



# DRAFT Year End Report to the Audit Committee

Haringey London Borough Council

Year end report for the year ended 31 March 2024

27 January 2025

# Significant Value for Money Risk



## Procurement

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 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 reviewed the processes in place for contract management and oversight of contract renewal and virements.

### Our findings

#### Findings

The procurement team at Haringey currently have limited visibility on contract management across the Council and the monitoring of KPIs. There are varying degrees of contract management present at the council. The procurement team has no oversight on any spending decisions below £160k.

Strategic Procurement lacks oversight of service spending and relies on services to communicate savings after contract delivery. The current systems do not have the functionality to produce valuable monitoring data.

There is no performance reporting to senior management to allow for effective scrutiny of the contract management process

A lack of monitoring and involvement of procurement specialists may lead to Council funds being wasted on poorly managed or negotiated contracts.

From a compliance perspective, the Council is expected to adhere to a number of related regulations. Again, this lack of oversight exposes the Council to a risk of non-compliance.

Insufficient tracking and monitoring may result in unidentified quality and performance issues, which could result in disruption and diminution in the quality of services provided.

In extreme cases high profile failures can attract negative media attention, as experienced in respect of the Council's Leisure Services contract, threatening the loss of local taxpayers' trust.

#### Conclusion

Based on the above we have determined that there is a significant weakness in arrangements relating to procurement. See recommendation on page 34.

# Value for Money: Recommendations

The recommendations raised as a result of our work in respect of significant value for money weaknesses in the current year are as follows:

#	Grading	Issue, Impact and Recommendation	Management Response/Officer/Due Date
5	High	<p>The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into.</p> <p>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.</p> <p>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.</p>	<p>This recommendation is accepted and implementation of 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.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Review of scope of the current planned system, ensuring that the system meets all the requirements of the Procurement Act 2023 (PA).</li> <li>• 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.</li> <li>• 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.</li> <li>• Communications and engagement plan with services to ensure implementation at the point of organisational readiness.</li> </ul> <p>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).</p> <p><b>S151 Officer – September 2025</b></p>

**The recommendations raised as a result of our work in respect of significant value for money weaknesses in the current year are as follows:**

#	Grading	Issue, Impact and Recommendation	Management Response/Officer/Due Date
6	High	The Council should ensure services do a stock-take of contracts held to ensure procurement have access to this information and any key responsibilities and renewal dates therein.	<p>This recommendation is accepted. A review of procurement processes is underway and in line with the Procurement Act 2023 (PA) that will come into force in February 2025. This includes:</p> <ul style="list-style-type: none"><li>• Centralisation of all procurement activity associated with contracts over £25,000 which will be managed and overseen through the Strategic Procurement Team. Strategic Procurement will also monitor and ensure compliance for spends under £25,000.</li><li>• All contracts over £2m to be published on the website to align with the PA.</li><li>• Directors required to submit quarterly an update on their pipeline of procurements planned for the next two years, with Strategic Procurement maintaining an up to date contracts register.</li><li>• Communications and Education plan to be developed to ensure all services comply with the requirements of the PA and new CSOs, including a review of the Code of Practice.</li><li>• Establishment of a new Procurement Board which will among other things will oversee the pipeline of procurement activity (monitoring progress and timeliness of forthcoming procurements), compliance with CSOs, review of individual procurements at each gateway stage and compliance monitoring of all procurement activity.</li></ul>
			<b>S151 Officer – September 2025</b>