

Report for: Audit Committee – 12 March 2026

Item number: 9

Title: Internal Audit Progress Report

Report

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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 January to 15 February 2025 and focuses on progress on internal audit coverage relative to the approved internal audit plan, including the number of audit reports issued and finalised – work undertaken by the external provider (Forvis Mazars).

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

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

4. Reasons for decision

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

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

5. Alternative options considered

5.1 Not applicable.

6. Background information

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

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

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

8. Carbon and Climate Change

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

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

9.1 Finance and Procurement

Finance

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

Procurement

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

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

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

9.3 Equality

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

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

partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

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

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

10. Use of Appendices

Appendix A – Forvis Mazars Progress Report – Internal Audit

11. Background Information

None

12. Performance Management Information

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

Table 1 – Performance Indicators

Ref.	Performance Indicator	1 Jan 26 – 15 Feb 26	Year to date	Year end Target
1	Internal Audit work (Forvis Mazars) – Days Completed vs. Planned programme	21%	68%	95%
2	Priority 1 recommendations implemented at follow up	Note 1 *	Note 1 *	95%

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

13. Internal Audit work – Forvis Mazars

13.1 The activity of Forvis Mazars for the third period of 2025/26 is detailed at Appendix A. Forvis Mazars planned to deliver 479 days of the annual audit plan (710 days) during the period (to 15 Feb 2026) and delivered 147 days audit work during this period. There has been some change to the audit plan to reflect the changing priorities within the Council.

13.2 Members of the Audit Committee receive detailed summaries of internal audits where a final report has been issued, to allow members to consider audit findings in a timely manner. Appendix A provides a list of all final reports which have been issued since the last meeting of the committee. Since its committee meeting in November, four internal audit reports have been issued. The audit areas and the level of assurance are detailed below at para 13.4.

13.3 Status of Priority 1 Recommendations

The table below sets out a summary of the priority 1 recommendations raised from the work of internal audit and their status. The summary provides a position statement of the recommendations as at as at the end of January 2026 and remains unchanged from the previous report to the committee to December 2025. For information, the status of recommendations is as follows:

Status of Recommendations	Priority 1 Recommendations status					
	FY21	FY22	FY23	FY24	FY25	Total
Recommendations Outstanding (1/4/2025)	4	3	5	7	32	51
Recommendations Implemented	4	1	2	3	14	24
Recommendations outstanding (31/8/2025)	0	2	3	4	18	28
Recommendations outstanding (31/1/2026)	0	0	2	3	15	20

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

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

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

13.4 Significant issues arising in Quarter 3

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

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

Management of Leisure Services – “Limited” Assurance

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

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

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

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

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

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

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