

NOTICE OF MEETING

AGENDA FOR THE CABINET MEMBER SIGNING

Monday, 7th September, 2026, 11.30 am - Alexandra House, Station Road, N22 7TY.

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Members of the public are welcome to attend this meeting. If you wish to speak at the meeting please register by emailing the Democratic Services Officer. Contact details can be found at the end of the agenda front sheet.

Elected Members:: Johann Beckford

1. FILMING AT MEETINGS

Please note that 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. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. 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 and using the public seating area, 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. 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

4. URGENT BUSINESS

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

5. DEPUTATIONS / PETITIONS / QUESTIONS

6. PROVISION OF INTERNAL AUDIT SERVICES (CONTRACT FOR THE SUPPLY OF INTERNAL AUDIT SERVICES) (PAGES 1 - 10)

Democratic Services Contact: Richard Plummer Committees Manager
Telephone: 020 8489 4319
Email: richard.plummer@haringey.gov.uk

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

Thursday, 27 August 2026

Public Questions

Any resident, council tax payer or national non domestic rate payer of the Borough may ask the Chair of any Committee or its sub bodies any question on anything for which the Committee is responsible at any ordinary meeting. Notice of questions

must be given in writing to the Democratic Services Manager by 10 a.m. on such day as shall leave three clear days before the meeting (e.g. Tuesday for a meeting on the following Monday). The notice must give the name and address of the sender. Should a question be rejected, the questioner will receive a written response advising of this, including the reasons for the rejection.

Deputations

A deputation may only be received by a Committee or its sub bodies if a requisition signed by not less than ten residents of the Borough, stating the object of the deputation, is received by the Democratic Services Manager not later than 10am to leave three clear days prior to the Committee meeting.

Accessibility Requirements

If you would like to attend and you have any special requirements, please email Richard Plummer Committees Manager at richard.plummer@haringey.gov.uk. 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.

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Report for: 7th September 2026

Item number:

Title: Contract for the provision of Internal Audit Services

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

Lead Officer: Minesh Jani
Head of Audit and Risk Management

Ward(s) affected: All

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

1. Describe the issue under consideration

Haringey Council's internal audit service seeks to access and call-off from two local authority framework agreements to provide an effective internal audit in order to comply with statutory requirements and achieve the best value for money for the Council.

2. Cabinet Member Introduction

2.1 As the Cabinet Member for Finance and Resources, I am pleased to introduce this report recommending utilising established Internal Audit Services frameworks used by most local authorities in London for the provision of internal audit services. Under these proposals, the Council will enter into Access Agreements with Croydon Council, to call off services from their single-supplier Audit Services Framework Agreement and with Barnet Council to call off services from their multi-supplier Internal Audit and Advisory Services (Cross Council Assurance Service).

2.2 Robust corporate governance is the bedrock upon which all Council services are built, and residents rightly expect us to safeguard public funds, manage risks effectively, and maintain the higher standards of internal controls across the Council.

2.3 The use of Internal Audit Services frameworks ensures the Council maintains independent, agile, responsive and high-quality internal audit that complies fully with statutory duties in a cost effective manner. By utilising established public sector frameworks, the Council has secured delivery of internal audit with the depth of expertise required to vigorously challenge processes, continuous improvement and provide the vital assurance that Audit Committee and the community demand.

3. Recommendations

For Cabinet Member to approve:

- 3.1 Under CSO 2.01b the commencement of a procurement process and the Council entering into an Access Agreement with Croydon Council, to call off services from their single-supplier Audit Services Framework Agreement, as permitted under CSO 7.02. This will mean an award to call-off contracts to Forvis Mazars Public Sector Internal Audit Ltd (Mazars) pursuant to CSO 2.01(c) to deliver the Internal Audit service for Haringey Council from 1 October 2026 for period of 3 years, 6 months to 31 March 2030 at a total cost of up to £2.0m over the duration of the contract, AND
- 3.2 Under CSO 2.01b the commencement of a procurement process and the Council entering into an Access Agreement with Barnet Council to call off services from their multi-supplier Internal Audit and Advisory Services (Cross Council Assurance Service) Framework Agreement as permitted under CSO 7.02 from 1 October 2026 to 31 March 2029 at a total cost of up to £1.5m over the duration of the contract.
- 3.3 To allow for an extension to the contract with Barnet Council for up to another 5 years to 31 March 2034. If this option is exercised the cost will be an additional £2.5m, bringing the aggregated total value of the contract with Barnet to £4m for 8 year period.
- 3.4 The total cost for the provision of internal audit in any year will not exceed £0.5m allowing for any inflationary increases based on the 2026/27 tendered prices.

4. Reasons for decision

- 4.1 The current internal audit contract commenced on 1 April 2018 and expired on 31 March 2026 but which has been extended to 30 September 2026. Internal audit is a statutory function which Haringey Council is required to maintain. It is therefore necessary to ensure that an appropriate internal audit service is in place from 1 October 2026, to ensure ongoing compliance with statutory requirements as set out in options 4 and 5 at paragraphs 5.6 and 5.7 below.

5. Alternative options considered

- 5.1 Five options have been considered and these are set out below.

5.2 Option 1 – In House Service (Not Recommended)

- 5.2.1 Experience has proved that it is highly unlikely that an in-house resource could be recruited and retained to deliver the Council's internal audit service in its entirety. Most London boroughs have outsourced their internal audit service to some extent and none are looking to bring this service fully back in-house due to the ongoing costs of recruitment, retention and specialist audit training required. Nevertheless, consideration will continue to be given for recruiting internal audit professionals to carry out elements of internal audit work and to compliment the use of the external internal audit provider. The consideration will look to actively test whether in-house model delivers greater long-term value with an assessment of business knowledge, cost scale and long term talent strategy. It is recognised an in-house service allows auditors to develop a deep

understanding of Council processes, key relationships and understand the culture of the Council. The Chief Audit Executive (Head of Audit and Risk Management) is required by the Global Internal Audit Standards to carry out an annual review of the internal audit service, and as part of this process, the Head of Audit and Risk Management will consider the opportunity to recruit in-house internal audit professionals to deliver the internal audit plan.

5.3 Option 2 – Open Tender (Not Recommended)

- 5.3.1 The potential contract values involved for this length of contract would require a full re-tender following procurement legislation, under the Procurement Act 2023, unless an acceptable alternative procurement route is used e.g. an appropriate framework agreement. The full open tender approach by Haringey alone is not recommended as taking an independent procurement route in this way would be resource-intensive and unlikely to achieve better results in terms of value for money than the other exiting framework options available.

5.4 Option 3 – Crown Commercial Services (CCS) (Not Recommended)

- 5.4.1 This is a framework agreement established by central government for the provision of internal audit services under their Management Consultancy Framework. Although geared towards provision within Central Government, local authorities are included in the list of organisations eligible to use the framework. The framework includes the provision of services from all the main providers of Local Government internal audit, namely: BDO LLP, Deloitte LLP, Ernst & Young LLP, Grant Thornton LLP, KPMG LLP, Mazars LLP, PWC LLP, and RSM Tax and Accounting PLC.
- 5.4.2 To utilise the framework it would be necessary to conduct a 'mini competition' between the contractors. While this option would ensure that the market is tested, it is considered that, as with the full tender (option 2 above), it is unlikely that the relatively small number of audit days Haringey would require would attract better rates than those available under the Croydon Council Framework. The current indicative standard daily rates quoted by each of the contractors within the overall government framework are higher than those currently paid by the Council under the Croydon Council Framework.

5.5 Option 4 – Shared Service with another local authority (Not Recommended)

- 5.5.1 A number of London boroughs have entered into shared service arrangements to deliver their statutory internal audit service in recent years. Some of these arrangements form part of large, shared arrangements covering a range of different council services, while others only cover internal audit arrangements.
- 5.5.2 In the longer term, it might be beneficial for the Council to consider shared service arrangements if issues with the existing and contractual delivery of internal audit services are identified and this could result in a reduced cost to the Council. In such circumstances, shared service arrangements might provide:
- **Improved resilience** – less reliance on the external audit delivery partner to provide audit resources to the council;
 - **Access to specialist internal auditors** – most councils would not have sufficient work to justify employing these to work solely at one authority;
 - **Contract options** – explore alternative arrangements, including other frameworks, shared services etc.;
 - **Career opportunities** – developing and retaining in-house audit staff to avoid reliance on external contractors; offering experience and training across one or more councils may attract higher calibre candidates;
 - **Savings opportunities** – ongoing financial constraints mean councils look to review how services are delivered; exploring alternative arrangements may reduce overall costs across authorities.
- 5.5.3 A small number of the shared service arrangements have since reverted back to stand-alone internal audit services for their respective authorities; this has been for various reasons including: a recognition that the Head of the Shared Internal Audit Service has less capacity to support more than one authority; service delivery arrangements had not met expectations; and strategic arrangements had changed. Nevertheless, there are a number of shared service models that have been in operation for a number of years and remain viable.
- 5.5.4 At a time when Haringey Council is undergoing significant financial and operational challenges, the level of risk exposure is increased and therefore it is critical that an adequate level of dedicated internal audit work is maintained to ensure new working systems and processes are implemented effectively across the organisation and relevant assurance is provided; and that sufficient senior level audit resources are available to support officers and members. This option may be considered in the future by the Head of Audit and Risk Management as part of the annual appraisal of the internal audit service.

5.6 Option 5 – Alternative Framework contract (Recommended)

- 5.6.1 There is an alternative framework agreement established by Barnet Council (Cross Council Assurance Service) that became available from 1 April 2026 for

the provision of internal audit services and, other local authorities (including Haringey) are included in the list of organisations eligible to use the framework.

- 5.6.2 The framework is structured to allow local authorities to procure using a mini competition route of the three providers on the framework; KPMG, PWC and Forvis Mazars. For Haringey, as KPMG is the external auditor, and local authorities cannot have the same internal and external auditor for independence reasons, the authority will not be able to appoint KPMG as its internal auditor. The possibility of using PWC and Mazars from this framework remains available where economically advantageous or for the effective delivery of the internal audit function.
- 5.6.3 The contract is structured as a call-off and, as such, offers Haringey Council maximum flexibility in terms of the number of days purchased in any year, with no requirement to purchase a minimum number of days. This option is included in the recommendations above to ensure all options remain available for the delivery of internal audit at the Council should specific requirements be needed and will add resilience for maintaining internal audit.

5.7 Option 6 – Croydon Council Framework Agreement (Recommended)

- 5.7.1 This option involves the Council using the framework agreement procured by Croydon Council. Croydon Council tendered for a single supplier framework agreement to take effect from 1 October 2026. The tender process was run as an open procedure (ref: 077840-2025). Croydon Council has confirmed that the framework agreement has been tendered in compliance with Procurement Regulations. Croydon Council's framework agreement is delivered by a single supplier, Forvis Mazars Public Sector Audit Limited (Mazars), Haringey's current supplier.
- 5.7.2 This is a shared services model, whereby Croydon Council is the contracting authority (and therefore the service provider) and will call off a contract on behalf of the authorities which participate in the framework agreement. The framework agreement is structured to provide better value for money for audit services as more authorities join the framework. The contract is structured as a call-off and, as such, offers Haringey Council maximum flexibility in terms of the number of days purchased in any year, with no requirement to purchase a minimum number of days.
- 5.7.3 To ensure the contractor delivers maximum value for money throughout the contract lifecycle, the Head of Audit and Risk Management will implement a robust ongoing monitoring and annual evaluation framework using internal audit's Quality and Improvement Plan (QAIP). Service performance will be measured against clear key performance measures (KPIs), including plan delivery timelines, budget adherence, stakeholder satisfaction scores and the practical impact of audit recommendations. The Head of Audit and Risk Management will systematically track the depth of business insight provided and the overall cost-efficiency to ensure alignment with the Council's long term financial and strategic interests. This option will be used to provide a large proportion of the internal audit days required by Haringey.

Options 5 and 6

- 5.7.4 The framework agreement rates are based on different daily rates for the various audit areas such as IT; Contract; and general audit (including schools). This is in line with the Council's current contract. The daily rate costs in the new framework are, collectively an increase on current costs but represent good value for money for the Council compared to other options.
- 5.7.5 The framework agreement rates will be subject to review and a Retail Prices Index-linked increase in April each year. Over the four-year period, the contract value is expected to be up to £2.0m for Haringey Council. The internal audit service for Homes for Haringey and Haringey Community Benefits Society is provided via the current framework.
- 5.7.6 There are clear administrative benefits in retaining the services of the existing supplier because they are fully conversant with the Council's operational arrangements, systems and processes as well as the standard of work the Council expects and will therefore provide staff with the requisite skills.
- 5.7.7 As stated at 5.7.2 above, the contract for the internal audit service would be between Haringey Council and Croydon Council and it is being recommended that Haringey Council enter into a contract for a four-year period from 1 October 2026.
- 5.7.8 The framework agreement, whilst being 'managed' by Croydon Council, is delivered through Mazars. It is considered highly likely, although not guaranteed, that the current provider would continue to utilise staff working on the existing Haringey contract, thus retaining their accumulated knowledge about the Council.
- 5.7.9 In terms of contract payment and monitoring arrangements, unlike previously, Mazars will invoice Haringey Council directly for the audit work completed in accordance with the framework agreement's daily rates and Haringey Council will undertake regular contract monitoring and review meetings with Croydon and Mazars. Regular group meetings of the existing framework users already take place and it is envisaged that these will continue under the new framework agreement to ensure service developments and operational arrangements are satisfactory. Monthly contract monitoring review meetings take place under the current contract to ensure compliance with terms and conditions of the contract, including performance and output standards; and locally agreed performance and reporting arrangements. These meetings will continue under the proposed new contract.
- 5.7.10 The following outlines the contractual arrangements which would be in place if the council were to use the Croydon Council framework agreement:

a) Croydon Council and Mazars

This is the framework agreement onto which Croydon Council appointed Mazars following a full tender process for the provision of internal audit and anti-

fraud services. This framework agreement commenced from 1 April 2026 and run for four years (to 31 March 2030).

b) Contract between Haringey and Croydon Council

A contract will be established between Haringey and Croydon Council, whereby Croydon would undertake to provide Haringey with a number of audit days as per its requirement/ specification. Croydon Council would be responsible for delivering the services by calling-off a sub-contract from their framework agreement with Mazars.

c) Letter of engagement between Haringey Council and Mazars

This agreement is necessary to ensure that the process remains as streamlined as possible at the operational level and allows existing working practices to continue as far as is required. This agreement would enable Mazars to issue all audit reports direct to Haringey Council, rather than via Croydon Council.

6. Background information

- 6.1 Internal audit is a statutory service and has to be provided in accordance with the Accounts and Audit Regulations 2015 which requires that “a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.
- 6.2 It is the Section 151 Officer’s statutory responsibility to ensure that an appropriate level of internal audit work is undertaken to fulfil this statutory requirement. There is no clearly defined minimum statutory level set - this is a professional judgement made by the Section 151 Officer and the Head of Audit and Risk Management to ensure that there is sufficient audit coverage on which to base assurance on the Council’s overall control environment and on which External Audit can rely.
- 6.3 Internal audit delivers an annual audit plan, undertaking audit work across all the Councils’ services. The plan is a mix of risk based, compliance and systems based audit and includes IT audits, key contracts, schools and other establishments.
- 6.4 Since 1 April 2018, the Council’s internal audit service has been delivered via the current Croydon Council framework contract. Approximately 800 days of audit days per annum have been purchased each year over the period of the contract, although this has reduced to ensure expenditure is kept within budget.
- 6.5 A counter-fraud team, which undertakes both reactive and pro-active investigations, is also in place within Audit and Risk Management. The counter-fraud team also contributes to the identification and rectification of system weaknesses across the Council and within schools. This level of internal audit and counter-fraud work has enabled the Head of Audit and Risk Management and the Section 151 Officer to confirm compliance with their statutory

requirements and enable the Council to fulfil its requirements as part of the Annual Governance Statement process to confirm an adequate and effective internal audit service is in place. In addition, no significant issues with regard to the internal audit service have been highlighted by the Council's external auditors.

- 6.6 The Council's internal audit service must be able to adapt to the changing and emerging risks facing Haringey and provide appropriate assurance to senior officers and members. Poor quality audit work can lead to the provision of audit assurance to senior managers which is incorrect and could ultimately result in key control weaknesses having a detrimental effect on the achievement of objectives and/or resulting in an inefficient use of resources; at worst, it could result in a fraud being committed.

7. Contribution to the Corporate Delivery Plan and 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 strategic aims.

8. Carbon and Climate Change

- 8.1 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.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

9.1 Finance (Corporate Director: Alex Altman - Business Partner Finance)

- 9.1.1 The Council's Contract Standing Orders state that a contract for supplies and services exceeding £500,000 is a key decision which should be included in the Council's Forward Plan and approved by the Council's Cabinet.
- 9.1.2 The budget for internal audit services is contained within Audit and Risk Management's revenue budget and the costs of the contract can be contained within the available budget resources.

9.2 Chief Procurement Officer

- 9.2.1 The Croydon and CCAS framework agreements allow for Haringey Council to contract for the internal services and prescribes the contract arrangement between the Council, Croydon Council and Mazars in the case of the Croydon Framework and the Council, Barnet Council and Mazars or PwC in the case of the CCAS framework. The agreement allows for a direct instruction and

reporting relationship with a suitable internal audit provider to ensure simplicity and efficiency of operation.

- 9.2.2 Although the options of the council running a full public tender process and working with an alternate framework were investigated it is considered that that a framework agreement will offer the best method for contracting for the internal audit services.
- 9.2.3 Procurement therefore support the decision to award the contract under both frameworks as it will offer the best value for money.

9.3 Legal

- 9.3.1 The Director of Legal and Governance (Monitoring Officer) was consulted in the preparation of the report.
- 9.3.2 Pursuant to the provisions of the Council's Contract Standing Order (CSO) 2.01(b), Cabinet may approve the commencement of procurement process where the value of the contract to be procured is £500,000 or more and as such the recommendation in paragraphs 3.2 and 3.3 of the report is in line with the Council's CSO.
- 9.3.3 Pursuant to the provisions of the Council's Contract Standing Order (CSO) 7.02 and Section 45(1) of the Procurement Act 2023, the Council may procure contracts via a Framework Agreement and as such the recommendations in paragraphs 3.2 and 3.3 of the report is in line with the provisions of both the Council's CSO and the Procurement Act 2023.
- 9.3.4 Pursuant to the provisions of the Council's CSO 2.01(c), Cabinet may approve the award of a contract where the value of the contract is £500,000 or more and as such the recommendation in paragraph 3.2 of the report to award contracts to the only supplier in the Croydon Council's Framework Agreement after an Access Agreement has been entered into is in line with the Council's CSO.
- 9.3.5 The Director of Legal and Governance (Monitoring Officer) see no legal reasons preventing the approval of the recommendations in the report.

9.4 Equality

- 9.4.1 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.

9.4.2 There are no specific equality implications for the Council; as contracted providers of Haringey Council, the awarded internal audit services will be required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010.

10. Use of Appendices

N/A

11. Local Government (Access to Information) Act 1985

N/A