



Auditor's Annual Report

London Borough of Camden – year ended 31 March 2025

November 2025

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to the London Borough of Camden. It has been prepared for the sole use of the Audit and Corporate Governance Committee as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Introduction

Introduction

Purpose of the Auditor's Annual Report

Our responsibilities as external auditor's of the Council are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). Our Auditor's Annual Report (AAR) summarises the work we have undertaken for the year ended 31 March 2025. From 2024/25 the Code requires us to issue a drat AAR by the end of November. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders.

The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

Our audit is in progress and we are on track to complete our work to enable the Council to publish its audited accounts by the 27 February 2026.



Value for Money arrangements

We have not identified any significant weaknesses in the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Council's arrangements.



Reporting to the group auditor

We have received the NAO's group audit instructions and we will undertake the work on the Council's Whole of Government Accounts (WGA) return in line with their instructions before the end of February 2026.



Wider reporting responsibilities

We are currently dealing with one objection to the 2024/25 accounts. Our work is in progress and we will provide an update to the next meeting of the Committee. Section 4 provides further details.

02

Audit of the financial statements

01 Audit of the financial statements

2024/25 Audit status update

We have completed our work on planning. The table below summarises the Council's most significant classes of transactions, account balances, and disclosures for which audit work is in progress. We are on track to complete audit work and deliver the audit opinion by the 27th February 2026 due date.

Financial statement area	Significant risk	Comments
IT General Controls Testing	No	Testing complete, subject to review.
Management Override	Yes	We have reviewed evidence for all 63 sampled items and currently processing follow up queries.
Property Plant and Equipment (PPE); and Investment Properties	Yes	Existence – Testing completed, subject to review Ownership – Testing completed, subject to review Valuations – Testing in progress Additions – 4 sampled items selected and evidence received; to be reviewed Disposals - 2 sampled items selected and evidence received; to be reviewed Depreciation (PPE) - Initial responses received; currently under review.
Investments	No	Testing completed, subject to review
Member's Allowances	No	We have reviewed evidence for all 6 sampled items and currently processing follow up queries.
Exit Packages	No	We have reviewed evidence for all 6 sampled items and currently processing follow up queries.
Capital Commitments	No	4 samples selected and evidence received; to be reviewed
Borrowings	No	Testing completed, subject to review
Leases	Yes	We are expecting a revision to disclosures relating to leases. We will resume testing after this has been provided
Pension Liability	Yes	Testing completed, subject to review
Creditors	No	We have reviewed evidence for all 7 sampled items and currently processing follow up queries.
Cash and Cash Equivalents	No	Testing completed, subject to review
Cash Flow	No	Testing in progress

01 Audit Progress

2024/25 Audit status update – Council - Work in progress

Financial statement area	Significant risk	Comments
Provisions	No	1 sampled item selected and evidence received; to be reviewed
Receipts in Advance	No	10 sampled items selected and evidence received; to be reviewed
PFI	Yes (IFRS16)	Testing in progress
Expenditure	No	<p>Employee Benefit Expenses – 22 sampled items selected and evidence received; to be reviewed.</p> <p>Other Service Expenditure - We have reviewed evidence for all 52 sampled items and currently processing follow up queries.</p> <p>Interest Payments and Impairment Losses - 2 sampled items selected and evidence received; to be reviewed.</p> <p>REFCUS – Initial responses received; under review.</p> <p>Cut Off – Testing complete, subject to review.</p>
Income	No	<p>Fees, Charges and Other Service Income – We have reviewed evidence for all 33 sampled items and currently processing follow up queries.</p> <p>Interest and Investment Income - 4 sampled items selected and evidence received; to be reviewed.</p> <p>Income from Council Tax – We have reviewed evidence for all 7 sampled items and currently processing follow up queries.</p> <p>Income from Business Rates - We have reviewed evidence for all 25 sampled items and currently processing follow up queries.</p> <p>Cut Off - We have reviewed evidence for all 7 sampled items and currently processing follow up queries.</p>
Grant Income	No	<p>Grant Income Credited to Taxation and Non-Specific Grants - Testing in progress</p> <p>Grant Income Credited to Services - Testing in progress</p>
Debtors	No	9 sampled items issued; awaiting evidence.

01 Audit Progress

2024/25 Audit status update – Council - Work in progress

Financial statement area	Significant risk	Comments
Collection Fund	No	Testing in progress
HRA	No	Testing in progress
Related parties	No	Testing in progress

2024/25 Audit status update – Council - Work Yet to Commence

The table below summarises the Council's most significant classes of transactions, account balances, and disclosures for which the audit work is yet to be commenced.

Financial statement area	Significant risk	Comments
Financial Instruments	No	Work yet to be commenced. Amounts disclosed are dependant on the final figures of other balances in the accounts and tested separately. Therefore, an area we tend to review last to ensure internal consistency with audited final figures.
Reserves	No	Work yet to be commenced. Amounts disclosed are dependant on the final figures of other balances disclosed in the accounts and tested separately. Therefore, an area we tend to review last to ensure internal consistency with audited final figures.
Narrative Report	No	Initial review done. We carry out a consistency check with the financial statements. Therefore, an area we complete last to ensure consistency with audited final figures.

Rebuilding assurance

We have completed our initial risk assessment on rebuilding assurance. We are currently awaiting our internal guidance on the next phase of this work, which is the procedures we need to undertake to rebuild assurance on the 2023/24 closing balances. We will be discussing these procedures with officers shortly.

03

Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance - How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers.

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

As outlined on page 12 we have not identified any risks.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.




We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	13 to 15	No	No	No
 Governance	16 to 18	No	No	No
 Improving economy, efficiency and effectiveness	19 to 21	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Background to financial sustainability in 2024/25

Camden has a socially diverse population hailing from various socio-economic backgrounds. Given the global economic and political climate, the demand placed on the Council to provide frontline services to support its residents continues to increase during a prolonged period of significant government funding reductions.

The Council entered 2024/25 amidst a national cost of living crisis and housing pressures following a year of significant financial challenges fuelled by inflation and geo-political uncertainty due to global conflicts. It also faced significant uncertainty in the level of funding and support it would receive from central government. In the face of this uncertainty, the Council delivered a £22.8 million overspend for the year in the General Fund and an overspend of £3.2 million in the Housing Revenue Account (HRA).

The Council's financial planning and monitoring arrangements

In January 2023, Cabinet agreed the Council's new Medium Term Finance Strategy (MTFS) including the need to deliver £31 million of savings to help address the Council's medium term budget gap. The budget setting for 2024/25 was concluded at the Cabinet meeting in February 2024. The net revenue budget for 2024/25 was £272 million.

The Council achieved a balanced budget for 2024/25 by reviewing several of the MTFS workstreams to identify areas where it could achieve savings. The Council conducted an Equality Impact Assessment (EIA) on the setting of the revenue budgets and proposed an increase in council tax by 4.99%, which included a 2.99% rise for general council funding and a 2% Adult Social Care Precept.

Officers reported regularly to Cabinet and the Council on the level of savings proposed, progress in achieving them as well as additional pressures that had been identified. Throughout the year the Council regularly updated its budget forecast, enabling budgets to remain up to date in the fast-changing and uncertain operating environment.

We have reviewed the yearend financial outturn reports presented to the Cabinet in July 2025, the outturn position of General Fund was £304 million as against the updated year end budget of £281.2 million, i.e. an overspend of £22.8 million for the year in the General Fund and an overspend of £3.2 million in the HRA. The Council had to drawdown from the General Fund reserves and the Housing Revenue Account to cover these overspends.

The Capital Programme expenditure budget for 2024/25 was set at £345.75 million however the actual spend for the year was £256.23 million which represented 74% of the total budget. The capital programme under spent by £89 million which the Council attributes to delays and slippages relating to the complexity of issues facing capital projects. The suggested profiling for 2025/26 onwards takes account of these slippages.

The outturn position in the General Fund for 2024/25 was largely driven by significant overspends in two specific service areas: Temporary Accommodation and Children Social Care services, which have a combined overspend of circa £32m in 2024/25. We have reviewed a sample of the reports presented to the Cabinet during 2024/25. These reports were detailed and comprehensive and incorporated monitoring of the revenue budget, the capital programme, and a wide range of other financial measures.

As at the end of 2024/25, the Council reported a balance of £18.93m in its Dedicated Schools Grant (DSG) reserve. There is a risk to the DSG reserve over the medium term if rising demand and costs for children and young people with SEN remain. We reviewed the management's projections and the associated mitigation plan through to 31 March 2026. Based on the Council's forecasts, DSG reserves are expected to reduce to £10.4 million by the end of 2025/26. The Council has set out a mitigation plan to prevent further depletion of these reserves.

For local authorities, depreciation on fixed assets is treated as a notional accounting charge and is subsequently reversed out of the accounts. In its place, a Minimum Revenue Provision (MRP) is charged to the General Fund to ensure prudent repayment of borrowing. Capital expenditure is financed from a range of sources, including borrowing, and traditionally MRP has been calculated by depreciating the Capital Financing Requirement (CFR)—the Council's underlying need to borrow—over a 25-year period.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

For 2024/25, the Council's MRP policy remained unchanged, continuing the approach applied in the previous year for both supported borrowing and borrowing under the prudential system. The MRP charged to the General Fund in 2024/25 increased to £8.28m (1.1% of the closing CFR), compared with £7.26m in 2023/24, reflecting additional borrowing undertaken to finance the Capital Strategy investment schemes approved in July 2023. Whilst the MRP charge as a percentage of CFR is relatively low, the Council has confirmed that it has had regard to statutory guidance by providing an MRP in relation to the General Fund CFR, as set out in the Minimum Revenue Provision Policy appendix to the Treasury Management Strategy 2024/25.

The Council's arrangements for identifying, managing and monitoring funding gaps and savings

In January 2023 Cabinet agreed a three year Medium Term Financial Strategy including £31 million of savings to meet the Council's medium term budget gap. In support of the Council's financial resilience Members agreed to increase the Council's general reserve balance by £1.5 million a year over the medium term. This means that the general reserve balance is forecast to increase to £21.4 million by 2027 which is estimated to be 4.5% of net service expenditure. As at the end of 2024/25, the Council has usable reserves -general fund c. £18.39 million and other usable reserves c. £189.64 million.

Ongoing funding decisions from central government has been coupled with rising pressures and significant growth in demand for services, most notably within health, housing and social care. The Council anticipates that the cost pressures experienced in 2024/25 are likely to remain over the medium term as inflation remains high. The expected inflationary impacts on budgets were factored into the Council's MTFS and help to inform the level of savings needed in both the General Fund and the HRA to close the expected medium-term budget gap.

Options for savings are discussed and challenged at management meetings including Corporate Management Team (CMT). Recommendations for budget savings as part of an MTFS are reported to Cabinet and then Council and scrutiny committees for Member challenge and decisions. Camden managed to deliver 90% of planned saving of £31.6m during the MTFS period 2019/20 to 2022/23.

In the current MTFS from 2023/24 to 2025/26, the Council placed the saving targets of £31 million, with c. 71% of those savings delivered by 31 March 2025 and the remaining saving plans carried forward into 2025/26 for delivery of which it has identified savings worth £4m are at higher risk of delivery and require mitigation to avoid erosion of reserves going forward.

The Council's budget setting process is a detailed and comprehensive process. There are detailed consultation and discussion with officers and Members on the assumptions and principles on which the budget is to be based. The Council continually monitors the horizon, funding and cost implications and updates financial assumptions and projections if required. As part of the budget setting process, the Council identifies the planned saving requirements for future years through detailed consideration of the budgetary pressures, funding estimates, and impact of national and local initiatives and policies. We reviewed a range of the budget preparation documents such as budget setting guidance, planning report, revenue estimate and council tax settings and MTFS working papers. Our review confirmed that the documents were comprehensive and detailed to support the budget preparation process.

The Council's has arrangements in place to identify pressures, develop and monitor savings plans, and to maintain reserves and contingency. The overspend and concentrated service pressures represent an operational and delivery risk; management has responded by carrying forward saving plans, setting mitigation plans for DSG pressures and retaining reserves.

Based on the above we are satisfied that the Council has in place the arrangements we would expect to plan and manage its resources to ensure it can continue to deliver its services.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on Governance

The Council's risk management and monitoring arrangements

The Council has a risk management framework in place, which was revised in October 2022. An annual Principal Risk Report (PRR) is prepared in conjunction with circa 30 risk leads across the Council, Directorate Management Teams (DMTs) and the Corporate Management Team (CMT). The PRR includes, a detailed 'Risk on a Page' articulated for each principal risk and helps the risk leads to consult, review and deliver to on an ongoing basis.

The Council has a comprehensive anti-fraud strategy, affirming its zero-tolerance approach to fraud. We have reviewed the risk management framework, and our review confirms the framework is clear and detailed, and the risk registers are comprehensive, containing sufficient and appropriate detail for Council officers and members. Our attendance at the Audit and Governance Committee meetings has confirmed that the Committee understands its role in the risk management framework. It provides challenge to management on the risk registers and corresponding risks and mitigating actions.

Assurance over the effective operation of controls is obtained through delivery of the annual internal audit plan. The audit plan is risk based, with resource directed towards areas of principal risk as articulated in the PRR. The plan also includes a rolling cycle of assurance over key financial systems and makes provision for follow up of audit recommendations. Internal audit terms of reference, for individual audit reviews, include risks surrounding the prevention and detection of fraud. The annual internal audit plan also includes a contingency to cover urgent, unplanned reviews. The contingency is largely utilised to provide control design advice in areas of change/new areas, hence assuring that the risk of fraud is considered and mitigated as part of the development of new processes.

Internal audit progress reports are presented quarterly to the Audit and Governance Committee meeting, including follow up reporting on recommendations from their previous reports. From our attendance at meetings, we are satisfied this allows the Committee to effectively hold management to account.

At the end of each fiscal year the Head of Internal Audit provides an opinion based on the work completed during the year. For 2024/25, the Head of Internal Audit concluded that moderate assurance – which indicates adequate and effective overall arrangements for the Council's systems of internal control, risk management and governance, with some improvement required.

Throughout the year we have attended Audit and Governance Committee meetings. These meetings have received regular updates on both internal audit progress and risk management. Audit and Governance Committee members engage with the reports and challenge the papers and reports which they receive from management, internal audit, and external audit. The role of the Leadership Team in supporting good governance is highlighted in the Annual Governance Statement, which is consistent with our knowledge of the Council.

Council arrangements for budget setting and budgetary control

The 2024/25 budget was approved in February 2024, setting out the estimates of the financial challenge for the respective fiscal year. The estimates were updated regularly throughout 2024/25 and the likely financial position for the year was reported to Cabinet.

The annual budget setting process is coordinated via a budget setting group within the Finance Department. The budget setting information is managed via a specific budget setting module within the Council's Finance System. The budget setting group within Finance communicates with budget holders to confirm the timings of the budget setting process and agreed inflation rates to be applied, agreed savings and investments.

The annual budget setting process includes estimates for Council Tax, Business Rates and grants, to set the overall cash-limit funding for the annual budget. The estimates to be included in the budget setting process for

the cash limit are discussed and agreed with the Executive Director of Corporate Services. The budget setting module is reconciled to the agreed cash-limit and budget reports are prepared and given to the respective Service Management Team to agree on. Finally, a summary of the budget is recommended to Members in January/Feb for debate and approval.

The Council has well established budget setting and budgetary control arrangements in place. The Council follows an annual budget setting process that meets all its statutory and constitutional requirements. The Council's monitoring officer ensures that agreed procedures are followed and that all applicable statutes and regulations are complied with, legal comments and advice is sought on the budget report before approval by members.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria - continued

Budget holders are required to monitor and forecast their budgets monthly. Formal forecasting reports are produced and reported to Service Management Teams, Directorate Management Teams and CMT each quarter. The reports include key financial information including relevant financial forecasts as well as key risks and issues facing the service. We have reviewed a sample of these reports and can confirm that information is presented is clear and understandable.

Council decision and and control framework

Decision making: The Council has well developed arrangements setting out how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable. The Audit and Corporate Governance Committee (ACGC) fulfil the expected functions and has continued to meet regularly throughout the year, receiving reports of internal and external audit, and challenged the findings and recommendations as appropriate.

The Corporate Risk Register is formally reported regularly to ACGC with a supporting analysis detailing movement in risk levels. There are a number of developed risk registers at service levels which are also subject to regular review and challenge.

Decisions on treasury management are linked to the overall Medium Term Financial Strategy (MTFS) of the Council. The Council's MTFS is over three years with the current MTFS covering 2023/24 to 2025/26, and this was agreed in January 2023.

Financial Reporting: From 2021/22 onwards, we noted significant improvements in the Council's financial closure and accounts preparation process, including an improvement in the availability of system reports and the quality of supporting working papers. The quality of the draft financial statements produced by the Council had also improved in terms of required disclosures and compliance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

Based on our work we are satisfied that the Council has in place the arrangements we would expect in respect of governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

The Council's arrangements for assessing performance and evaluating service delivery

The Council has established systems for financial and service performance monitoring and reporting at different tiers across the organisation. This information enables leadership teams to assess performance, identify areas of concern and use the data to inform improvement activity. This includes corporate performance reports reflecting key performance from across all services received by Corporate Management Team (CMT) on a regular basis, reporting at Directorate Management Team (DMT) level and a range of service performance management arrangements. These reports are presented to the Scrutiny Committees throughout the year. The Council has five scrutiny committees to scrutinise the various functions of the Council and decisions made by the Cabinet, Cabinet Members, and Chief Officers. Ordinarily, Scrutiny Committees each meet up to seven times a year and in addition, the chairs of the five scrutiny committees meet collectively, as the Joint Chairs of Scrutiny Committee, to co-ordinate scrutiny work collectively. The scrutiny committees operate scrutiny panels to look at specific matters in a task-and-finish style approach.

Quarterly monitoring reports are also received by the organisation, feeding up from SMTs and DMTs to CMT. The reports include key financial information including relevant financial forecasts as well as key risks and issues facing the service. Where significant budget issues are identified action is taken in year to either address budget pressures or to undertake more detailed work to understand the drivers behind unexpected budget pressures.

Since 2023/24, the Council has revised its approach to understanding performance as an organisation through developing an insight and accountability framework, which seeks to identify the different roles data plays to understand:

- The performance of services in delivering key operational priorities (service, DMT and corporate performance reporting)
- The impact and influence the Council has, and the role partners and stakeholders play, in supporting the delivery of the community strategy; and
- The outcomes and experiences of residents and communities (the wellbeing index).

External inspections during 2024/25 reported strong service outcomes in several areas - for example Ofsted and CQC findings referenced by management.

The Council's arrangements for effective partnership working

The Council's insight and accountability framework seeks to understand the impact and influence it has, and the role partners and stakeholders play, in supporting the delivery of community strategy. The Council has a range of strategic partnership boards who maintain a watching brief on the delivery of their shared priorities and the delivery of their strategic plans. This includes receiving a range of performance reports, insight into lived experience of Camden residents and evaluation of delivery plans.

The Council holds regular meetings with the partners to review performance and ensure actions are taken where improvement is required. Any significant issues or concerns arising from the meetings are escalated to the appropriate DMT and CMT. Each Directorate Lead is responsible for managing its own relationships with key partners and engaging with the relevant stakeholders. This generally involves an agreed terms of reference or a memorandum of understanding between parties and a set of key performance indicators and performance standards expected through the partnership. The Council involves its members through various methods including regular meetings, Councillor advice surgeries held within wards, opportunities to engage on local issues through consultations and surveys and enabling residents to directly interact with their elected representatives on matters affecting their neighborhood.

The Council's arrangements for procurement and commissioning services

There is Procurement Guidance available on the Council's intranet site Essentials. The Council has in place a framework for governance to oversee procurement strategies and endorse subsequent contract award and contract management. There are two Procurement Boards 1) Commissioning & Procurement Board and 2) the Strategic Commissioning & Insourcing Board. These Boards review Tollgate papers (i.e. specific reports used in the internal decision-making process for procurement strategies or contract awards within the Council) that outline strategies, awards and contract performance. There are also a Community Investment Programme Gateway and Board that looks at all Development and Community Investment Projects.

VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness reporting criteria - continued

The Council's arrangements for procurement and commissioning services - continued

Procurement use an e-tendering platform (Proactis) to advertise all contracts over public sector thresholds and advertise on contracts finder. Contract Standing Orders (CSO) describe the process for buying goods or services on behalf of the Council. The CSOs are a set of checks and controls to ensure that the Council obtains best value and complies with its powers and duties. Buying goods and services following CSOs provide assurance that the procurement is in line with current procurement legislation and after obtained appropriate authorisation for spend.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency, and effectiveness in its use of resources.

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers. [tailor as appropriate where powers have been used]

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account.

On 11 August 2025 we received an objection to the Council's draft statement of accounts for 2024/25. On 18 September having completed our considerations of eligibility we accepted the objection as valid. The objection relates to the Council's Annual Governance Statement. We have since requested information from the Council, which we have now received, and are due to meet with officers to discuss the relevant matters. We will update the Committee at its next meeting.

Reporting to the group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data, and to carry out certain tests on the data. We aim to complete this work by the end of February 2026.

05

Audit fees and other services

Audit fees and other services

Fees for work as the Council's appointed auditor

Our fees (exclusive of VAT and disbursements) as the Council's appointed for the year ended 31 March 2025 are outlined below.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit. The main aspects impacting upon the fee this year when compared to the prior year are higher scale fees set by PSAA and additional work to address risks.

Area of work	2024/25 Proposed Fee
Code Audit Work (scale fee)	£447,548
Additional work:	
- IFRS 16 first year implementation	TBC
- Objection to the accounts	TBC
- Rebuilding assurance	TBC
Total fees	TBC

Fees for non-PSAA work

We have not been engaged by the council to deliver any non-PSSA work.

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