



**Havering**  
LONDON BOROUGH

## AUDIT COMMITTEE

**8<sup>th</sup> July 2025**

**Subject Heading:**

External Auditor's Annual Report 2023/24

**SLT Lead:**

Kathy Freeman, Strategic Director of Resources

**Report Author and contact details:**

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**Policy context:**

Audit Committee to consider the External Auditor's Annual Report for the year ended 31 March 2024.

**Financial summary:**

There are no financial implications or risks arising directly from this report which is for information only.

### **The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and well  
Place - A great place to live, work and enjoy  
Resources - Enabling a resident-focused and resilient Council - X

### **SUMMARY**

The Council's external auditor, Ernst and Young (EY), are presenting their 2023/24 Annual Report for information and discussion.

### **RECOMMENDATIONS**

The Committee is asked to:

1. Note the external auditor's annual report (appendix A), including its findings and any recommendations.

## **REPORT DETAIL**

### **1. Introduction**

The auditor's Annual Report forms part of the statutory external audit of the Council.

The external auditor's Annual Report looks back over the financial year and summarises all of the reports and work that the external auditor has undertaken. It includes the auditor's commentary on the Council's value for money arrangements and confirmation of the opinion given on the financial statements.

The Annual Report is attached at Appendix A.

### **2. Annual Audit Report 2023/24**

The National Audit Office Code of Audit Practice requires the external auditor to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in the use of its resources.

The Annual Report covers EY's findings on the risks to the Council's financial standing and on the arrangements which are in place to mitigate and manage those risks.

The External Auditor is required to report under three specific criteria, being:

- Financial Sustainability
- Governance
- Improving Economy, Efficiency and Effectiveness

No significant weaknesses were identified in relation to the first two criteria but the auditor concluded there is a weakness in respect of improving economy, efficiency and effectiveness criteria as a result of the Ofsted Inspection Report findings.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

There are no financial implications arising from the report itself however, there may be resource implications from implementing specific recommendations. If these cannot be contained within approved budgets, then a decision will be presented for approval.

**Legal implications and risks:**

There are no legal implications arising from this report.

**Human Resources implications and risks:**

There are no direct Human Resources implications in this report.

**Equalities implications and risks:**

There are no direct equalities implications in this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

**Environmental and Climate Change implications and risks:**

None arising directly from this report.

**Appendices:**

Appendix A – London Borough of Havering, Auditor's Annual Report Year ended 31 March 2024