

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE:</b> 2024/25 Auditor's Annual Report and Pension Fund Audit Completion Report	
<b>REPORT OF:</b> Executive Director Corporate Services	
<b>FOR SUBMISSION TO:</b> Audit and Corporate Governance Committee	<b>DATE:</b> 27 November 2025
<p><b>SUMMARY OF REPORT:</b> This report presents to the Audit and Corporate Governance Committee the Auditor's Annual Report for 2024/25, presenting the external auditor's findings from work done to date on 2024/25, and the audit completion report for the Pension Fund accounts for 2024/25.</p> <p><b>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION</b> No documents that require listing have been used in the preparation of this report.</p> <p><b>CONTACT OFFICER:</b> Raj Shah Chief Accountant 5 Pancras Square London N1C 4AG Telephone: 020 7974 6378 <a href="mailto:raj.shah@camden.gov.uk">raj.shah@camden.gov.uk</a></p>	
<p><b>RECOMMENDATIONS</b></p> <p>The Audit &amp; Corporate Governance Committee is asked to:</p> <ul style="list-style-type: none"> <li>• Note the 2024/25 Auditor's Annual Report presented at <b>Appendix A</b>, and</li> <li>• Note the Audit Completion Report for the Pension Fund in <b>Appendix B</b>.</li> </ul>	
<p><b>SIGNED:</b>      <b>Agreed by Director of Finance</b></p> <p><b>DATE:</b>        <b>17 November 2025</b></p>	

## **1. Purpose of Report**

- 1.1. This report presents to the Committee the Auditor's Annual Report (AAR), summarising the work undertaken by the council's external auditor Forvis Mazars on the financial year ended 31 March 2025, as well as the Audit Completion Report for the Pension Fund for 2024/25.
- 1.2. As part of the recent reforms to local audit, from 2024/25 onwards auditors of local bodies are required to issue an Annual Report by 30 November each year, summarising the findings of the audit work for the year. The report will include the opinions on the accounts where available, although where audit work is yet to be completed by the November reporting deadline it will provide an update on the status of the audits.
- 1.3. The Auditor's Annual Report also provides detailed commentary on Value for Money (VFM), covering areas on Financial Sustainability, Governance, and Improving Economy, Efficiency and Effectiveness, and provides opportunity to highlight any issues that the auditor wishes to draw to the attention of the body or the wider public.
- 1.4. Within its terms of reference the Audit and Corporate Governance Committee has responsibility for overseeing internal and external audit, specifically including the following matters:
  - To consider the external auditor's annual letter, annual audit plans, and other relevant reports reporting to those charged with governance.
  - To consider specific reports as agreed with the external auditor.
  - To comment on the scope and depth of external audit work and to ensure it gives value for money.
  - To consider the external auditor's report to those charged with governance on issues arising from the audit of the Accounts.

## **2. Background**

- 2.1. Camden, like many local authorities, has experienced significant delays with the audit and finalisation of accounts over the past 5 years. The issues surrounding local audit led to a national backlog of unaudited accounts, peaking at 918 outstanding sets of accounts in September 2023. To address this, MHCLG introduced a [strategy for overhauling the local audit system](#), including adoption of statutory backstop deadlines by which audit work had to be concluded and accounts finalised.
- 2.2. The backstop dates came into force in September 2024, setting out dates by which authorities must have approved and published their accountability statements for the relevant year, as presented below.

Financial Year	Backstop Deadline
2022/23 and earlier	13 December 2024
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 2.3. For Camden the audits for 2019/20, 2020/21 and 2021/22 were all concluded in 2024, with the Council and Pension Fund receiving unqualified opinions.
- 2.4. Due to insufficient time to fully complete the 2022/23 audits by the backstop deadline, Camden received a disclaimed audit opinion on both its Council and Pension Fund accounts. The accounts were still reviewed and agreed by Committee, and signed off by the Chair and Chief Finance Officer, with the external auditors completing some checks and forming opinion on the Council's value for money arrangements.
- 2.5. For 2023/24 the auditor again issued a disclaimed opinion on the Council accounts due to insufficient time to complete the audit, however a full audit of the Pension Fund accounts was completed. Due to receiving a disclaimed opinion on the previous year, the Pension Fund opinion in 2023/24 was qualified due to lack of assurance on prior year comparatives.
- 2.6. For 2024/25 Camden published its draft Council and Pension Fund accounts in line with the reporting deadline of 30 June 2025, and the audit period commenced thereafter. Forvis Mazars have set out to complete the audit in full for both Council and Pension Fund by the backstop date of 27 February 2026.
- 2.7. Given the requirement to issue the Auditor's Annual Report by 30 November, not all audit work has been completed prior to its publication. The audit of the Pension Fund has been substantially completed and a draft opinion is provided. The audit of the Council accounts is not anticipated to complete until the backstop deadline, and so a status update is given.

### 3. Auditor's Annual Report

- 3.1. The Auditor's Annual Report presented in **Appendix A** covers the financial year ended 31 March 2025. It covers the status of the ongoing audit activity on the Council, an assessment of arrangements for achieving Value for Money, and updates on reporting to the group auditor and wider reporting responsibilities.
- 3.2. Since the Draft Statement of Accounts were published and handed over to the auditors on 1 July, officers and auditors have been working on providing and testing information and supporting evidence to give the required assurance on the accuracy of the accounts. The audit status report on the Council accounts

states that work is on track to be completed and deliver the audit opinion by the 27 February 2026 backstop date.

- 3.3. Given the incomplete audits and disclaimed opinion received on the Council accounts in 2022/23 and 2023/24, the auditor will need to go through a process of rebuilding assurance on opening balances. The auditors have completed an initial risk assessment, however details of how testing and evidencing will be done are still to be confirmed by Forvis Mazars. The process of rebuilding assurance is expected to take more than one financial year, and as such the council will not receive an unqualified opinion in 2024/25. However, by completing the 2024/25 audit work in full the platform is laid for a return to unqualified opinions in subsequent years.
- 3.4. The AAR goes into greater depth on their assessment of Camden's VFM arrangements. The National Audit Office (NAO) issues guidance to auditors that sets out the reporting criteria on which they need to consider, being:
  - Financial Sustainability
  - Governance; and
  - Improving economy, efficiency and effectiveness
- 3.5. Against these considerations, Forvis Mazars have found that they are satisfied that the Council has the appropriate arrangements in place to manage its resources and deliver services; that there is no significant weakness in the Council's arrangements in relation to improving economy, efficiency, and effectiveness in its use of resources; and that the Council has the expected arrangements in place in respect of governance.
- 3.6. The report also provides an update on wider reporting responsibilities. Auditors are currently reviewing an objection to the accounts received during the period of inspection relating to the Council's draft Annual Governance Statement. Forvis Mazars have held discussions with the Council as part of the auditor's independent assessment. The result of the assessment will be reported to this Committee once known. The report also confirms that they have not exercised any of their other powers against wider responsibilities of reporting.

#### **4. Pension Fund Audit Completion Report 2024/25**

- 4.1. The 2024/25 Audit Completion Report for the Pension Fund is provided in **Appendix B**. The audit work is substantially complete, although cannot be formally concluded until the point of receiving signed accounts. The Pension Fund accounts are part of the Council's Statement of Accounts, and so formal completion is expected to take place prior to the February 2026 backstop.
- 4.2. Forvis Mazars anticipate issuing an **unqualified opinion** for 2024/25, indicating that the financial statements give a true and fair view of the position and have been properly prepared in accordance with the CIPFA Code of Practice. This follows on from the qualified opinion in 2023/24 due to the lack of assurance on the 2022/23 disclaimed audit.

- 4.3. The direction of travel following the introduction of backstop audit deadlines, returning to full audits and anticipated unqualified opinions, follows the expected pathway laid out by MHCLG and audit commentators, and demonstrates the progress made in returning to standard financial reporting timeframes.
- 4.4. The Audit Completion Report also details findings made during the process of audit, and the outcomes from testing areas of significant risk and enhanced risk. Forvis Mazars found no matters to report in the management override of controls, and an immaterial valuation difference of £0.843m on fair value of investments, which will be recorded as an unadjusted misstatement.
- 4.5. Forvis Mazars have confirmed that they have not exercised any of their powers against wider responsibilities of reporting, and that they remain independent.

## **5. Finance Comments of the Executive Director Corporate Services**

- 5.1. This is a report of the Executive Director Corporate Services and their views are incorporated into this report.

## **6. Legal Comments of the Borough Solicitor**

- 6.1. The Borough Solicitor has been consulted and has no comments to add.

## **7. Environmental Implications**

- 7.1. There are no environmental implications.

## **8. Appendices**

Appendix A: Auditor's Annual Report – year ended 31 March 2025

Appendix B: Audit Completion Report – Pension Fund 2024/25

**REPORT ENDS**