

Report for: Audit Committee – 10 November 2025

Item number: 9

Title: Internal Audit Progress Report

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

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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 2025 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Forvis Mazars).

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is recommended to note the audit coverage and follow up work completed.

4. Reasons for decision

4.1 The Audit Committee is responsible for monitoring the completion of the annual internal audit plan and the implementation of agreed recommendations as part of its Terms of Reference.

4.2 In order to facilitate this, progress reports are provided on a regular basis for review and consideration by the Audit Committee on the work undertaken by the Internal Audit Service in completing the annual audit plan. Where further action is required or recommended, this is highlighted with appropriate recommendations for the Audit Committee.

5. Alternative options considered

5.1 Not applicable.

6. Background information

- 6.1 The information in this report has been compiled from information held within Audit & Risk Management and from records held by Forvis Mazars.

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

- 7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key Priority areas.

8. Carbon and Climate Change

- 8.1 There are no direct Carbon implications arising from this report.

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

- 9.1 Finance and Procurement

Finance

There are no direct financial implications arising from this report. The work completed by Forvis Mazars is part of the framework contract which was awarded to the London Borough of Croydon to 31 March 2026, in accordance with EU regulations. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. The maintenance of a strong internal audit function and a proactive and reaction fraud investigation team is a key element of the Council's system of Governance.

Procurement

Strategic Procurement note the contents of this report and have been consulted on the relevant audits where required. Actions arising related to procurement and the letting of contracts are contained within the relevant audit reports and will be actioned accordingly.

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

The Assistant Director of Legal and Governance has been consulted in the preparation of this report and advises that there are no direct legal implications arising from the report.

- 9.3 Equality

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

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil

- partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

As contracted providers of Haringey Council, the internal audit contractor is required to demonstrate a strong commitment to equality and fairness in their actions and work practices, and adherence to the Equality Act 2010. Ensuring that the Council has effective internal audit and assurance arrangements in place will also assist the Council to use its available resources more effectively.

10. Use of Appendices

Appendix A – Forvis Mazars Progress Report – Internal Audit

11. Background Information

None

12. Performance Management Information

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

Table 1 – Performance Indicators

Ref.	Performance Indicator	1 Apr 25 – 31 Aug 25	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 2025/26 is detailed at Appendix A. Forvis Mazars planned to deliver 144 days of the annual audit plan (780 days) during the period (to 31 Aug 2025) and delivered 144 days audit work during this period. There has been some change to the audit plan to reflect the changing priorities within the Council and I will report the changes as part of my annual audit report to the Audit Committee's at its future meeting.
- 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 July, eight internal audit reports have been issued, and the majority

assigned a “Limited” level of assurance. The remainder were assigned an “Adequate” level of assurance. Those audit areas where the level of assurance is low are detailed below.

13.3 Status of Priority 1 Recommendations

The table below sets out a summary of the priority 1 recommendations raised from the work of internal audit and their status. The summary provides a position statement of the recommendations as at as at 31 August 2025.

Status of Recommendations	Priority 1 Recommendations status					
	FY21	FY22	FY23	FY24	FY25	Total
Recommendations Outstanding (1/4/2025)	4	3	5	7	32	51
Recommendations Implemented	4	1	2	3	14	24
Recommendations outstanding (31/8/2025)	0	2	3	4	18	28

From the table, most priority 1 recommendations raised to the FY24 have been implemented. Of the 19 priority 1 recommendations not implemented as at 1 April 2025, 10 have since been implemented with a further nine remaining to be implemented. The recommendations outstanding for the period to FY24 relate to the following areas: -

- FY22: The two priority 1 recommendations outstanding relate to arrangement for letting contract and Contract management;
- FY23: The three priority 1 recommendations outstanding relate to the Management of Stocks and Stores within the Housing Service; the Council's Corporate Property Managements and within Digital and Change Service in respect of Cyber resilience; and
- FY24: The four priority 1 recommendations outstanding relate the Council's arrangements for responding to and learning from Complaints, the use of the Council's Dynamic Purchasing System (DPS); compliance with Contract regulations (organisational wide) and the Payroll (SAP).

The majority of recommendations due for implementations were raised in the last financial year (32) and the expectation is that these recommendations will be implemented over this financial year.

13.4 Significant issues arising in Quarter 1

In this period, there were six final internal audit reports that were assigned a “Limited” level of assurance. The nature of the service and key residual risks arising from review are noted below.

Review of Responsive Repairs – “Limited” Assurance

The objective of this audit was to assess whether adequate and appropriate policies, procedures, and controls in relation to Responsive Repairs were in place and the extent to which risks in this area were managed.

The Council’s responsive repairs service deals with routine, emergency or urgent repairs that are carried out to fix property defects and restore the property, usually in response to a tenant’s notification. The responsive repair deals with issues such as broken fixtures, leaks, or structural damage with the aim of resolving the issue. The audit raised the following findings:-

- There was a lack of evidence to support key performance indicator (KPI) reporting and high number of open responsive repairs cases. This is in the context of a longstanding repairs backlog due to diagnosis and scheduling issues;
- There was a lack of standard and documented process for contract management. It was noted that there was a vacancy for Contracts Manager open for over a year, though the Commercial Team, which is newly formed, will formulate processes and procedures;
- Timescales in the Responsive Repairs Policy and Service Connect were not aligned;
- There was insufficient narrative recorded for jobs within Service Connects;
- There was an inconsistent approach taken to photos for post inspections;
- Updates were required for scripts in Repair Finder;
- There was a lack of controls for monitoring stock usage and the process is manually carried out for recording stock; and
- There was insufficient clarity of descriptions when re-raising jobs with a lack of consistency of repairs descriptions recorded by operatives.

The auditors raised 13 recommendations; one “priority 1” and seven “priority 2” and five “priority 3”. The priority 1 recommendation is due for implementation by the end of October ’25 and the remaining recommendations scheduled for implementation by the end of December ’26.

Arrangements for Managing Contracts within Housing – “Limited” Assurance

The objective of this audit was to assess whether adequate procedures are in place in relation to managing contracts within housing services. The audit assessed the extent to which risks over contract managements were being managed. The audit considered the following areas:

- Oversight and review;
- Contracts are not managed appropriately;
- Contract waivers;
- Financial performance; and
- Contract novation.

The audit identified a number of areas of significant risks, that: -

- The Asset Management Team did not hold an accurate, comprehensive, or up to date log of asset management contracts within Housing Services to support effective contract management;
- There was an inconsistent approach to contract management training, there is reliance on self-identification of training needs and lack of monitoring;
- Contracts were not managed in line with their risk or the Procurement Code of Practice;
- Risks, issues and further actions identified via contractor meetings were not documented, probably as the Asset Management team has not formally determined their risk based approach to contract management;
- There was a lack of evidence of financial monitoring and Capital Board reports missing spend versus budget comparisons;
- The Haringey Contract Purchasing System (HCPS) is a financial system which is not used for contract management;
- The storage of contract management documents is local rather than in an agreed central location making it difficult to monitor and manage compliance;
- There was a lack of central oversight of contract management processes used by local Project Managers; and
- Management had felt that the current detail of reporting is insufficient and do not yet have system functionality to provide effective oversight.

The auditors raised seven recommendations; one “priority 1”, four “priority 2” and two priority 3. The priority 1 recommendation was due for implementation by the end of September '25 and the remaining recommendations scheduled for implementation by the end of September '26.

Management, Monitoring and Collection of Key Income Streams – “Limited” Assurance

The objective of this audit was to assess whether adequate systems are in place in relation to the management, monitoring, and collection of key income streams. The audit reviewed income streams from the following areas:

- Council Tax;
- NNDR (Business Rates);
- Adult Social Care;

- Culture Strategy and Empowerment;
- Commercial and Operations; and
- Housing

The audit considered the following risks:

- The Council failed to accurately or timely collect the income it is owed, this could result in increased levels of debt;
- Responsibilities for income collection were unclear this could lead to inconsistencies in managing, collecting, and monitoring income;
- Inaccurate income records which could result in failure to identify areas where income collection is lower than expected;
- Inaccurate or untimely bills are raised and therefore delaying the collection of income. There was no prioritisation of recovery of debts by time or value; and
- Low-income collection rates were not identified and explained, and no solutions were found to improve collection rates. Inaccurate and untimely data was shared with senior management; this could impact decision making.

The audit noted that whilst there were good practices in place, such as the monthly income monitoring for Council Tax and Business Rates to identify and address instances of inappropriate discounts being offered and quarterly income reporting for housing through the Housing Services Management team, current arrangements can be enhanced. In particular, the audit recommended improvements in respect of the following findings:

- Create a single income report and present to the Council's Leadership Team (CLT) for increased scrutiny and increase cultural focus on income collection;
- Automated interface / reconciliation between SAP and feeder systems to improve synergies by automating information accuracy; and
- Become proactive in chasing debt and address poor debt management culture.

The auditors raised five recommendations; three "priority 1" and two "priority 3". All recommendations are due for implementation by the end of March '26.

Use of Data and Business Intelligence – "Limited" Assurance

The Data and Business Intelligence (BI) team plays a central role in supporting data-driven decision-making across the Council. Following a restructure in the financial year 2024/25, the team now operates within the wider Digital team, reflecting a strategic shift toward greater integration of digital and data services. This aligns with the Council's broader ambition to embed data-driven practices across all areas of the organisation.

The team comprises 16 staff and is jointly managed by the Strategic Data and BI Lead and the Performance, Data and Analytics Manager, who oversee the delivery of insight, reporting and analytics services across the Council. As part of the wider implementation of the Council's Data Strategy, the team is currently developing a service offer document. The draft outlined the scope of services provided, expected service levels, and criteria for BI requests.

The team's remit includes centralised data management, statutory and performance reporting, Power BI development and advisory support on data requirements. In April 2024, the Council introduced Service Plans, which incorporate service-specific KPIs, and priorities aligned with the Corporate Delivery Plan. These plans intended to provide a structured foundation for performance monitoring and using data and BI to do so. To further enhance their effectiveness, the Head of the Chief Executive's Office co-ordinates sessions with senior leadership to review and strengthen the use of Service Plans and to support data-driven decision-making.

The audit highlighted gaps in BI adoption and engagement, including inconsistent adoption of BI tools, and limited collaboration with the Data and BI team. The audit noted an absence of a structured engagement model between the Data and BI team and service departments and limited awareness or access to BI capabilities and tools as the root cause. It is important that as part of the organisation's efforts to facilitate an effective performance management framework, an appropriate suite of performance information is generated and used throughout the organisation.

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 this calendar year with the remaining recommendations scheduled for implementation by the end of February 2026.

Virtual Schools – "Limited" Assurance

The Virtual School is a 'statutory service which fulfils the Local Authority's duties in ensuring that children and young people in care, previously in care and those with a social worker receive the best possible educational provision and outcomes.

At the Council, responsibility for the Virtual School is delegated to the Head of Virtual School. There are six Education Improvement Consultants (EICs) in place at the Virtual School. The Virtual School team also includes an Inclusion and Attendance Manager and Senior Business Support Officer. Personal Education Plans (PEPs) are completed and stored on the Welfare Call online cloud storage platform. PEPs should also be saved to the Liquid Logic social care case management system,

As of 3 June 2025, there were 264 children in care. In total, £299,516 was paid to schools in 2023/24 from the Pupil Premium plus budget. The pupil premium

plus budget is also used to fund four members of staff and tuition for children not in education.

The audit identified weaknesses in some children not having a next PEP date or last PEP date on a Liquid Logic export. The audit raised a high priority finding over the lack of availability of data to complete its work and that PEPs were not initiated in a timely manner. It was noted that whilst there was clear guidance in PEP procedure to initiate PEPs in ten working days, there were gap between the guidance and what was happening in practice.

The auditors raised 11 recommendations; one “priority 1”, five “priority 2” and five priority 3. The priority 1 recommendation was due for implementation by the end of September '25 and the remaining recommendations scheduled for implementation by the end of December '25.

Management of Green Haringey – “Limited” Assurance

The objective for this audit was to assess whether controls are in place over the Management of Council Parks and Greenspaces.

The Council’s vision is that Haringey’s parks and greenspaces become fully inclusive shared spaces that deliver our key aims of inclusion and wellbeing, climate change and sustainability and a quality service. The Council aims to provide inclusive parks and greenspaces that all communities in Haringey can benefit from so that usage and enjoyment of our parks and greenspaces reflects the communities living in Haringey and contributes to improved wellbeing.

Of the 151 parks and greenspaces in Haringey, 148 are managed by the Council. There are also 59 sites of importance for nature conservation, 27 Council owned allotment sites, 5 local nature reserves and two cemeteries. There are approximately 11,500 street trees, 9,000 in parks and greenspaces and 8,000 in housing sites. It is estimated there are at least another 5-6,000 in woodlands, schools and nature conservation sites that are not currently recorded. The oldest tree on public land in Haringey is probably the veteran oak tree in Bruce Castle Park, which is estimated to be around 500 years old.

There are 37 play areas and 10 outdoor gyms, 56 buildings in parks including 15 cafes as well as toilets and bases for Parks Service staff, who operate 19 Parks Service vehicles. There are also 83 hard sports facilities, 4 skateboard facilities, 22 grass sports pitches, 804 rubbish bins, 1,033 benches, 1,261 bollards, posts and barriers, 754 gates, 39 memorials, 949 signs, 3 rivers, 2 lakes, 5 wildlife ponds and 2 streams.

The audit noted that the service has a Parks and Greenspaces Strategy (July 2023), which set out the vision and priorities for Haringey’s Parks and Greenspaces for the next 15 years between 2023-2038. The strategy is accessible to staff via the intranet and channels are available to residents to

voice concerns e.g., via the Council's website and via the Love Clean Streets mobile application.

However, the audit noted that no record of the maintenance activities is required for each park or greenspace in the borough and there is a lack of skills to keep the GIS map up to date for staff to document and update maintenance activities and timescales.

The auditors raised seven recommendations; one "priority 1" and six "priority 2". The priority 1 recommendation is due for implementation by the end of January '26 and the remaining recommendations scheduled for implementation by the end of July '26.