord). Temporary controls in place at high risk sites (restricted access, signage, encapsulation where required). Corporate Asbestos Management Procedure in place. Asbestos Management Plans in place for the Corporate Landlord Estate and Housing Estate. Directorate and Corporate HS&W Boards receiving regular updates on progress against the HSE notices. Commissioned external licenced asbestos contractors for surveying, air testing and removal works. Asbestos Steering Group is in place.	3	2	6	Corporate Director Culture Strategy Communication CLT Corporate Director for Service/Team Corporate H&S Team	•Project is underway to remove the ACM's related to the immediate risk identified at RPH. Project is likely to finish in October 2026. Deadline for Notice is 13/11/2026. •Action Plan in place to review and undertake actions identified prior to the HSE inspections as well as review and ensure Site Specific Asbestos Management Plans and Priority Risk Assessments are in place for all our buildings where ACM's are present. •Corporate Asbestos Management Procedure due to be reviewed and updated to incorporate Corporate Landlord AMP / Housing AMP. •Site Specific Asbestos Management Plans and Priority Risk Assessments in place for all 5 sites and notices closed out.	
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	CHILDRENS - A developed quality assurance system is constantly reviewed Quality Assurance Framework in place Performance monitoring on national KPI's every quarter with good outcomes Strong Learning framework in place from deaths of service users with good involvement of family members or representatives Strong focus on early intervention and safeguarding prevention 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. 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. Adults and Children safeguarding - Mandatory safeguarding training for all staff. Positive assurances from external inspections of Children's Services. Positive assurances have been achieved through the positive outcome of external inspections of Children's Services and the Local Authority Residential Unit, Haslemere Road.	5	2	10	Corporate Director of Children's Services Corporate Director Adults Housing Health	CHILDRENS Ensure thresholds clearly understood by all professionals, particularly in addressing those areas highlighted by recent inspection activity, for which specific action plans are being drawn up. Opportunities provided for shared learning through audits and training events/conferences. Ongoing training opportunities provided to frontline staff via children's academy and other external offers. Regular supervision is provided to staff to ensure all work is reviewed by managers on at least a monthly basis. Ensure competent and timely completion of assessments, conferences and reviews completed in line with statutory guidelines. Checked Monthly 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. 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. Advise and check that maintained schools have risk assessments in place, covering all safety matters that pertain to children, young people and staff.	31/10/26

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	**ADULTS** - The CQC rated Safeguarding as 'Good'. They highlighted the recent changes made to pathways to improve the experience not meeting Section 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. More recently, the Local Government Social Care Ombudsman highlighted concerns around management and oversight safeguarding enquiries (and specifically of Police Reports) and hand-offs across Teams in Adult Social Care. A robust Safeguarding Adults Board (SAB), with experienced SAB Chair is taking forward the recommendations of the (Part 1) independent Review of the Safeguarding Adults Board , with a particular focus on assurance and multi-agency collaboration within a landscaper of financial austerity, stakeholders expanding their 'footprint' across several Local Authority areas and changes in the Integrated Care Board. Multi-agency systems and pathways are in place and are being reviewed alongside policies, procedures and multi agency workforce development. The work of the SAB Team in Adult Social Care is being reviewed by the newly appointed Principal Social Worker, with focus on recruitment of a new SAB Manager and will ensure the Council has enough capacity to facilitate work around Safeguarding Adult Reviews and embed associated learning internally and across the SAB stakeholders. Positive assurances have been achieved through the positive outcome of external inspections of Children's Services and the Local Authority Residential Unit, Haslemere Road.	5	2	**10**	Corporate Director of Children's Services Corporate Director Adults Housing Health	**ADULTS** The Independent Review of Safeguarding (Part 2) will be progressed through internal governance in May 2026 and, aligned to our Review of the ASC Front Door and Digital improvements across the Service, will focus on 'Making Safeguarding Personal' principles and on clearly defining ASC statutory functions and responsibilities. This progress will report into the SAB and the ASC Programme Board and ASC Improvement Board and will incorporate: * A review of all Policies and Procedures around Safeguarding and a series of Mandatory Training workshops for all staff * Weekly Safeguarding Review Implementation meetings, chaired by DASS to capture progress and monitor performance, progress and for temperature check as to staff resilience * Weekly reflective sessions with staff to ensure that front line staff's views and experience inform future practice and learning - chaired by Deputy DASS * Improved Governance through the ASC Programme Board and imminently new ASC Performance Board.	31/10/26
5	**Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards**	Director of Housing	4	3	**12**	Short and Medium term	Housing improvement Plan in place as agreed by Cabinet April 23 in place and delivery overseen by housing improvement Board. 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. 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. 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. 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 A project team has been established to assist with action planning and preparation Inspection . A Project leads are Programme Manager (HSBS) & Transformation Portfolio Manager (Housing) 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. The Repairs Board oversees a number of workstreams in the Housing Improvement Plan to improve the repairs service to residents.	3	2	**6**	Director of Housing	Mitigating actions to achieve target include planned internal works, Fire Door Replacement and Electrical Works and a programme of validation surveys. We have implemented a rolling Stock Condition Survey in September 2025 surveying 20% of the stock each year. The procurement of four new Partnering Contracts to deliver £570m work over 10 years has been completed with 3 Partnering Contracts now signed and started on site between August and October 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. 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. KPI dashboards have been developed and show the live position and have been in place since December 2025 . KPI data is now taken directly from C365 for all 6 compliance areas. We are using C365 Data to populate KPI reports and a live dashboard is in place for viewing at any time. Due to the reporting requirements across Housing, this is the most appropriate way to continue reporting compliance. Therefore it is unlikely a new monthly dashboard in C365 would provide any additional value. We are therefore proposing no further action on this as current activities provide suitable risk mitigation. Manual reconciliations currently taking place between the programmes and NEC. System upgrades subject to extending the contract with NEC are required in order to enable automating reconciliation between the two systems. This is being prioritised as part of our digital improvement programme. A 2-year extension of the NEC system is being finalised and work to develop integration is within the digital programme for housing. However, the manual process will need to be maintained due to many	
5 (Cont)					**12**					**6**		The asbestos reports have all now been uploaded into C365 and we are in the final user acceptance stage of going live with the register in C365. This will then ensure all access to the register is through the system and all spreadsheets are discontinued as of 1st April 2026. During user testing improvements were required for our Asbestos Contractor regarding uploading information. These changes are due to be completed in the next 4 to 6 weeks. Additional work to enhance reporting on smoke detectors and Carbon Monoxide detectors as part of the primary compliance KPIs is continuing. Both modules have been created in C365, and we are now in the process of reviewing the certification. Once this has been completed, the KPI report can be updated to include these figures. The requirements for KPI reporting were discussed at Building Safety & Compliance Board due to the different categories and types of system and their compliance requirements. The AD for Repairs and Compliance is to draft a proposed KPI suite for adoption by the Board by end of December 2026. Changes to the Repairs Management structure have been implemented with permanent Team managers now appointed. 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.	
5 (Cont)					**12**					**6**		A costed proposal for the next phase has been received and is being evaluated to determine next steps. Following the agreement with Unions and the workforce to revise the current delivery model, it has been decided that time is required to bed in the new ways of working and to undertake a further VfM review of the new delivery model after a full year of operation to allow for the improvements to be fully realised. An appropriate update and revised recommendation in this regard to Cabinet will be provided in Summer 2026. Work is continuing on procurement of a supply chain for the short and longer-term to support out in-house delivery and ensure future repairs are delivered in line with policy commitments and improve both jobs completed in target time and customer satisfaction. Specialist and interim contracts have been put in place and/or extended with work on-going for longer term contracts during 2027/2028. A Damp and Mould CRM system project 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. The Awaab's Law processes in the damp and mould CRM system have been designed and launched and monthly reporting on Awaab's Law cases is in place to Repairs Board. Further development of interim systems and processes to incorporate Phase 2 of Awaab's Law and the wider coverage of repairs risks is scheduled be implemented in Q3 of 26/27, with longer term system integrations to be completed in Q1 of 2027/28.	

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	The council's adopted Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023-28 contains focused Action plans, based on the SAMPIP objectives. This includes the ongoing delivery of the agreed Disposals Strategy and the preparation of the next phase of the disposals pipeline, which is scheduled for approval in the next quarter. Action plan progress and activity is monitored regularly at Capital Projects and Property (CPP) Heads of Service meetings and Senior Management Team meetings. Appropriate governance is now established . Progress is then taken through our property governance process on a monthly basis. Reporting on statutory compliance is provided quarterly. 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. Internal Audit resources are allocated to monitor and report independently on progress, with recent audits providing assured feedback An annual update of the progress against the SAMPIP action plans is taken to cabinet. As part of the above annual reporting, the SAMPIP is also reviewed at Directorate and corporate audit committees throughout the year.	4	2	**8**	Director for Capital Projects & Property	Implement the Property Improvement Plan. Review actions in the improvement plan and determine whether updates required.	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	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. Integrated Services within Neighbourhoods will be a key component of our phase 2 development of Localities, aligned to the Independence and Early Intervention Team of our next phase in developing Localities, aligned to and building on the Independence and Early Intervention Team.	3	3	**9**	Director - Adult Social Care	Ongoing regular communication and engagement with ICB, Health services, and the Voluntary and Community Sector through existing and new governance arrangements to align goals, manage expectations and agree resource allocation. In the context of austerity and the changes in the ICB, this governance (Health and Wellbeing Board, Borough Based Partnership and Joint Partnership Board) has been essential in managing risk for our residents, supporting service delivery and maintaining relationships with our stakeholders. The Deputy DASS is our ASC champion in the development of Neighbourhoods as one of the Integrator organisations for Haringey along with Whittington Health and Haringey GP Federation. Clearer pathways and processes are under development to ensure continuous learning opportunities related to integrated care practices and system navigation. Workshops with Health, VCSE and our residents focused on hospital avoidance and follow up workshops with Whittington Health have identified key actions which would enable us to further address performance in hospital discharge - strong collaboration with our Integrated Care Team, Housing, Brokerage and Commissioning. Additionally, our ASC Improvement Board, Borough Based Partnership, and Health and Wellbeing Board are overseeing and supporting continuous improvement in this area. Winter Funding Proposals will further support integration and system resilience.	10/10/2026
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	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: 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); • 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	Health and Safety policy in place, and a comprehensive set of risk-based procedures. Arrangements also in place for services to carry out risk assessments and assess risk exposure for staff. All incidents are reported and the H&S team monitor the incidents including incidents that are RIDDOR reportable (HSE) and/or are serious and requires a thorough investigation. A Corporate Health, Safety and Wellbeing Board is in place which 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. Training schedule in place and carried out quarterly to support the organisation in undertaking their H&S responsibilities.	4	2	**8**	Corporate Director Culture Strategy Communication CLT	Implementation of the new H&S Strategy. (completed, added onto the Intranet and communications issued across organisation week commencing 21/09/26). Ongoing work to implement and embed across the organisation. Review and update of the H&S Policy (update completed, added onto the Intranet and communications issued across organisation week commencing 21/09/26) Programme of review in place for procedures. Ongoing. Risk Assessment repository devised and team risk assessments being requested from services/teams across the Council. Ongoing. Each Directorate/Service/Team to devise their H&S Plan. Templates have been collated and will be populated prior to each of the upcoming HSW Committees. Chair/attendees will be responsible for liaising with all the services/teams to ensure their plan is reviewed/updated. Monitoring will take place at each quarterly HSW Committee meeting. Annual H&S Self-audits will be issued to services/teams in June of each year and any actions identified will need to be added to their H&S Plan with ongoing monitoring to ensure actions are completed as required.	31/03/2027 25/09/2026 n/a n/a 31/12/2027 n/a
19 (New)	Failure to comply with the Equality Act and PSED by not effectively implementing the EHRC updated 'Code of Practice for services, public functions and associations' across all council services and commissioned services presenting a legal, reputational and financial risk.	Monitoring Officer	3	4	12	Short & Medium term	Established cross-directorate Equalities Working Group to oversee implementation of the EHRC Code and monitor progress. Support for service areas to conduct Equality Impact Assessments (EqIA) that capture risks of negative impacts on groups sharing protected characteristics and proposing mitigations. Mapping governance pathways for collective decision-making at relevant Board-level to approve implementation of future service delivery and any changes resulting from EqIA process, including updating or adding facilities. Consideration of staff training requirements. Drafting of new Toilet and Changing Facilities Policy. Request for additional officer capacity 1 FTE to manage programme of work 6 months - 1 year.	2	3	6	EHRC Working Group?	Rollout of staff training Quantification of anticipated financial contingency requirements in legal and capital costs.	01/10/2026

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Guidance

Appendix B

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

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 realistion	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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Appendix C

CORPORATE RISK REGISTER

Latest Review - 13/10/2026

No.	Risk Event Description	Current Risk Score	Proximity	Future Risk Score	Future Actions / Update	Date
1	**Reduce the reliance on Exceptional Financial Support over the medium term**	25	Short and Medium term	20	The mitigating actions listed in the previous column must continue and none are yet completed / fully embedded. There needs to be a cross organisations approach to improve financial management compliance. Other specific actions include: •Non compliance reported to Financial Recovery Board and work underway to implement consequences for non compliance. This could include removing ability to manage and spend against a budget or actions in line with the Council's HR policies. •Revised Financial Sustainability Plan prepared by the Chief Executive and Section 151 Officer that focuses on balancing the budget in year across the next three years. •External independence now part of the Finance Recovery Board for external scrutiny and challenge. •Internal Audit Plan reviews on the Council's financial sustainability for testing controls and compliance with action plans against any recommendations.	Oct-26
14	The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk. There are multiple risks within the project which are as follows: Failure of NLHPP supply chain due to contractor failure to engage suppliers, or economic and political climate Significant delays to ERF delivery beyond end 2026 due date. Could be caused by contractor performance such as issues arising during commissioning and the availability of sufficient specialist engineering and construction personnel. Transition process to deliver and operate new facilities may not be well managed across a number of partners and suppliers Risk of litigious contractor relationship Risk of loss of Environment Agency approval if the new Energy Recovery Facility does not fulfil the pre operational /operational conditions contained within the environmental permit	25	Medium/long term	25	Meetings as set out in the mitigating actions continue with progress reports provided by NLWA accordingly to members and senior officers. NLWA members have reinstated the Programme Committee for the NLHPP to maintain scrutiny and challenge.	Oct-26
14	The contingency that has been allocated to fund project exposure for the NLHPP (new NLWA facilities) 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	25	Medium/long term	25	Meetings as set out in the mitigating actions continue with progress reports provided by NLWA accordingly to members and senior officers. NLWA members have reinstated the Programme Committee for the NLHPP to maintain scrutiny and challenge.	Oct-26
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 • Currently 1 qualified permanent staff, • 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)	25	Immediate, short & medium term	20	Respond to` upcoming MHCLG consultation referred to in letter from MHCLG/HSE/BSR in October 2025: "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" Continue convening London Councils Directors/BC/HR Steering Group, sub-groups with recruitment/retention plans & meetings with MHCLG. Continue to monitor MHCLG Building Control Independent Panel Report and MHCLG responses.	Oct-26

10 (Cont)	• 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), upcoming Euro 2028, Alexandra Palace events, Finsbury Park events (no capacity to advice Licencing Team). Sports Grounds Safety Authority (SGSA) Audit update (April 2026) "High" Risk. "the overall level of resilience within the team remains the key risk" • 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	**25**	Immediate, short & medium term	**20**		Oct-25
15	The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The expansion of the scheme to waste incineration will impact financially and operationally on the Council's disposal arrangements, which by statute are via NLWA (through its Energy fom Waste plant in Edmonton). There is the risk of significantly higher costs through failure to divert fossil-based waste (eg. plastics) from the residual waste stream resulting in the need to purchase permits on the ETS market in competition with other GHG emitting industries.	**20**	Medium/Long Term	**20**	Government has announced a delay to the implementation of carbon permit trading being applied to waste incineration. The change was due to start in 2028 - no replacement launch date has been set yet. This defers the potential additional costs but does not remove the risk of significantly higher disposal costs if fossil based waste is not removed from the residual waste stream at scale. eg. through reduction/recycling.	Oct-25
2	**Non-delivery of transformational change due to lack of corporate change functions**	**20**	Short and Medium term	**16**	A decision was made by CLT to 'step down' the Change Delivery group in Dec 2025, with directorates being responsible for providing monthly assurance across Cat A programmes where these do not have their own governance (e.g. Enabling Services programme board, Civic Centre Programme board). Funding was extended for the Councils Change function from Apr 26 - Sep 26, to allow the Corporate Director of F&R to consider future options for the Corporate Change function. Since the last update, various changes have taken place: > Consultation for the new CPMO and Business management function is complete and recruitment is underway now. > The current model of Category A reporting is no longer deemed suitable, and this will be updated in line with the development of the new Corporate Delivery plan. Roles and responsibilities for the new CPMO and Business management function will be fully defined as part of the transition towards the new team structure which is being launched on 1 Nov 2026.	Oct-25
9	**Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).**	**20**	Medium term	**20**	1. Carbon Offset Funding is allocated to a range of carbon-reduction projects such as Community Carbon Fund, energy efficiency audits, solar and energy efficiency projects and tree planting. 2. Climate Emergency Briefing screening held for council staff and councillors in July 26. 3.Ongoing engagement with the community through the Haringey Climate Partnership, facilitating local climate action. 4. Range of energy reduction work taking place across the borough including solar PV installations on operational and school sites to reduce energy consumption and retrofit work on social housing. 5. Integration of the London Council's Resilience Toolkit to the local response including: * Building on Heatwave JSNA for the borough. * Highways Flood Maps. * Emergency Planning Response. * Community outreach on adaptation measures. * Building in community resilience to extreme weather events. 6. Haringey's Annual Carbon Report presented to Full Council in March capturing progress against Net Zero targets and key activity taking place in the borough to tackle climate change. 7. Wellbeing & Climate Corporate Board in place to give governance and oversight to climate related activity across the council. Cross council meetings being held on topic-specific activity and issues.	09-Oct-26
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.**	**20**	Short and Medium term	**15**	Directorate workforce plans are being developed, this will include specific retention and recruitment plans to ensure suitable resourcing and succession planning. Next tranche of plans will start alongside service planning in Autumn 2026 Introduce new employee benefits – salary sacrifice lease cars Run recruitment campaigns for c.100 roles, aim to replace current agency workers with permanent employees Re-run annual leave purchase scheme in 2027/28	Summer 2026 Winter 2026/27 Winter 2026/27 Spring 2027 April 2027

6	**Significant Cyber Security Incident (NCSC category C3) leading to all or multiple council systems becoming unavailable or unusable and/or council unable to undertake business and/or significant ICO fine & reputational damage due to data breach, malware outbreak, phishing or ransomware attack.**	20	Short and Medium term	15	As a government body, the council will always be a target for attack and the threat vector is changing and increasing constantly. The risk will never be zero and the impact will remain high until the council has implemented a zero trust architecture model with a corresponding catalogue of controls which will increase the council's resilience and minimise the impact of any attack. The immediate and medium-term focus will be to: - Clarify, document and rehearse the process and procedures for when a major incident occurs. - Continue to raise awareness in the organisation, and change the culture to one of widespread cyber-literacy. Develop a medium to long term technology roadmap to zero trust. • Develop a comprehensive Cyber Security Improvement Programme. • Seek independent assurance from internal audit. • Identify options for backup solutions that provide immutability and threat hunting (identification of known and newly identified compromises). • Improve the council's vulnerability and patch management capacity, knowledge, and processes (including Zero-Day vulnerability management). • Develop robust AI policy and processes, including secure development life cycle controls. • Review of Cyber and Infrastructure teams' capacity to cover essential security activities.	31/10/2026
18	**Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs), leading to harm, regulatory enforcement action, service disruption and reputational damage. 6 HSE Improvement Notices issued.**	16	Short & Medium term	6	•Project is underway to remove the ACM's related to the immediate risk identified at RPH. Project is likely to finish in October 2026. Deadline for Notice is 13/11/2026. •Action Plan in place to review and undertake actions identified prior to the HSE inspections as well as review and ensure Site Specific Asbestos Management Plans and Priority Risk Assessments are in place for all our buildings where ACM's are present. •Corporate Asbestos Management Procedure due to be reviewed and updated to incorporate Corporate Landlord AMP / Housing AMP. •Site Specific Asbestos Management Plans and Priority Risk Assessments in place for all 5 sites and notices closed out.	
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.**	15	Medium Term	10	CHILDRENS Ensure thresholds clearly understood by all professionals, particularly in addressing those areas highlighted by recent inspection activity, for which specific action plans are being drawn up. Opportunities provided for shared learning through audits and training events/conferences. Ongoing training opportunities provided to frontline staff via children's academy and other external offers. Regular supervision is provided to staff to ensure all work is reviewed by managers on at least a monthly basis. Ensure competent and timely completion of assessments, conferences and reviews completed in line with statutory guidelines. Checked Monthly 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. 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. Advise and check that maintained schools have risk assessments in place, covering all safety matters that pertain to children, young people and staff.	31/10/26
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.**	15	Medium Term	10	**ADULTS** The Independent Review of Safeguarding (Part 2) will be progressed through internal governance in May 2026 and, aligned to our Review of the ASC Front Door and Digital improvements across the Service, will focus on 'Making Safeguarding Personal' principles and on clearly defining ASC statutory functions and responsibilities. This progress will report into the SAB and the ASC Programme Board and ASC Improvement Board and will incorporate: * A review of all Policies and Procedures around Safeguarding and a series of Mandatory Training workshops for all staff * Weekly Safeguarding Review Implementation meetings, chaired by DASS to capture progress and monitor performance, progress and for temperature check as to staff resilience * Weekly reflective sessions with staff to ensure that front line staff's views and experience inform future practice and learning - chaired by Deputy DASS * Improved Governance through the ASC Programme Board and imminently new ASC Performance Board.	31/10/26

5	**Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards**	12	Short and Medium term	6	Mitigating actions to achieve target include planned internal works, Fire Door Replacement and Electrical Works and a programme of validation surveys. We have implemented a rolling Stock Condition Survey in September 2025 surveying 20% of the stock each year. The procurement of four new Partnering Contracts to deliver £570m work over 10 years has been completed with 3 Partnering Contracts now signed and started on site between August and October 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. 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. KPI dashboards have been developed and show the live position and have been in place since December 2025 . KPI data is now taken directly from C365 for all 6 compliance areas. We are using C365 Data to populate KPI reports and a live dashboard is in place for viewing at any time. Due to the reporting requirements across Housing, this is the most appropriate way to continue reporting compliance. Therefore it is unlikely a new monthly dashboard in C365 would provide any additional value. We are therefore proposing no further action on this as current activities provide suitable risk mitigation. Manual reconciliations currently taking place between the programmes and NEC. System upgrades subject to extending the contract with NEC are required in order to enable automating reconciliation between the two systems. This is being prioritised as part of our digital improvement programme. A 2-year extension of the NEC system is being finalised and work to develop integration is within the digital programme for housing. However, the manual process will need to be maintained due to many	
5 (Cont)		12		6	The asbestos reports have all now been uploaded into C365 and we are in the final user acceptance stage of going live with the register in C365. This will then ensure all access to the register is through the system and all spreadsheets are discontinued as of 1st April 2026. During user testing improvements were required for our Asbestos Contractor regarding uploading information. These changes are due to be completed in the next 4 to 6 weeks. Additional work to enhance reporting on smoke detectors and Carbon Monoxide detectors as part of the primary compliance KPIs is continuing. Both modules have been created in C365, and we are now in the process of reviewing the certification. Once this has been completed, the KPI report can be updated to include these figures. The requirements for KPI reporting were discussed at Building Safety & Compliance Board due to the different categories and types of system and their compliance requirements. The AD for Repairs and Compliance is to draft a proposed KPI suite for adoption by the Board by end of December 2026. Changes to the Repairs Management structure have been implemented with permanent Team managers now appointed. 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.	
5 (Cont)		12		6	A costed proposal for the next phase has been received and is being evaluated to determine next steps. Following the agreement with Unions and the workforce to revise the current delivery model, it has been decided that time is required to bed in the new ways of working and to undertake a further VfM review of the new delivery model after a full year of operation to allow for the improvements to be fully realised. An appropriate update and revised recommendation in this regard to Cabinet will be provided in Summer 2026. Work is continuing on procurement of a supply chain for the short and longer-term to support out in-house delivery and ensure future repairs are delivered in line with policy commitments and improve both jobs completed in target time and customer satisfaction. Specialist and interim contracts have been put in place and/or extended with work on-going for longer term contracts during 2027/2028. A Damp and Mould CRM system project 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. The Awaab's Law processes in the damp and mould CRM system have been designed and launched and monthly reporting on Awaab's Law cases is in place to Repairs Board. Further development of interim systems and processes to incorporate Phase 2 of Awaab's Law and the wider coverage of repairs risks is scheduled be implemented in Q3 of 26/27, with longer term system integrations to be completed in Q1 of 2027/28.	
11	**Failure to instigate arrangements for the proper management of Council property (including commercial and administrative buildings).**	12	Medium term	8	Implement the Property Improvement Plan. Review actions in the improvement plan and determine whether updates required.	31/12/2026
13	**Integrated delivery models for local health & care services does not deliver**	12	Medium term	9	Ongoing regular communication and engagement with ICB, Health services, and the Voluntary and Community Sector through existing and new governance arrangements to align goals, manage expectations and agree resource allocation. In the context of austerity and the changes in the ICB, this governance (Health and Wellbeing Board, Borough Based Partnership and Joint Partnership Board) has been essential in managing risk for our residents, supporting service delivery and maintaining relationships with our stakeholders. The Deputy DASS is our ASC champion in the development of Neighbourhoods as one of the Integrator organisations for Haringey along with Whittington Health and Haringey GP Federation. Clearer pathways and processes are under development to ensure continuous learning opportunities related to integrated care practices and system navigation. Workshops with Health, VCSE and our residents focused on hospital avoidance and follow up workshops with Whittington Health have identified key actions which would enable us to further address performance in hospital discharge - strong collaboration with our Integrated Care Team, Housing, Brokerage and Commissioning. Additionally, our ASC Improvement Board, Borough Based Partnership, and Health and Wellbeing Board are overseeing and supporting continuous improvement in this area. Winter Funding Proposals will further support integration and system resilience.	10/10/2026

3	**Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.**	9	Long term	9		on-going
4	**Potential health and safety incident affecting employees or member of the public.**	8	Short & Medium term	8	Implementation of the new H&S Strategy. (completed, added onto the Intranet and communications issued across organisation week commencing 21/09/26). Ongoing work to implement and embed across the organisation. Review and update of the H&S Policy (update completed, added onto the Intranet and communications issued across organisation week commencing 21/09/26) Programme of review in place for procedures. Ongoing. Risk Assessment repository devised and team risk assessments being requested from services/teams across the Council. Ongoing. Each Directorate/Service/Team to devise their H&S Plan. Templates have been collated and will be populated prior to each of the upcoming HSW Committees. Chair/attendees will be responsible for liaising with all the services/teams to ensure their plan is reviewed/updated. Monitoring will take place at each quarterly HSW Committee meeting. Annual H&S Self-audits will be issued to services/teams in June of each year and any actions identified will need to be added to their H&S Plan with ongoing monitoring to ensure actions are completed as required.	31/03/2027 25/09/2026 n/a n/a 31/12/2027 n/a
19 (New)	**Failure to comply with the Equality Act and PSED by not effectively implementing the EHRC updated 'Code of Practice for services, public functions and associations' across all council services and commissioned services presenting a legal, reputational and financial risk.**	12	Short & Medium term	6	Rollout of staff training Quantification of anticipated financial contingency requirements in legal and capital costs.	01/10/2026

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Agenda Item 14

Report for: Audit Committee – 3 November 2026

Item number: 14

Title: KPMG LLP Statutory and Non Statutory Recommendations – Update on Progress - October 2026

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

Lead Officer: **Taryn Eves, Corporate Director of Finance and Resources, Taryn.Eves@haringey.govuk**

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

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

1. Describe the issue under consideration

1.1 On 20 July 2026, Council agreed the management responses to the Statutory and Non Statutory recommendations issued by KPMG LLP on 18 May 2026. Council also agreed that Audit Committee is responsible for monitoring and providing assurance that adequate progress is being made.

1.2 This report is the first update since the full Council meeting in July 2026 and an update is set out in full in Appendix 1.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is asked to note the progress against the Statutory and Non Statutory recommendations issued by KPMG and as set out in Appendix 1.

4. Reasons for decision

4.1 Schedule 7 of the Local Audit and Accountability Act 2014 requires that the Council must consider the Statutory and Non-Statutory Recommendation at a meeting held before the end of the period of one month beginning with the day on which it was sent to the authority (18 May 2026). It was subsequently agreed with KPMG LLP that the report and the Council's response could instead be considered at the next available Full Council meeting, that being 20 July 2026. At that meeting the relevant authority must decide— (a)whether the report requires the authority to take any action or whether the recommendation is to be accepted, and (b)what, if any, action to take in response.

4.2 At the Council meeting on 20 July 2026, Council agreed that (a) the report required the authority to take action and that the recommendations were accepted, and (b) agreed the Council's response.

4.3 Council also agreed delegation of the monitoring of these actions to the Audit Committee, reporting through the Annual Governance Statement Action Plan. This is the first update to Audit Committee and as a separate agenda item.

Future updates will be reported through the half yearly updates on the Annual Governance Statement.

5. Alternative options considered

5.1 Not applicable. Full Council in agreeing to accept the Statutory and Non-Statutory recommendations from KPMG on 20 July 2026, agreed, that progress would be reported regularly to Audit Committee, no other options have been considered.

6. Background Information

6.1 As well as giving an opinion on the financial statements and assessing the arrangements for securing economy, efficiency and effectiveness in the Council's use of resources, KPMG LLP have additional powers and duties under the Local Audit and Accountability Act 2014. KPMG LLP concluded that it was appropriate to use their powers to make a written Statutory Recommendation and two Non-Statutory Recommendations under Schedule 7 (Paragraph 2) of the Local Audit and Accountability Act 2014.

6.2 The recommendations were received in writing on 18 May 2026 and were made owing to the concerns of the Council's financial position (including the significant decrease in the level of reserves), the continuing need for Exceptional Financial Support from the Ministry of Housing, Communities and Local Government and its impact on financial sustainability. The recommendation was made with respect to the financial year 2025/26.

6.3 At the Council meeting on 20 July 2026, Council agreed that (a) the report required the authority to take action and that the recommendations were accepted, and (b) agreed the Council's response subject to the following amendment:

That a cross-party Member Finance Recovery Board is established (subject to appropriate confidentiality requirements), chaired by the Chief Executive and that the Corporate Director of Finance and Resources will provide this Board with monthly savings reports detailing the progress on savings in the current year using the most recent available management information. The first of these reports will be delivered within a month of this response to the auditors being passed by Full Council and they will continue to be published until superseded by the arrangements being introduced in November.

6.4 A link to the written recommendations received from KPMG LLP and the Council's response is included in the 'background papers' section at the end of this report. The purpose of this report is to present an update on progress.

Contribution to the Corporate Delivery Plan and High level Strategic Outcomes?

7.1 The Council's Financial Resilience Plan is the basis for responding and improving its financial position over the next three years. The Financial Resilience Plan focuses on key priority service areas, mainly those where spending is high and there is the greatest opportunity to transform and re-design services and deliver savings through cost reductions or increased income. All other services not covered by the priority areas have prepared a Value for Money Action Plan with proposals to reduce spend and increase

income that align Haringey's spending with statistical neighbours and cost avoidance measures to limit year on year increases in additional budget required to fund pressures over the next three years. The outcome of this work over the summer will be presented to Cabinet on 10 November and will include opportunities identified by officers to close the budget gap over the next three years within the context of delivering on the priorities in the Corporate Delivery Plan that will be presented as part of the same agenda to Cabinet.

7.2 The Corporate Delivery Plan will be presented to Cabinet in November 2026 and has been prepared based on what can be delivered within existing resources.

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

The actions agreed by Council on 20 July 2026 are expected to increase the level of savings agreed by the Council for 2027/28 onwards, improve delivery of these savings and reduce future reliance on Exceptional Financial Support. These outcomes together are expected to improve the financial sustainability of the Council.

Delegation of the monitoring of these actions is to the Audit Committee, and this is the first report. Subsequent updates will be included in the Annual Governance Statement**.**

Progress against these recommendations are set out in Appendix 1 and as part of the 2027/28 budget planning process over the summer, a review of all service and corporate assumptions have been updated, as well as opportunities identified by officers that can reduce spend and increase income to close next year's estimated budget gap of £37.7m and reduce the reliance on EFS.

Procurement

Strategic Procurement has been consulted on the contents of this report. The recommendations, the Council's response and this update do not give rise to any immediate procurement implications requiring a procurement decision.

However, Procurement and Commissioning has been identified as a priority area within the Council's Financial Resilience Plan and will contribute to the delivery of future savings, service transformation and value for money initiatives. Any resulting procurement, commissioning or contract management activity will be undertaken in accordance with the Procurement Act 2023, the Council's Contract Standing Orders and the Council's established governance arrangements.

9.2 **Director of Legal & Governance – Fiona Alderman, Director of Legal and Governance.**

Under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014 (the Act), a local auditor may make a written recommendation to a "relevant authority" during or at the end of an audit, and any such recommendation must be sent to the Secretary of State. The Act defines a relevant authority as including "A London borough council". The basis for a recommendation to be issued is where the auditor considers that it would be in the public interest for it to raise an issue discovered during the audit, so that the authority can consider it or bring it to the attention of the public. If a recommendation is made, then an obligation is placed on the authority under the Act to consider it at a meeting "held before the end of the period of one month beginning with the day on which it was sent to the authority".

The Act stipulates that the body which is to consider the recommendation is Full Council, and that the function cannot be delegated further. The Act requires the authority to give notice of the meeting in a prescribed format and location "before the beginning of the period of 8 days ending with the day of the meeting". Confirmation is given that notice was published on the Council's website on 10 July 2026 and the report considered by Full Council on 20th July 2026.

Confirmation is given that the Council's Audit Committee does have the Constitutional power to monitor progress being made to implement the Council's response to the recommendations by virtue of its following Terms of Reference:

To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

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 1 – Update on the Council's response to the Statutory Recommendation and Non-Statutory Recommendations in accordance with Schedule 7, Paragraph 2 of the Local Audit and Accountability Act 2014.

11. Background Information

Council 20 July 2026 - Letter received from KPMG detailing Statutory and Non Statutory Recommendations - Letter to.pdf
Council 20 July 2026 – Council's response - APPENDIX B Final.pdf
Council July 2026 – Amendment subsequently agreed by Council - Item 9._amendment.pdf

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APPENDIX 1 – Update on the Council's response to the Statutory Recommendation and Non-Statutory Recommendations in accordance with Schedule 7, Paragraph 2 of the Local Audit and Accountability Act 2014.

This appendix sets out the full details of the Council's response to the recommendations received from KPMG LLP which were agreed by Council on 20 July 2026 and the latest progress update.

Council Response	Update - November 2026
The Council has developed a three-year Financial Resilience Plan which recognises that addressing the financial challenges in Haringey cannot be resolved in a single year. The Financial Resilience Plan focuses on key priority service areas, mainly those where spending is high and there is the greatest opportunity to transform and re-design services and deliver savings through cost reductions or increased income. The areas are as follows: • Adult Social Care • Procurement and Commissioning • Housing • Income generation and income collection • Customer Services • Reductions in Senior Management roles • Reduction in capital programme • Council Tax A Delivery Plan will be developed for each of these priority areas with the expected outcome of reducing spend and/or increasing income and a level of performance that aligns Haringey's spending with statistical neighbours. This will also include cost avoidance measures to limit the year on year increase in additional budget required to fund pressures while maintaining appropriate quality standards within services to meet its statutory duties. All other services not covered by the priority areas above will be required to produce a Value for Money Action Plan with proposals to reduce spend and increase income that align Haringey's spending with statistical neighbours and cost	The Financial Resilience Plan was developed and agreed in the summer and has been the basis for the financial planning work over the last few months and the development of new savings and income proposals to contribute towards reducing the budget gap for 2027/28 onwards. These officer proposals align with the eight priority areas in the plan and also the VFM action plans that were prepared by other services and will be presented in the report to Cabinet on 10 November to recommend agreement to go out to consultation and engagement in advance of the draft budget being presented to Cabinet in February 2027. Over the remainder of the calendar year, officers will complete all of the due diligence on the new proposals as well as existing savings; to gain assurance on delivery and accuracy of estimated financial benefit and to ensure that the draft budget presented to Cabinet in February 2027 is robust and realistic. Addressing the budget gap for next year will continue and ongoing identification of additional proposals. These are largely expected to be changes that do not require consultation and engagement. Officers are in discussion with external experts to commission a fully integrated transformation delivery partner who will work with the Council across its services (initial focus on demand led services) to identify longer term transformational changes and re-design services that will improve the longer term sustainability of the Council. Any opportunities identified are expected to deliver financial benefit from 2028/29 and updates will be provided through quarterly monitoring reports and the next update to the MTFS reported to Cabinet in February 2027. Any previously approved savings that are at risk will require alternative mitigations to be identified unless there is evidence of changes in circumstances that indicate it can no longer be delivered as planned. These

Council Response	Update - November 2026
avoidance measures to limit year on year increases in additional budget required to fund pressures over the next three years. The savings / income / cost avoidance proposals for the listed priority areas and the VFM Action Plans are expected to reduce the budget gap in future years and the reliance on EFS. The full details will be presented as a bundle of the proposed savings, together with the detailed delivery plans as part of the Medium-Term Financial Strategy to Cabinet in November 2026 and will be subject to the Council's decision-making process. Where opportunities identified can be delivered in year, immediate decisions will be taken to realise reductions in year and reduce the forecast £84m in year reliance on EFS. Monthly monitoring of the agreed savings will be through the Finance Recovery Board which is chaired by the Chief Executive and includes independent external sector experts for scrutiny and challenge with action taken against non-delivery. Progress will be reported externally to Cabinet and Overview and Scrutiny Committee through the quarterly finance reports and to Audit Committee as part of updates on the Annual Governance Statement. All Member briefings by the Section 151 Officer will take place during the year to update on the latest financial position as part of the usual budget setting cycle. Spending controls already in place will continue and a clear Section 151 Officer approval process will be introduced for any department to spend beyond its cash limits, to ensure that there is a clear and agreed funding strategy agreed if spending is deemed essential.	must be exceptional because any write off of existing savings increases the budget gap for next year. Monthly monitoring of all existing savings in 2026/27 continues to be in place and reported to CLT. This tracks not only the delivery of financial savings but also of the changes required to deliver the savings. All Corporate Directors are, required to sign off their monthly forecasts, held accountable for any non-delivery and challenged on any actions needed for non-delivery. The last quarterly update to Cabinet was in September Agenda for Cabinet on Tuesday, 15th September, 2026, 6.30 pm | Haringey Council and show that service specific savings are largely on track but challenges continue with the 'cross cutting' savings - albeit some progress has been made for the delivery of the Commissioning Modernisation Programme and Enabling Services as reported in the Quarter 1 report to Cabinet in September. In relation to the Service Modernisation Programme, this is going through a re-set process to challenge existing business cases and prioritise resources to customer services, housing and adult social care since these are the areas prioritised for service improvement and also financial benefit. The next update will be the Quarter 2 report to Cabinet in December. The first meeting of the cross party Member Finance Recovery Board will be on the 28 October. An update will be provided verbally at Audit Committee since these papers are published before that meeting took place. At that meeting, the Terms of Reference will be agreed and they will consider the latest forecast delivery of the savings. The Section 151 Officer has been engaging with Cabinet and Opposition groups throughout the financial planning cycle to date and an All Member Briefing is planned for 29 October in advance of the full Cabinet papers being published on 2 November 2026. Spending controls continue to be in place to review and make decisions on all non essential spend over £1,000 and all recruitment not agreed to be exempt. A recent internal audit review has identified some areas of non compliance with the controls which has been reported to Finance Recovery

Council Response	Update - November 2026
	Board and action is being taken to address and re-enforce compliance. Consequences through the HR disciplinary process will now be put in place where there is persistent evidence of non compliance. A review of the effectiveness of the controls is also underway to ensure that financial benefit aligns with resource input and the Section 151 Officer will be agreeing revised arrangements with FRB at its next meeting.
Accountable Officer – Corporate Director for Finance and Resources (Section 151 Officer)	

Council Response to Non-Statutory Recommendation 1	Update – November 2026
All decisions already include statutory finance comments and all decisions over £25,000 require Section 151 sign off to confirm that the spending is essential and the budget provision is available. Going forward, the Section 151 Officer will review how reports are written and presented, including those at Cabinet to ensure that the financial impact of the decision is a prominent feature of the report and all Cabinet Member introductions reference the financial impact of the decision **(From September 2026)**. In 2026/27, the Commissioning Panel will continue to review and challenge all new commissions for services (funded by revenue) through a formal gateway approval process over £160,000 but this threshold is expected to reduce to £25,000 during 2026/27 **(by March 2027)**. The panel which consists of a panel of commissioning experts who scrutinise requests to ensure there is a clear evidence base for need, quality of service is in line with other authorities, all options are considered, including proposals to reduce spend. In 2026/27, the new governance on capital spending will continue to be embedded. All schemes in the programme will be subject to review and those not in flight or can be paused will be considered for removal from the capital programme. No scheme will be included in the capital programme without having been subject to the new capital governance and an approved	**Sign off and Detail of Decision Reports** The Section 151 Officer (or her delegate) continues to review all decision reports that incur spend over £25,000 to ensure that the spend is required and that there is sufficient budget provision. Work is still required to fully embed the action to ensure that reports are written in a manner that the financial impact of the decision is a prominent feature of the report and all Cabinet Member introductions reference the financial impact of the decision. This is largely because of the urgency of reports when they come to the Section 151 and limited time to request changes before the decision is required. This will be addressed going forward and guidance to report authors and those preparing the finance comments to encourage more forward planning so that reports come to the inbox sooner. **Commissioning Modernisation Programme** The Commissioning Panel has been fully established since the beginning of the year and created as part of the Commissioning Modernisation Programme as a mechanism to challenge all commissions over £160,000 (approx. £323m each year) to ensure that needs of the commission are appropriately evidenced, that a full options appraisal of how to meet outcomes has been completed, opportunities to reduce costs by 5% have been considered and that routes to market have been challenged and agreed with Strategic Procurement. All of these are aimed to provide assurance on value for money. In-year MTFS savings on third-party spend across children and adult services total £3,289.580 to date. The Commissioning Panel has reviewed 86 contracts with a combined revenue value of £354m and capital value of

Council Response to Non-Statutory Recommendation 1	Update – November 2026
business case by Strategic Capital Board. Ongoing monitoring of business case assumptions and delivery of retained schemes will be through the capital governance framework **(By March 2027)**. All other spend over £1,000 will continue to be subject to the Spend Control Panel process. Directors will continue to have discretion over determining if spend is essential and therefore not subject to panel decision but in 2026/27, these decisions will be subject to sample checks to ensure that essential criteria is met **(From September 2026)**. The Cabinet have been briefed on the financial position, and this will continue through the financial planning process in developing the draft budget for 2027/28 onwards in a smaller financial envelope. All Member briefings by the Section 151 Officer will take place during the year to update on the latest financial position as part of the usual budget setting cycle. Externally, through officers and Members the Council is committed to be open and transparent about its financial challenges and the steps as set out in this response to bring the budget back into balance, the options considered, choices made and the reasons why. These external communications will commence from September 2026 and will be formally reported through the MTFS and draft budget proposals published for Cabinet in November 2026. The Council acknowledges that its delivery of savings must improve. A new tighter monitoring and reporting process is in place for 2026/27 and all existing savings and new savings identified through the Financial Resilience Plan will have an identified Corporate Director and Director lead that will be held accountable for delivery and managed through the Finance Recovery Board **(From July 2026)**.	£118.5m, with forecast revenue savings of £1,479,030. The Recruitment Project has delivered a further £1,103,954 in spend avoidance. Taken together, the programme has delivered £5,872.564 of financial benefit to date in 2026/27. **Capital Programme** The annual review of the capital programme has taken place over the last few months. To provide greater clarity and to ensure that the Council is not budgeting for borrowing not yet confirmed as required, new categorisations have been introduced into the planning stage this year – pre pipeline, pipeline, infight and contingency. The result of this categorisation and process change means that the funded capital programme considered by Cabinet in February 2027 and subsequently presented to Full Council on 1 March 2027 for approval will only include projects that are deemed 'inflight' or 'contingency'. Work to date has been on: - • Confirming schemes that will have completed at the end of 2026/27 and therefore will not feature in next year's programme. • Confirming schemes that no longer align with priorities in the Corporate Delivery Plan and can be re-prioritised. • Review of schemes that need to be retained in the programme to review the business case, delivery plan and profile of spend. Where a delivery plan cannot be evidenced but delivery is expected, these will be removed as named schemes in the programme and reflected within the contingency allocation with approval through the capital governance process in year. **External Engagement** -The Council continues to be open and transparent internally and externally regarding its financial position. Internally this includes regular updates to staff and members. Externally, the Leader and Cabinet Member for Finance have communicated through social media with residents, updates to all of the borough's MPs and GLA, letters to Ministers and the Leader has convened the Leader's and Chief Executive's of the 35 EFS authorities to discuss the position and joint lobbying to Government regarding the punitive measures of EFS and it not being a sustainable solution. The Section 151 Officer engages regularly with MHCLG and will shortly commence discussions on next year's EFS requirement based on the latest

Council Response to Non-Statutory Recommendation 1	Update – November 2026
	position and a recently completed financial resilience review by CIPFA and its recommendations will be published along with the Council's response when available. Work is underway to develop a performance and finance dashboard that will be available on a refreshed page of the website that all can access and also be used in future 'Town Hall' style meetings planned by the Leader over the coming months as part of the budget conversations with residents following Cabinet on 10 November. **Other** An update on spend controls, delivery of savings and communication and engagement with Members is provided above against the statutory recommendation above.
Accountable Officer – Corporate Director for Finance and Resources (Section 151 Officer)	

Response to Non-Statutory Recommendation 2	Update – November 2026
Work has commenced on the 2027/28 financial planning process alongside the development of the Council's new Corporate Delivery Plan. All members through the Member induction process have been briefed on the Council's financial position and more detailed updates have been provided to Cabinet to highlight the challenge we must address through the Council's Financial Resilience Plan as set out in the response to the Statutory Recommendation above. All Member briefings by the Section 151 Officer will take place during the year to update on the latest financial position as part of the usual budget setting cycle. The full details will be presented as a bundle of proposed savings, together with the detailed delivery plans as part of the Medium-Term Financial Strategy to Cabinet in November 2026 and will be subject to the Council's decision-making process **(November 2026)**.	**2027/28 Financial Planning** Although the financial planning process is an all year round activity, planning for 2027/28 formally commenced in June. Work over the summer has included: • Review of all service specific assumptions for increased demand and price. • Review of all corporate budget assumptions, such as interest rates, inflation, levies. • This work has resulted in a revised but more realistic budget gap for 2027/28 of £37.7m. • Using the Financial Resilience Plan as the basis, identifying new savings and income proposals to contribute towards closing the gap. • Review of the capital programme as detailed above. All of this work will be presented in a single report to Cabinet on 10 November that will ask Cabinet to launch a consultation and engagement exercise on the proposals that have been identified by officers. This exercise will run until 4 January and further details will be set out in the report. The outcome of the consultation will be considered in drafting the 2027/28 draft budget to Cabinet in February 2027 and for recommending to Full Council on 1 March 2027.

Response to Non-Statutory Recommendation 2	Update – November 2026
The Council is committed to consider any early decisions on spending reductions that can be taken in year (mid year budget proposals) that will have an immediate impact on improving the Council's financial position and this may include undertaking consultation of changes in policy as soon as feasible possible to ensure full year impact of any changes in 2027/28 **(From September 2026)**. Given the Council's current political structure and No Overall Control, All Members will continue to be regularly briefed on the financial position. Support and engagement will be in place with oppositions groups in the development of any alternative budget they put forward **(From June 2026)**. Identification of savings options will use a range of tools, including benchmarking of performance and spend against other authorities, ideas from previous years and a review of all savings proposals put forward by other authorities over recent years **(November 2026)**. As detailed in our response to Recommendation 1, the Council acknowledges that its delivery of savings must improve. A new tighter monitoring and reporting process is in place for 2026/27, and all existing savings and new savings identified through the Financial Resilience Plan will have an identified Corporate Director and Director lead that will be held accountable for delivery and managed through the Finance Recovery Board.(**From July 2026)** Progress will be externally reported through Cabinet and Overview and Scrutiny Committee and to Audit Committee through the update on the Corporate Risk Register and the Annual Governance Statement **(From September 2026)**. The Council acknowledges that delivering the level of changes and savings needed through its Financial Resilience Plan will	The process to identify new opportunities has used a range of tools, including benchmarking of performance and spend against other authorities, ideas from previous years and a review of all savings proposals put forward by other authorities over recent years. The expectation was be for all options to be presented to Members and this has been achieved to some extent with those that will be included in the report to Cabinet in November, but the further work between now and January will continue to explore additional opportunities to contribute towards next year's gap. The work expected to commence with a transformation delivery partner will focus on longer term sustainable and much more transformational service re-design to deliver from 2028/29 onwards in improving the Council's position. Although this process has not identified any specific opportunities to take early decisions on (mid year budget proposals) the Council continues to have in place tight spending and recruitment controls as detailed above to mitigate against the in year overspend of £21.7m that was reported to Cabinet in Quarter 1. **Member Engagement** As highlighted above, The Section 151 Officer has been engaging with Cabinet and Opposition groups throughout the financial planning cycle to date and an All Member Briefing is planned for 29 October in advance of the full Cabinet papers being published on 2 November 2026. A further All Member Briefing will also be scheduled in January in advance of the draft report being presented to Cabinet in February 2027. **Delivery of Savings** An update on savings delivery assurance is provided above against the earlier statutory recommendation. Progress is monitored monthly through Finance Recovery Board and from 28 October the cross party Member Finance Recovery Board. Quarterly reporting to Cabinet, Overview and Scrutiny Committee and Scrutiny panels continues. **Delivery Capacity** The Council recognises that to deliver the scale of savings and transformational change and service re-design needed and at the pace

Response to Non-Statutory Recommendation 2	Update – November 2026
require capacity and expertise dedicated to delivery. Therefore, the Council's transformation efforts and capacity will be concentrated on the areas where we can have maximum impact and also where there is the highest priority need for improvement and re-design that will lead to savings. Any funding of additional capacity and skills will need to be agreed through the Section 151 Officer and the £2.5m set aside in the 2026/27 budget through the Flexible Use of Capital Receipt. The Council's change and project support capacity will be aligned with the priorities set out in the Financial Resilience Plan **(From July 2026)**.	needed to improve its financial sustainability, additional capacity and skills will be required. The Council's delivery arrangements can come in many different ways: • Internal capacity and skills. • External expertise commissioned on an ad hoc basis. • Partnership arrangements with a lead consultancy. <u>Internal Capacity and Skills</u> Following a restructure within Finance and Resources, the two Programme Management Functions within the Directorate have consolidated which creates a stronger central oversight function that supports management grip and greater join up and coherence. The prioritisation of the capacity within this corporate team will be determined by the Finance Recovery Board and prioritised to the projects and programmes that have the greatest return on investment. <u>External Expertise</u> It is recognised that the Council does not have all the necessary skills and expertise internally and therefore on occasions there may be a requirement to commission externally. Any request for external expertise will be subject to a full business case agreed by the Corporate Director of Finance and Resources. <u>Lead Consultancy Partnership Arrangements</u> Some services may require such a significant transformation and service re-design that it is better value for money to enter into a more formal partnership arrangement with a consultancy firm that brings the service expertise, capacity and skills that are needed over the duration of the Financial Resilience Plan. Any request for external expertise will be subject to a full business case agreed by the Corporate Director of Finance and Resources. The Corporate Director of Finance and Resources will set aside a sum of capital receipts over the next three years that can be utilised to support the deliver of the transformation and service re-design that will be required to deliver the Financial Resilience Plan. In addition, the Council has been

Response to Non-Statutory Recommendation 2	Update – November 2026
	successful at securing £4.79m from MHCLG in transformation funding that can be utilised. Both allocations of funding will be held corporately and managed by the Corporate Director of Finance and Corporate Services. Any request to access this funding will be subject to approval of a full business case that provides evidence of clear financial benefits. Requests will be prioritised according to financial return and outcomes for residents and a criteria for prioritisation will be established before the end of December 2026. Compared to previous years, a more stringent process will be in place for the monitoring the financial benefits from this investment and will be evidenced through the delivery of cost reductions or income generation. If the agreed investment is not resulting in the financial benefits, lead officers will be provided with a window of opportunity to address the issue but if improvements do not materialise in a timely manner, financial resources and/or staffing capacity will be removed and re-prioritised.
Accountable Officer – Corporate Director for Finance and Resources (Section 151 Officer)	