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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON BOROUGH OF HAVERING**

### **Issue of audit opinion on the financial statements**

In our audit report for the year ended 31 March 2024 issued on 26 February 2025 we reported that we could not express an opinion on the financial statements.

### **Certificate**

In our report dated 26 February 2025, we explained that we could not formally conclude the audit and issue an audit certificate until the NAO as group auditor has confirmed that no further assurances will be required from us as component auditors of London Borough of Havering. This confirmation has now been received.

We are required to consider whether any matters have come to our attention since the date of our audit report that would have resulted in additional exception reporting on significant weaknesses in the Council's value for money arrangements for the year ended 31 March 2024.

In our audit report on London Borough of Havering for the year ended 31 March 2025, we reported the following significant weakness in the Council's arrangements which are also relevant to the year ended 31 March 2024. We would, had we been made aware, have reported this by exception in our audit report for the year ended 31 March 2024.

### **In relation to governance**

#### Our judgement on the nature of the significant weakness identified:

The Head of Internal Audit gave a limited assurance opinion for 2024/25 due to instances of potential fraud in the final quarter of the year, highlighting weaknesses in the Council's budget monitoring. These incidents point to insufficient management oversight of spending across various services, raising concerns about ineffective budget monitoring and an increased risk of unnecessary costs for the Council.

#### The evidence on which our view is based:

- The Head of Internal Audit's 2024/25 audit opinion.
- Internal audit and the Council's Counter Fraud teams reports and their detailed testing and investigations.
- Meetings with Council Management, Internal Audit and the Counter Fraud.

#### The impact on the Council:

Failure by the Council to take appropriate corrective actions to address the identified weaknesses in internal control may increase exposure to potential fraud or errors that result in unnecessary expenditure.

The action the body needs to take to address the weakness:

Strengthen internal controls by fully implementing the Improvement action plans developed by Internal Audit.

We certify that we have completed the audit of the accounts of London Borough of Havering in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

MARK HODGSON

ERNST & YOUNG LLP

Date: 28<sup>th</sup> May 2026

**Mark Hodgson (Key Audit Partner)**  
Ernst & Young LLP (Local Auditor)  
Cambridge