



**Havering**  
LONDON BOROUGH

**AUDIT COMMITTEE**  
**30 06 2026**

**Subject Heading:**

Head of Assurance Annual Report  
2025/26

**ELT Lead:**

Kathy Freeman, Strategic Director  
Resources

**Report Author and contact details:**

Maria Denton, Head of Assurance  
Tel: 01708 432610  
Email: [maria.denton@havering.gov.uk](mailto:maria.denton@havering.gov.uk)

**Policy context:**

To present a summary of the outcomes of  
Internal Audit and Counter Fraud work  
completed during 2025/26 and the Head  
of Assurance's annual opinion.

**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 making Havering	[X]
Places making Havering	[X]
Resources making Havering	[X]

**SUMMARY**

This report brings together all aspects of audit, assurance and counter fraud work undertaken in the 2025/26 financial year, including actions taken by management in response to audit and counter fraud activity, which supports the governance framework of the authority. The report includes the Head of Assurance opinion on the internal control environment for 2025/26.

**Audit Committee, 30 June 2026**

Below is a summary of the key findings, outcomes and assurance provided within the Internal Audit Annual Report 2025/26:

- Reasonable assurance opinion issued, confirming a generally sound and improving control environment;
- Strong audit plan delivery, with several high-risk area reviews completed, and additional work added to plan for emerging risks;
- Improved position from 2024/25, following action on financial control and oversight weaknesses;
- Limited assurance findings are isolated, with no evidence of systemic control failure;
- Positive progress on recommendations, with most implemented or in progress and ongoing follow-up of overdue actions.

**RECOMMENDATIONS**

Members are asked to:

- a) Review and note the Assurance End of Year Report 2025/26 incorporating Head of Assurance Opinion and Counter Fraud Outturn; and
- b) Approve the draft Internal Audit Plan for 2026/27; and
- c) Provide any appropriate comments or recommendations.

**REPORT DETAIL**

## **Audit Committee, 30 June 2026**

The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Global Internal Audit Standards (GIAS) and other guidance.

Internal audit is a key component of corporate governance within the Council. The three lines of defence model, as detailed below, provides a framework for understanding the role of internal audit in the overall risk management and internal control processes of an organisation:

- First line – operational management controls
- Second line – monitoring controls, e.g. the policy or system owner/sponsor
- Third line – independent assurance.

The Council's third line of defence includes internal audit, which should provide independent assurance to senior management and the Audit Committee on how effectively the first and second lines of defence have been operating.

An independent internal audit function will, through its risk-based approach to work, provide assurance to the Council's Audit Committee and senior management on the higher risk and more complex areas of the Council's business, allowing management to focus on providing coverage of routine operations.

The work of internal audit is critical to the evaluation of the Council's overall assessment of its governance, risk management and internal control systems, and forms the basis of the annual opinion provided by the Head of Assurance which contributes to the Annual Governance Statement. It can also perform a consultancy role to assist in identifying improvements to the organisation's practices.

The reports included as appendices summarises the cumulative outcomes of audit and counter fraud work for 2025/26:

Head of Audit Opinion 2025/26 including Internal Audit Outturn report is provided in Appendix 1.

Counter Fraud 2025/26 Outturn report is provided in Appendix 2.

The draft Internal Audit Plan 2026/27 is provided in Appendix 3.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

This report asks Members to consider the Assurance End of Year Report 2025/26 incorporating Head of Assurance Opinion and appendices.

The report makes reference to risks to the control environment which have resulted in limited assurance reports during the year but has an overall reasonable assurance opinion from the Head of Assurance. The report also identifies planned actions due to be undertaken in order to address current weaknesses; this activity will be funded from existing budgets.

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

**Legal implications and risks:**

Regulation 6 of the Accounts and Audit Regulations 2015 requires the Authority to conduct a review of the effectiveness of the system of internal control which must be considered by the relevant committee or by full Council. This report seeks to comply with that statutory obligation and there are no apparent risks in considering the end of year report.

**Human Resources implications and risks:**

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

**Climate Change implications and risks:**

None arising directly from this report. Risks around this are reflected in the Corporate Risk Register, added into the Internal Audit Plan and incorporated into the scope of audits where relevant.

**Equalities implications and risks:**

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

**Audit Committee, 30 June 2026**

and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, 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.