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| <p style="text-align: center;">ANNUAL REPORT ON THE WORK OF THE AUDIT COMMITTEE 2018/19 FINANCIAL YEAR</p> |
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1. Introduction

This reports covers the period April 2019 to May 2020 and outlines:-

- Information relating to the Audit Committee;
- The coverage of work undertaken by the Audit Committee;
- Actions taking during the year, including training, to ensure the effectiveness of the Audit Committee; and
- Future planned work and challenges.

2. Background

- 2.1 The Audit Committee has been in place for a number of years. The Committee's terms of reference list the responsibilities and authorities delegated in the Council's Constitution, which comprise:

Internal control

- To consider and monitor the adequacy and effectiveness of the authority's risk management and internal control environment and to make recommendations to full Council where necessary.

External audit

- To monitor the adequacy and effectiveness of the External Audit Service and respond to its findings.

Internal audit

- To support the Officers with their delegated responsibility of ensuring arrangements for the provision of an adequate and effective internal audit.
- To monitor the adequacy and effectiveness of the internal audit service and to receive and monitor an annual internal audit plan from the audit manager.
- To approve the Annual Statement of Accounts, including the Annual Governance Statement, and to recommend as necessary to the Governance Committee regarding the committee's responsibilities to monitor corporate governance matters generally.
- To monitor proactive fraud and corruption arrangements.

The Audit Structure (as at April 2019):

Audit Committee: Councillor Martin Goode (Chairman)
Councillor Viddy Persaud (Vice Chairman)
Councillor Gillian Ford
Councillor Gerry O'Sullivan
Councillor Judith Holt
Councillor Roger Ramsey

Internal Auditors: oneSource
External Auditors: Ernst & Young

During the year under review, the Committee met on four occasions and dealt with the following issues:

3. Audit Committee coverage

3.1 The Audit Committee has received the reports as set out in Appendix A. The coverage can broadly be categorised as regular and specific. More information on both is set out below.

3.2 Regular work

The Committee has regularly reviewed:

- Progress against the audit plan and performance;
- Key findings/issues arising from each audit undertaken;
- Progress against implementation of the recommendations;
- Anti-fraud and corruption activity, including frauds investigated and outcomes;
- Treasury Management activity; and
- The Accounts closedown timetable and progress reports.

3.3 Specific Review / Reports

There were several during the year including a review and approval of:

- the Statement of Accounts;
- the Annual Governance Statement; and
- the Annual Audit Plan.

The Committee also received assurances via:

- Annual Report from Internal Audit that includes the Annual Assurance Statement; and
- The work of external Audit (EY).

Priorities and work plan for the forthcoming year

- 4.1 The Audit Committee is currently planned to meet on four occasions over the next municipal year. There are specific reports planned throughout the year, running through a mix of quarterly progress reports and annual reviews of specific strategies and policies within the remit of the Committee, together with progress reports from the Council's external auditor.
- 3.2 Officers will continue to ensure all members on the Committee, and their nominated substitutes, are adequately trained.
- 3.3 The Committee will continue to oversee the effectiveness of the audit team and wider fraud resources in accordance with Public Sector Audit Standards Audit and Accounts Regulations 2015.
- 3.4 The Committee will focus on the embedding of the Risk Management arrangements agreed in the Revised Management Policy and Strategy.
- 3.5 Fraud prevention and detection will continue to be high on the Audit Committees agenda going forward.
- 3.6 The Committee will continue to focus on ensuring Value for Money and challenging weak areas that have been highlighted by the work of Internal Audit.
- 3.7 A draft forward plan and indicative training plan are detailed in Appendix B.

AUDIT COMMITTEE AGENDA ITEMS – FROM JULY 2019 TO MAY 2020

July 2019

- Treasury Management Annual Report 2018/19
- Annual Statement of Accounts 2018/19
- Assurance End of Year Report 2018/19

November 2019

- Assurance Progress Report Q1 and Q2
- Governance and Risk Update

January 2020

- Closure of Accounts Timetable 2019/20
- Pension Fund Audit Letter
- Treasury Management Mid-Year Update 2019/20
- Treasury management Strategy Statement 2020/21
- Governance & Risk Update
- Accounting Policies 2019/20
- Assurance Progress Report

April 2020

- Annual Audit Report 2019/20
- Draft Annual Governance Statement 2019/20
- 2020/21 Internal Audit Plan, Strategy and Charter
- Annual Review of Risk
- Internal Audit Progress Report Q4
- 18/19 Grants Certification Report
- External Audit Plan 2020/21 for London Borough of Havering and Havering Pension Fund

APPENIX B**AUDIT COMMITTEE – DRAFT FORWARD PLAN / TRAINING**

| FORWARD PLAN | AGENDA ITEM | PLANNED TRAINING |
|---------------------|---|---|
| July 2019 | <ul style="list-style-type: none">• Treasury Management Annual Report 2018/19• Annual Statement of Accounts 2018/19• External Audit Report to those charged with Governance (ISO 260)• Assurance End of Year Report | Training on the role of the audit committee and the financial statements will take place between May-July |
| October 2019 | <ul style="list-style-type: none">• 2018/19 Annual Audit Letter• 6 Month Review of Risk Management• Assurance Progress Report Q1 and Q2• Treasury Management Quarter 1 Update | Per training plan to be considered April 19 |
| January 2020 | <ul style="list-style-type: none">• External Audit Plan 2020/21 for London Borough of Havering and Havering Pension Fund• Governance Update• 18/19 Grants Certification Report• Assurance Progress Report Q3• Draft Treasury Management Strategy Report 20/21• Treasury Management Mid-Year Report• Accounting policies 2019/20• Closure of Accounts Timetable 2019/20 | |
| April 2020 | <ul style="list-style-type: none">• Audit Committee – Annual Report 2019/20• Member training plan• Draft Annual Governance Statement 19/20• 2020/21 Internal Audit Plan, Strategy and Charter• Annual Review of Risk• Internal Audit Progress Report Q4 | |