

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: 2024-25 Statement of Accounts and Audit Completion Report	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Audit and Corporate Governance Committee	DATE: 5 February 2026
<p>SUMMARY OF REPORT: This report presents to the Audit and Corporate Governance Committee the Audit Completion Report of the external auditor on the Council's accounts for 2024/25 and the final 2024/25 Statement of Accounts for approval.</p> <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION No documents that require listing have been used in the preparation of this report.</p> <p>CONTACT OFFICERS: Raj Shah Chief Accountant 5 Pancras Square London N1C 4AG Telephone: 020 7974 5997 raj.shah@camden.gov.uk</p>	
<p>RECOMMENDATIONS</p> <p>The Committee is asked to:</p> <ol style="list-style-type: none"> 1) Note the external auditor's draft completion report for the 2024/25 accounts at Appendix A 2) Approve the 2024/25 Statement of Accounts at Appendix B 3) Authorise the Director of Finance, following consultation with the Chair of the Audit and Corporate Governance Committee, to approve any remaining amendments to the Statement of Accounts as the auditors complete any final outstanding matters. 4) Authorise the Chair of Audit and Corporate Governance Committee to sign the 2024/25 Statement of Accounts. 5) Note the 2024/25 Summary Accounts presented at Appendix C 	
<p>SIGNED: Approved by Director of Finance</p> <p>DATE: 26 January 2026</p>	

1. Purpose of Report

- 1.1. This report presents to the Committee the draft Audit Completion Report for the Council's 2024/25 accounts from the external auditor Forvis Mazars, and the Statement of Accounts for the Committee's approval.
- 1.2. The external auditor has substantially completed audit work on the 2024-25 accounts. The draft Audit Completion Report presents their findings and the corrections and narrative changes that have been identified to the draft accounts. Despite conducting a full audit of 2024-25 Forvis Mazars are issuing a **disclaimed audit opinion** on the Council's accounts for 2024-25 due to insufficient assurance on opening balances following a prior disclaimed year.
- 1.3. The Ministry of Housing, Communities and Local Government (MHCLG), the National Audit Office (NAO) and the Financial Reporting Council (FRC) have been clear that where authorities receive a qualified or disclaimed audit opinion as a consequence of the backstop deadlines that this should not reflect poorly on the authority.
- 1.4. The Council is required to publish its final accounts for 2024/25 by the statutory backstop date of 27 February 2026.

2. Background

- 2.1. The issues surrounding the completion of local government audits and the backlog of financial accounts has been well documented, and has been a regular topic of discussion at this Committee for a number of years. Having been described as a crisis in local audit by the Public Accounts Committee in 2024, MHCLG set about implementing a three-phase solution to address the issue – Reset, Recover and Reform. The Reset element set in legislation a series of backstop dates by which annual accounts would need to be published, whether or not auditors had completed their work on the accounts.
- 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, including the statement of accounts together with the audit opinion and any certificate, the annual governance statement and narrative statement. Those dates are 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. Camden, like many local authorities, has experienced significant delays with the audit of accounts over the past 4 years, but has worked hard to improve its financial reporting environment and bring outstanding audits to a close. The audits for 2019/20, 2020/21 and 2021/22 were concluded in 2024, with the Council and Pension Fund receiving an unqualified opinion from its most recent full audit.
- 2.4. Due to insufficient time to fully complete the audit of the 2022/23 accounts Camden received a disclaimed audit opinion on those accounts for both the Council and Pension Fund. The accounts were agreed by Committee in December 2024 and published in time to meet the backstop date.
- 2.5. Following a disclaimer of opinion, it is acknowledged that a process of rebuilding assurance will need to take place over a number of subsequent audits, as auditors test prior year data and gain confirmation over prior year comparator movements and balances.
- 2.6. For the audit of the 2023/24 accounts, Camden again received a disclaimed opinion on the Council's accounts, receiving a limited audit due to timeframes, but received a qualified opinion on its Pension Fund accounts. This was achieved as Forvis Mazars completed the Pension Fund audit in full for 2023/24, but had not tested the prior year comparator figures (2022/23).

3. Outcome of the External Audit

- 3.1. The council has invested in increasing the capacity of its financial reporting team, and this has played a key role in ensuring that the Council was able to clear the backlog in accounts, with the 2023/24 accounts agreed in February 2025, and publish its draft 2024/25 accounts by the statutory deadline of 30th June 2025.
- 3.2. As a result, Forvis Mazars has been able to plan for and conduct a full audit on Camden's accounts for 2024/25. However, they have not had sufficient capacity to carry out testing on Council balances for the disclaimed years of 2023/24 and 2022/23. As a result, the Council accounts will be issued with a **disclaimed opinion** for 2024/25. The reasons for the 2024/25 opinion are set out, alongside the audit adjustments and findings for the 2024/25 audit, in the Audit Completion Report presented in **Appendix A**.
- 3.3. It is important to note that Forvis Mazars are planning to fully audit 2024/25 balances. This is a strong first step towards rebuilding assurance on the Council's accounts. However, Forvis Mazars will need to conduct testing of the 2022/23 and 2023/24 balances and reserve movements to complete rebuilding assurance, in future years.
- 3.4. The audit of the Pension Fund accounts is more straight forward, and Forvis Mazars completed a full audit on the 2023/24, and then 2024/25 Pension Fund accounts. As reported at the previous Committee meeting, Forvis Mazars will be issuing an **unqualified opinion** on the Pension Fund accounts for 2024/25, as the impact of the disclaimed year has effectively been washed through.

The audit opinions on Council accounts are expected to follow the same trajectory, albeit over a longer time period due to complexities in rebuilding assurance, particularly on reserve balances.

- 3.5. Officers remain committed to collaborating with Forvis Mazars to return the Council to unqualified opinions as quickly as possible. The completion of a full audit on the Council for 2024/25 is a good step to rebuilding assurance and bringing forward that possibility.
- 3.6. Forvis Mazars present the amendments identified to the 2024/25 draft accounts within the draft completion report, which include a misclassification within liabilities on the balance sheet due to code mapping, and an over-reporting of income and expenditure as a result of journal miscoding, with no impact on the Council's bottom line. There was also a correction identified to a debtor balance held for housing benefit overpayments.
- 3.7. Forvis Mazars also report in their internal control conclusions recommendations to strengthen internal control or enhance business efficiency. These are not significant control deficiencies but points raised with management based on observations during the audit process, to which Management Response has been provided and progress will be monitored in subsequent audits.

4. Statement of Accounts process and next steps

- 4.1. Camden published its draft accounts for 2024/25 on 30th June 2025, making the accounts available for the public inspection period between 1st July and 11th August 2025.
- 4.2. The 2024/25 Statement of Accounts presented in **Appendix B** has been updated from the Draft Statement published on 30 June to incorporate those amendments identified following the draft publication. This includes all items reported in the draft Audit Completion Report.
- 4.3. Following approval by the Committee, the Accounts will go through final review and completion procedures with the external auditor, which may result in minor changes.
- 4.4. There are some areas of audit testing still to be completed, including an adjustment for revision to leases, although it is not anticipated to be a material change. As such, delegation is sought to allow the Director of Finance, following consultation with the Chair of the Audit and Corporate Governance Committee, to approve any remaining amendments to the Statement of Accounts as the auditors complete any final outstanding matters. All other anticipated adjustments to the accounts have been incorporated into the Statement presented. Any significant further changes will be reported back to Committee with the audit completion letter confirming the conclusion of the audit.

- 4.5. The Accounts and Audit Regulations 2015 require the Council to produce a Statement of Accounts for each year which meet set requirements, and include the Council's main accounting statements, the Housing Revenue Account (HRA), Collection Fund; and any other statements which the Council is required by statutory provision to keep a separate account for (such as the Pension Fund).
- 4.6. The Accounts and Audit Regulations 2015 require the council to follow a set accounts approval process, as detailed below.
- i) The responsible financial officer (Section 151 officer) certifies that the draft statement of accounts presents a true and fair view of the financial position of the Council and of its income and expenditure. The Executive Director Corporate Services, as the Council's Section 151 officer, certified the draft 2024/25 accounts when they were published on 30 June 2025.
 - ii) Following the review of the external auditor, and any amendments that are required to the statement of accounts as a result, the responsible financial officer recertifies the presentation of the annual accounts before member approval is given.
 - iii) The annual accounts are considered and approved by resolution of members and the statement of accounts is required to then be signed and dated by the person presiding at the committee or meeting at which that approval is given.
 - iv) The signed statement of accounts are presented back to the auditor together with the Annual Governance Statement and a signed letter of representation from the Section 151 officer (now the Director of Finance) to complete the audit closure and issue the audit certificate.
 - v) The accounts are published (which must include publication on the body's website) together with any certificate, opinion, or report issued, given or made by the audit.

- 4.7. In addition to the full Statement of Accounts prepared in line with reporting requirements, officers have again prepared a Summary of Accounts, presented in **Appendix C**, to present a simplified and focussed analysis on the main statements and movements. The intention of the Summary is to give some context to the data and make the statement more digestible.

5. Finance Comments of the Executive Director Corporate Services

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

6. Legal Comments of the Borough Solicitor

- 6.1. The Borough Solicitor has considered the report and appendices and notes that the relevant guidance, statutory framework and legal and CIPFA requirements are clearly outlined throughout the report and the relevant appendices.

- 6.2. In relation to the backstop date as mentioned in the report of 27 February 2026, the government has laid before Parliament the amendments to the Accounts and Audit Regulations 2015 that implement the revised proposals for backstop dates in relation to outstanding audits via the Accounts and Audit (Amendment) Regulations 2024, which came into force on 30th September 2024 ('the Amending Regulations').
- 6.3. The Amending Regulations detail the conditions under which an authority will be exempt from the backstop requirements - on the day before the backstop date: (i) the auditor is considering an objection to the accounts (ii) an elector who has made an objection still has rights of appeal against the auditor's decision not to act (iii) the auditor is considering whether to apply to the courts for a declaration that an item of account is unlawful (or an application has been made for which due process is incomplete) (iv) For the financial years from 2023 to 2027, the auditor is not yet satisfied that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 6.4. If an authority does have an exemption, it will need to issue a notice stating that it has not been possible to publish the statement of accounts and the reasons why not. Publication must then follow as soon as reasonably practicable.
- 6.5. If an authority does not have an exemption but fails to publish by the backstop date, it must as soon as reasonably practicable issue a notice stating that it has not been able to publish the statement of accounts, the reasons for this and that it acknowledges that it must publish the statement as soon as reasonably practicable. The notice must be sent to the Secretary of State (to facilitate scrutiny). The authority must then publish its statement of accounts as soon as reasonably practicable. The current 'delay notice' no longer applies for financial years up to and including 2027-28.
- 6.6. When the statement of accounts, narrative report and annual governance statement are published in accordance with the backstop arrangements, the Regulations require that they must remain available for public access for at least five years after the publication date. Authorities will be required to consider and publish annual audit letters or reports whenever they are received, rather than waiting until the completion of the audit, as currently applies. The Regulations specify that where an authority publishes any statement or notice in accordance with its provisions, this must include publication on the authorities website.

7. Environmental Implications

- 7.1. There are no environmental implications.

8. Appendices

Appendix A: Draft Audit Completion Report 2024/25 - Council

Appendix B: Statement of Accounts 2024/25

Appendix C: Camden Summary Accounts for the 2024/25 Financial Year

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