

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: External Audit Strategy 2024/25	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Audit and Corporate Governance Committee	DATE: 2 July 2025
<p>SUMMARY OF REPORT: This report presents to the Audit and Corporate Governance Committee the plans from the external auditor Forvis Mazars for the audit of the 2024/25 accounts.</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 OFFICER: 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 Audit & Corporate Governance Committee is asked to approve the audit strategy for the Council for 2024/25 presented at Appendix A.</p>	
<p>SIGNED: Authorised by the Director of Finance</p> <p>DATE: 23rd June 2025</p>	

1. Purpose of Report

- 1.1. Within its terms of reference the Audit and Corporate Governance Committee has responsibility for overseeing internal and external audit, and specifically to consider the external auditor's annual audit plans, audit findings, and other relevant reports reporting to those charged with governance.
- 1.2. This report presents to the Committee the External Auditor's strategy memorandum, laying out the plans for carrying out the audit of the Council's 2024/25 accounts.

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 audits of the 2022/23 and 2023/24 Council accounts Camden received a disclaimed audit opinion for those financial years. The accounts are still 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. These have been reported in the Auditor's Annual Report at recent Committee meetings.

- 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 to get assurance on current balances. Auditors have been awaiting guidance from the NAO (National Audit Office) on how this will be done.
- 2.6. On 9 June, the NAO issued its guidance on rebuilding assurance - [LARRIG 06](#). The LARRIG¹ places emphasis on enhanced auditor risk assessments, and rebuilding assurance on carrying values of property, plant and equipment (PPE) and reserves. Additionally, it acknowledges the necessity for auditors to prioritise their resources, recognising that not all rebuilding assurance procedures can be completed within a single year.
- 2.7. The council is working closely with Forvis Mazars to identify their approach to rebuilding assurance and what impact that will have on the council's audit strategy for 2024/25. It has been acknowledged that it will take more than one year before an unqualified opinion can be provided.

3. Audit Strategy 2024/25

- 3.1. The strategy for the audit of the 2024/25 accounts is to be presented to the Committee for approval in line with the Committee's terms of reference. Forvis Mazars have prepared the Audit Strategy Memorandum for the Council, presented at **Appendix A**.
- 3.2. The memorandum presents detail of the responsibilities, resourcing, the scope of audit and broad timeline for the audit's completion. Unlike for 2022/23 and 2023/24 Forvis Mazars plan to conduct a full audit of the Council for 2024/25.
- 3.3. The fees for 2024/25 are presented in line with the agreed arrangements with the PSAA (Public Sector Audit Appointments). Although the fees for the Council's disclaimed audits are yet to be agreed a reduced fee is expected where audit work has not been able to take place due to shortened timeframes.
- 3.4. Audit planning and interim audit work surrounding the Council and Pension Fund's key business processes has already begun, with process documentation and walkthrough testing taking place in late March and April.
- 3.5. The deadline for publication of draft accounts for 2024/25 is 30 June 2025, and the accounts are to be made available to the auditor to commence the audit from 1 July from which point the audit will be able to resume.

¹ Local Audit Reset and Recovery Implementation Guidance

- 3.6. The LARRIG guidance issued emphasises that auditors need to consider specific circumstances for each authority following the guidance and places. Forvis Mazars are assessing this recently issued guidance and will be reporting to the committee on their planned approach to rebuilding assurance for the London borough of Camden.

4. Finance Comments of the Executive Director Corporate Services

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

5. Legal Comments of the Borough Solicitor

- 5.1. This report, together with the Audit Strategy Memorandum (Appendix A) contains detailed reference to the legal requirements and guidance considered by the Auditors when finalising the Memorandum on behalf of the Council.
- 5.2. The responsibility of the Auditor is principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO).
- 5.3. Similarly, the Council is obliged to consider and action the contents of the Memorandum and should, in particular, give careful consideration to section 5 significant risks and other key judgement areas and plans to address the issues raised.

6. Environmental Implications

- 6.1. There are no environmental implications.

7. Appendices

Appendix A: 2024/25 Audit Strategy Memorandum for Camden Council

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