



**Draft Audit Completion Report
London Borough of Camden– year ended 31 March 2025**

For the 5 February 2026 Audit and Corporate Governance Committee

Members of the Audit and Corporate Governance Committee

London Borough of Camden

5 Pancras Square

London

N1C 4AG

26th January 2026

Forvis Mazars

30 Old Bailey

London

EC4M 7AU

Dear Committee Members,

Audit Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Completion Report for London Borough of Camden ("the Council") for the year ended 31 March 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report is intended solely for the Audit and Corporate Governance Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

We appreciate the courtesy and co-operation extended to us by London Borough of Camden throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully



Suresh Patel, Partner

Forvis Mazars LLP

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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 Camden Council. It has been prepared for the sole use of 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

Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of London Borough of Camden for the year ended 31 March 2025 which are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the Code of Audit Practice.

We have reported to the Committee during 2025 that we planned to complete testing on the Council's closing balances for 2024/25. As such, we have included in this report our findings against the significant audit risks and areas of focus we identified in our audit strategy memorandum that we communicated to the Committee in June 2025.

Impact of the backstop legislation

Under normal circumstances, our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Council's financial affairs for the year and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

A range of factors have led to a backlog in financial reporting in recent years. Legislation passed by government in 2024 (the Accounts and Audit (Amendment) Regulations 2024) addresses the backlog by introducing a 'backstop date' for the publication of financial statements, even if the audits had not been completed. This is intended to enable the sector to focus on the current financial position rather than historic information.

We issued a disclaimed opinion on your financial statements for 2022/23 and the 2023/24 financial years. This meant we did not express an opinion on those financial statements, and as such we do not have assurance over the opening balances in the 2024/25 financial statements. Further information on the procedures we have undertaken to issue a disclaimer of opinion in advance of the backstop date is provided in section 3.

The NAO published Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 in June 2025. This guidance sets out the procedures auditors may undertake to obtain sufficient appropriate evidence over opening balances when previous year's audits have been disclaimed. The guidance acknowledges that how long it will take to rebuild assurance will vary between audit engagements and according to each audit's particular circumstances.

It has not been possible to complete sufficient procedures as part of the current year's audit to enable us to issue a non-disclaimed opinion by the backstop date. For this reason, we will be issuing a disclaimed opinion in time for the Council to publish its financial statements by the backstop date of 27 February 2026 as required by the relevant legislation. We have included our proposed audit report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

Areas of focus and audit approach, and significant findings

When we issue a disclaimed opinion we do not express an opinion on the financial statements. When this type of opinion is issued, we are not required to undertake all of the work necessary to identify significant risks and other areas of focus relevant to the current year's audit. The procedures we have undertaken are limited to those we are required to complete to issue a disclaimed opinion for the 2024/25 financial year as we have decided that this is the most efficient approach to rebuilding assurance as we work towards being in a position to issue a non-disclaimed opinion as soon as possible.

Internal control recommendations and misstatements

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. We have identified no significant deficiencies in internal control and identified 4 other deficiencies (1 under discussion) reported in Appendix A. We have reported misstatements in the draft financial statements and how these have been addressed by management in Section 5.

Value for Money

We presented our Draft Auditor's Annual Report to the Committee in November 2025 and reported we found no significant weaknesses in arrangements to report in relation to the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We provide further details in the 'Value for Money' section of this report.

Executive summary

Wider reporting powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We received one objection on the 2024/25 accounts, which we are currently considering.

Reporting to the group auditor

We anticipate completing our work on the Council's WGA submission, in line with the group instructions issued by the NAO. We anticipate reporting that the WGA submission is consistent with the audited financial statements.

02

Status of the audit

Status of our audit

Our audit work on the closing balances for 2024/25 is substantially complete, subject to the satisfactory resolution of the outstanding matters set out below.

Audit area	Status	Description of the outstanding matters	Status
IFRS16 - Leases	●	The Council noted an accounting system issue which resulted in incorrect lease liability and PPE disclosures. This is currently being reworked by the Council and our work is in progress.	Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
Investment Properties	●	We are reviewing the response on two queries to the Council Valuers' which arose from our internal Property Team's review of their methodology.	Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
Property, plant and equipment (PPE)	●	<ul style="list-style-type: none"> • We are reviewing the response on one query to the Council Valuers' which arose from our internal Property Team's review of their methodology. • The PPE disclosure and balances are to be affected by the issue outlined in the leases section above and may lead to additional testing. 	
Debtors	●	We are in the process of reviewing expected credit losses	
Cash	●	We are waiting 1) direct bank confirmations of three schools, where we found that their bank accounts were not held with the Council's. 2) Responses on queries relating to cash control account.	
Related parties	●	We are currently reviewing the related parties' disclosure for completeness.	
Housing Revenue Account	●	We are in the process of agreeing supporting notes in the Housing Revenue Account to Council working papers.	
Collection Fund	●	We are in the process of testing the provision for appeals.	
Review of financial statements	●	<ul style="list-style-type: none"> • We will review of the final updated version of the financial statements on receipt. • This will include review of the internal consistency of the Movement in Reserves Statement and Cashflow Statement. 	
Review of Annual report and AGS	●	Our review of the content of the AGS and Annual report to confirm consistency with the financial statements is yet to be completed.	

Status of our audit

Audit area	Status	Description of the outstanding matters	Status
Events after the reporting period	●	We are required to review events occurring after the reporting period up until the date on which the audit report is signed.	● Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
File closure procedures	●	Once we are satisfied with the final version of the financial statements and upon receipt of management's letter of representation, we will complete our standard file closure procedures.	● Potential to result in a material adjustment or a significant change to disclosures in the financial statements.

Our audit work on the following areas is complete, subject to internal review by the Engagement Manager and Engagement Partner:

- Revenue and taxation and non-specific grant income sample testing
- Employee benefit expenses sample testing
- Short Term Grants Received in Advance – Capital sample testing
- Expenditure and Funding Analysis Review

● Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

03

Audit approach and risk summary

Audit approach and risk summary

Changes to our audit approach

Since we issued our Audit Strategy Memorandum issued in June 2025 we have determined that there is insufficient time to commence the rebuilding assurance phase of the Government's backstop requirements. As a result we will be issuing a disclaimed opinion.

Summary of Risks

Whilst we planned our audit to address the risks of material misstatement we identified at the planning stage, we will not have completed sufficient work over opening balances in advance of the backstop date and as such do not provide any assurance over individual areas of the financial statements or the financial statements, nor do we provide assurance over any of the identified risks. These risks are summarised on page 12.

Materiality

Our provisional materiality at the planning stage of our audit was set at £29.8m using a benchmark of 2% of gross operating expenditure as per the Audit Strategy Memorandum.

Based on the final financial statement figures and due to the adjusted misstatements identified during our audit (see section 6), the final overall materiality we applied was £34.9m (final performance materiality: £20,961k; final clearly trivial threshold: £1,048k).

Audit approach and risk summary

	Audit risk/ key area of judgement	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Significant risks	Management override of controls	●	●	●	●	○	○	○	Risk satisfactorily addressed	15
	Valuation of net defined pension liabilities	○	●	●	●	○	○	○	Risk satisfactorily addressed	16
	Valuation of Property, Plant and Equipment and Investment Properties	○	●	●	●	○	○	○	Items outstanding still to be completed in advance of Audit and Corporate Governance Committee meeting – refer to the section titled 'Status of our audit'.	17
	Implementation of a new standard for accounting for leases – International Financial Reporting Standard (IFRS) 16	○	●	●	●	○	○	○	Items outstanding still to be completed in advance of Audit and Corporate Governance Committee meeting – refer to the section titled 'Status of our audit'.	18

04

Significant findings

Significant findings

Background and modification of the audit opinion

As part of our longer-term approach to rebuilding assurance, we have not completed sufficient audit procedures as part of the current year's audit to enable us to provide an unmodified opinion on the Council's financial statements. As we have determined that the effects, or potential effects, on the financial statements of the lack of sufficient appropriate evidence are pervasive, we will be issuing a disclaimed opinion which means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the fact we will not have been able to rebuild assurance in respect of opening balances by 27 February 2026 after issuing a disclaimed opinions in previous year(s) as a result of the backstop arrangements.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Significant matters discussed with management

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Council's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error.

Significant difficulties during the audit

We encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and Audit and Corporate Governance Committee during our audit. All requested information and explanations were provided to us.

Other matters of significance

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix E.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability 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 law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2024/25 audit

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. We received one objection on the 2024/25 accounts, which we are currently considering.

Significant findings

Significant risk – management override of controls

Description of risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. The unpredictable way in which such override could occur means there is a risk of material misstatement due to fraud.

Our audit response

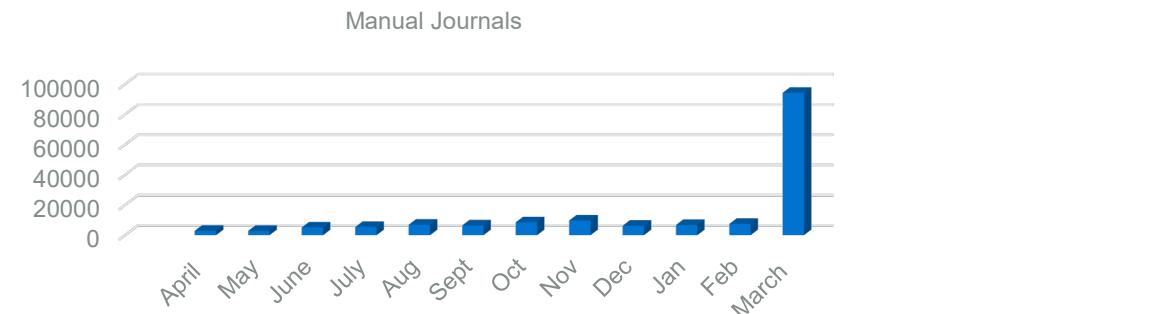
We addressed this risk by carrying out audit work in the following areas:

- accounting estimates impacting amounts included in the financial statements;
- consideration of identified significant transactions outside the normal course of business; and
- journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Our work on journals included identifying and analysing the total population of journals posted by the Council during the year and as part of the account's preparation process. We identified a range of fraud risk factors that we then applied to the population and tested the validity of any journals that we identified for testing.

Analysis of our work performed

The analysis below details the Council's posting pattern for the number of lines posted to the general ledger month by month in the form of manual journals.



In total, 162,170 journal lines were manually posted to the ledger. The spike in March is within our expectations as this is when many year-end adjustments related to the preparation of the financial statements are posted.

We analysed these in line with our 'high risk criteria'. This identified a sample of 58 journals lines that displayed characteristics indicating that they could be subject to management override of controls. These lines were subject to detailed testing, which involved agreement of the selected items back to sufficient appropriate evidence. This work did not identify any instances of management override of control.

Following the completion of our audit work, we performed a full stand back assessment of the material estimates tested as part of our wider audit. We identified no characteristics of management bias. We have not identified any significant transactions outside the normal course of business.

Audit conclusion

We have completed our planned procedures and have no matters to report in respect of this risk.

Significant findings

Significant risk – Valuation of net defined pension liability

Description of risk

The net pension liability represents a material element of the Council's balance sheet as the Council is an admitted body of the Camden Pension Fund.

The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.

There are financial assumptions and demographic assumptions used in the calculation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year or updated to reflect any changes.

There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2024/25.

Our audit response

We addressed this risk by carrying out audit work in the following areas:

- critically evaluated the Council's arrangements (including relevant controls) for making estimates in relation to pension entries within the financial statements; and
- challenged the reasonableness of the Actuary's assumptions that underpin the relevant entries made in the financial statements, through the use of an expert commissioned by the NAO;
- critically assessed the competency, objectivity and independence of the Actuary;
- liaised with the auditors of the Pension Fund to gain assurance that the overall procedures and controls in place at the Pension Fund are operating effectively;
- Reviewed a summary of the work performed by the Pension Fund auditor on the Pension Fund investment assets and evaluated whether the outcome of their work would affect our consideration of the Council's share of Pension Fund assets.
- reviewed the actuarial allocation of Pension Fund assets to the Council by the Actuary, including comparing the Council's share of the assets to other corroborative information.
- compared assumptions to expected ranges, using information provided by the consulting actuary engaged by the NAO; and

- agreed data in the Actuary's valuation report for accounting purposes to the relevant accounting entries and disclosures.

Audit conclusion

We have completed our planned procedures and have no matters to report in respect of this risk.

Significant findings

Significant risk – Valuation of property, plant and equipment and investment property

Description of risk

Where a Council's assets are subject to revaluation, the Code requires that the carrying value should reflect the appropriate fair value as at the year end.

Estimation of fair values is subject to complex estimation. This creates a risk that the carrying value of those assets revalued in the year are materially mis-stated.

In respect of Council Dwellings, these are reviewed using a beacon valuation methodology, which values Council stock by grouping assets into type and using a nominated beacon asset for each group. The assessed value is uplifted based on an open market assessment then amended for an adjustment factor provided by Government.

Due to the high degree of estimation uncertainty associated with valuations, we have determined there is a significant risk in this area.

Our audit response

We assessed the risk of valuations changing materially in year, considering the movement in market indices between valuation dates and the year end, to determine whether these indicate that fair values have moved materially.

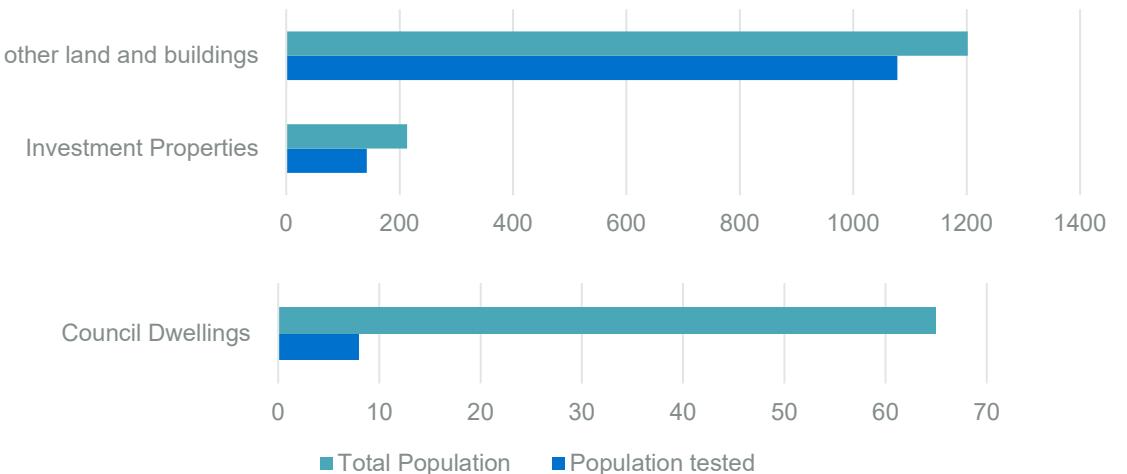
We obtained assurances from management that they have appropriately challenged the work of their experts.

In addition, for those assets which have been revalued during the year we:

- assessed the valuer's qualifications;
- assessed the valuer's objectivity and independence;
- reviewed the methodology used;
- For a sample of assets, performed testing of the associated underlying data and assumptions; and
- Ensured the accounting treatment of the valuation and associated movements is compliant with relevant accounting framework.

Analysis of work performed

We selected our sample sizes in line with our methodology for testing a significant risk. The graph below details the value of the sample against the total population of revalued assets in the year, figures rounded to the nearest million. For Council dwellings, we have taken the population of the beacons properties revalued in year. We selected 110 other land and buildings assets, 25 investment properties and 10 Council dwellings. The samples selected provided 82% coverage of the total population of revalued assets within the year.



Audit conclusion

As outlined in Section 2, our work on this area is in progress. We will report any significant findings to the next Committee meeting.

Significant findings

Significant risk – IFRS 16 implementation

Description of risk

IFRS 16 has been applicable from 1 April 2024 and is designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The Council is required to reclassify operating and finance leases, pass related adjustments and make disclosures in its 2024/25 accounts as required by IFRS 16.

Our audit response

we reviewed the work that the Council carried out for the implementation of IFRS 16, including to PFI contracts.

We substantively tested PFI lease balances using a higher risk factor and seek evidence to support that they have been correctly classified and accurately measured under the new standard.

We plan to test a sample of leases reported under IFRS 16 to confirm their appropriate accounting treatment and disclosure in the 2024/25 accounts. The council noted an accounting system issue which resulted in incorrect lease liability disclosures. This is currently being reworked and therefore we have not been able to complete testing leases.

Analysis of work performed

We have reviewed the implementation of IFRS16 to the following PFI contracts:

- Haverstock School PFI.
- Swiss Cottage SEN School and UCL Academy PFI.

As these are the only PFI contracts the Council holds, we have tested 100% of the population.

Audit conclusion

We have completed our planned procedures and have no matters to report in respect of IFRS16 implementation of PFI contracts.

Our work in respect of IFRS16 implementation on other Council leases is still in progress. We will report any significant findings to the next Committee meeting.

05

Summary of misstatements

Summary of amendments to the financial statements

The Council's Director of Finance (interim S151 Officer) authorised the Council's draft financial statements for issue on 30th June 2025.

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the Audit and Corporate Governance committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

Amendments to the financial statements

Management has processed the amendments set out in the table below which exceed the trivial threshold for adjustment of £1,048k. .

Details of amendment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Capital Grants receipts in advance Cr Other long term liabilities			3,556	3,556
Balances classified as other long-term liabilities were miscoded to long term capital grants receipts in advance				
Dr fees income Cr other services expenditure	24,100	24,100		
Transactions relating to the allocation of the DSG grant to their maintained schools was recognised as expense by the Council and Income by their maintained schools. These should be eliminated as the Council and schools are considered a single entity, therefore both income and expenditure has been overstated.			-	-
Dr Other service expenses Cr Short term debtors			2,972	2,972
Housing benefits overpayment debtors were incorrectly extracted from the housing benefits management system and were therefore overstated.	-	-		
Aggregate effect of amendments	24,100	24,100	6,528	6,528

Summary of misstatements

Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Strategy Memorandum, issued in June 2025. Any subsequent changes to those figures are set out in the '*Audit approach and risk summary*' section of this report.

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to Audit and Corporate Governance Committee unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr Fees, services and other income		1,471	1,471	-	-
Cr Expenditure					
We found an error in our sample testing where internal transactions between departments within the Council were being recognised as income and expenditure, rather than being eliminated on consolidation. Another error was staff cost reimbursement from third parties was treated as income rather than offset against payroll expenditure. Both errors lead to an overstatement of income and expenditure.	Extrapolated				
Aggregate effect of unadjusted misstatements		1,471	1,471	0	0

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

When we issue a disclaimer of opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements that have been identified which have not been amended by management in the final financial statements. We confirm that no such matters have come to our attention.

Summary of misstatements

Disclosure misstatements

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Cash Flows from Investing Activities: All movements in investments were incorrectly recorded as a net amount of £113,282k. This has been amended to disclose as "Proceeds of short-term and long-term investments" of £950,902k and "Purchase of short-term and long-term investments" of £837,620k
- Related Parties: The disclosure has been amended to disclose that the Council holds £198.12m of short-term investments and cash equivalents on behalf of NLWA (£332.26m at 31 March 2024).
- Termination benefits: the disclosure did not include PILON and PIOL payments for some of the employees disclosed
- Officer's Renumeration: the disclosure incorrectly included reimbursement of expenses not subject to income tax within salary
- Accounting Policies: Additional disclosures have been made to reflect the policies the Council has in place regarding "Lease and Lease type transactions" and "Service Concession Arrangements"
- Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty: The "Property, Plant & Equipment (Depreciation)" section has been removed as it is not a major source of estimation uncertainty for the Council
- Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty: The "Grant claims yet to be certified (housing Benefits)" section has been removed as there no estimation involved in arriving at year end balance.
- Financial Instruments: Cash and Cash Equivalent balance of £79,692k has now been included within the financial instrument's disclosure
- Property, Plant and Equipment: The note has been updated with an additional column to disclose an analysis of movement of PFI assets held by the Council.
- Contingent Liabilities: Disclosure has been updated from disclosing total expected value of liabilities of £6.23m at 31 March 2025 and £2.32m at 31 March 2024, to instead disclose that there are no material contingent liabilities in prior or current year.

06

Fraud considerations

Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

Your responsibilities

Management has primary responsibility for the prevention and detection of fraud. It is important that management, with Audit and Corporate Governance Committee oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by Audit and Corporate Governance Committee's active oversight.

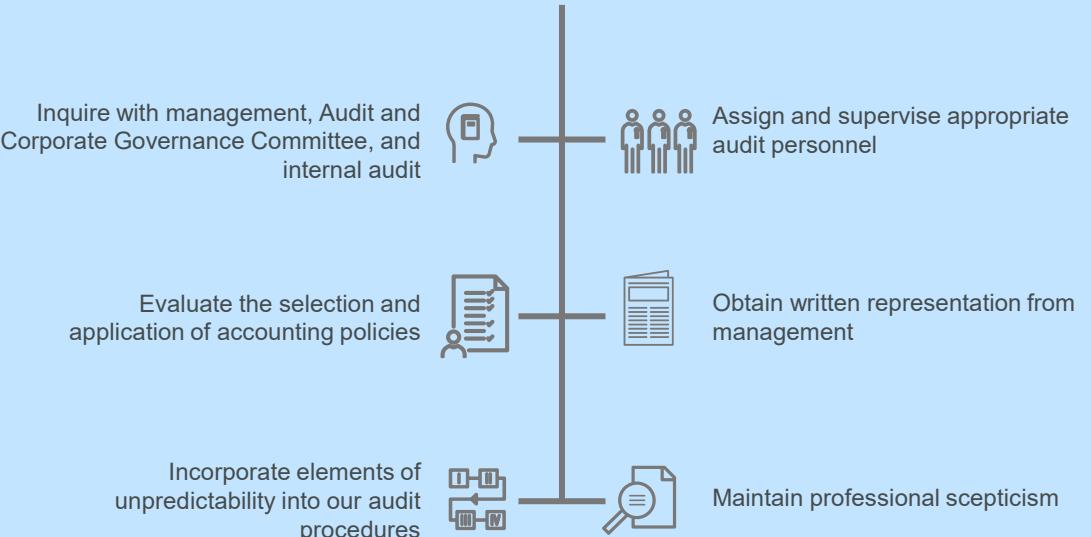
Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

ISA presumed fraud risks

As set out in the 'Audit approach and risk summary' section, the risks of fraud in management override of controls were identified as significant risks.

Our overall approach to fraud



Our overall conclusion

We did not identify any actual or suspected fraud involving management, employees with significant roles in Camden Council's internal control or others, where the fraud resulted in a material misstatement in the financial statements.

07

Value for Money

Value for Money

Approach to Value for Money

We are required to form a view as to 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 in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This is the first audit year where we have undertaken our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31st March 2025 to you in draft by the 30th November 2025. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report).

The Code requires us to structure our commentary to report under three specified criteria:

- **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; and
- **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.

At the planning stage of the audit, we undertake work to understand the arrangements that the Council has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. 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 significant weaknesses in arrangements exist.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report by exception. We will also highlight emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.

The primary output of our work on the Council arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria.

Status of our work

We have completed our work in respect of the Council's arrangements for the year ended 31 March 2025 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix C confirms that we have no matters to report in respect of significant weaknesses. Our commentary on the Council's arrangements was provided in our Auditor's Annual Report in November 2025.

Appendices

- A: Internal control conclusions
- B: Draft management representation letter
- C: Draft audit report
- D: Confirmation of our independence
- E: Other communications

Appendix A: Internal control conclusions

Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Council's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Appendix A: Internal control conclusions

Other deficiencies in internal control

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but [will be/ have been] reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

1. User access to Oracle after employment termination

Description of deficiency

Oracle users (including those with privileged access) whose employment ends on a Friday retain access to Oracle until the following Monday. This means they continue to have access over the weekend despite no longer being employed by the Council.

Potential effects

Possibility of unauthorised access to Oracle after employment termination increases the risk of management override of control and fraud.

Recommendation

The Council should implement a policy and process to ensure that all user access is terminated within the day an employee's employment ends.

Management response

Camden operates a single-sign-on with employees' Oracle account linked to their Camden user account. User access is revoked within a day of the termination date registered in the system. This is terminated on an individual's last day of service. The reason for the gap identified was related to Council's HR practice when the last day of service is a Sunday, entered in Oracle as the Termination Date for calculation of pay, but last working day being a Friday. The risk of unauthorised privileged access to Oracle after last working day is remote, and Oracle is operating correctly as expected.

Since July 2025, employees use Oracle self-service to resign and enter the termination date. Whichever termination date is entered online, it will be the termination date in Oracle. Therefore, the recommendation has already been implemented and there is no possibility of user access to Oracle post termination.

Appendix A: Internal control conclusions

Other deficiencies in internal control

2. Balances within Suspense Accounts at year end

Description of deficiency

As part of the year end financial closure and accounts preparation process, the Council does not clear all their suspense account balances to nil. During our audit we observed that £3m in the Cashiers Control suspense account was not fully cleared off at year end.

Potential effects

There is a risk of misstatement in the year-end cash and debtor's position.

Recommendation

The Council should implement a year-end process which clears all suspense accounts to nil.

Management response

We are currently in discussion with auditors to confirm if their observation represent a deficiency in our controls.

Appendix A: Internal control conclusions

Other deficiencies in internal control

3. Updated journals preparer and approver list

Description of deficiency

The Council does not maintain an up-to-date record of preparers and approvers for journals throughout the year. As a result, there is no audit trail identifying who held specific permissions at any given time.

Potential effects

Possibility of journals entered and approved by unauthorised users.

Recommendation

The Council should maintain a live list of users who can input journals and who can approve journals in the system throughout the year.

Management response

During 2024/25 and before, the Council operated tight control on access to prepare and approve journals in Oracle, which was limited to Finance staff. Requests for access require managerial approval, and system implementation is managed separately through the Oracle Systems Administration Team. Although a record of active preparers and approvers over time was not maintained, the risk of journals being entered by unauthorised users was low.

The Council has since adopted a new process for inputting and approving journals, through a system-hosted Journal Creation Form (JCF). JCF requests can be submitted by wider Oracle user groups but approver access is limited, restricted to specific Finance staff, and a list of journal approvers will be reviewed periodically throughout the year.

Appendix A: Internal control conclusions

Other deficiencies in internal control

4. Confirmations of Councillor's related party interests at year end

Description of deficiency

The Council's year end process for ensuring its related parties disclosure complete includes emailing Councillors to confirm whether their last declaration of interests return has changed. Non-response is treated as a positive confirmation. This does not represent a control to ensure the completeness of declared interests.

Potential effects

There is a risk that related parties disclosed in the accounts are incomplete if Councillors fail to respond to confirm that their register of interests is up-to date.

Recommendation

The Council needs to put in place a mechanism to obtain positive confirmations from Councillors regarding their interests at the year end

Management response

Councillors have a legal duty to declare related party interests in a live register, on which the Council placed reliance for identifying related party transactions for the accounts.

This process was previously considered appropriate for the purpose of account preparation, as Councillors are required to update the register within 28 days of a change, as part of the Members Code of Conduct.

During the audit of 2024/25, following the auditor's observation above, the auditors required positive confirmations of member declarations from all active Councillors. This was requested to confirm the accuracy of those declarations and evidence the correct reporting in the accounts.

From 2025/26, this additional confirmation will be sought as part of year-end procedures and built into governance processes going forward.

Appendix A: Internal control conclusions

Other recommendations in internal control

5. CIPFA compliance of termination benefits disclosure

Description of deficiency

During our testing of exit packages, we noted that the Council's termination benefits data is held within the payroll system, which management considers compliant with HMRC requirements. However, during the year-end financial statement preparation process, this information is not adjusted to ensure compliance with the CIPFA Code. As a result, discrepancies were identified in the financial statement disclosures for exit packages, arising from differences between HMRC treatment and CIPFA Code guidance. These differences are treatment of PILON and PIOL payments to employees, where under CIPFA Code guidance these make up part of exit packages to be disclosed.

Potential effects

There is a risk that the Council's disclosure for termination benefits is not CIPFA compliant.

Recommendation

The Council should prepare and review the termination benefits disclosure in reference to CIPFA code guidance.

Management response

The Council's Payroll system operates with regard to correctly identifying taxable pay. Payment of exit packages are accurate and the correct amount of income tax is paid. In order to meet CIPFA Code guidance, the termination benefits disclosure is required to include Pay In Lieu of Notice and Pay In Lieu of Leave, which is now being incorporated in the working paper production.

Appendix A: Internal control conclusions

Follow up on previous internal control points

We set out below an update on internal control points raised in prior periods.

1. Rent review of commercial leases (2020-21)

Description of deficiency

The Council has a policy to review the rents charged for properties it leases to commercial entities every three years. However, our testing identified some lease properties where this review had not been undertaken in line with the policy. Furthermore, the Council does not have a lease register in place to track when rent reviews are due. As a result, rent reviews only occur after other events trigger it.

Potential effects

The Council is not complying with its policy. This gives rise to a risk the Council may be under-charging rent in respect of some leases.

Recommendation

The Council should aim to have more regular reviews of their commercial lease properties to ensure rents are reviewed and set in the context of the market value.

Status of implementation 2024-25 – Recommendation remains open

A similar observation was noted during the audit of 2024/25

Management response

As reported in the Management Response for the 2020-21 accounts (reported in September 2024), the rent review issue will take time to resolve. The Council has now procured and implemented a new property management system called Concerto, which is enabling the identification of future and currently outstanding lease events. This not only includes expirations and rent reviews, but also future break options for both landlords and tenants. This is assisting with future planning and strategy for individual locations.

The approach is to move to a 5-year rental cycle with reviews on the 5th anniversary to bring it more in line with the wider market. In 2024-25 we documented 79 Rent Reviews and completed 46 Lease Renewals. To date this financial year we have completed a further 54 Rent Reviews and 40 Lease Renewals. We currently have a further 35 Lease Renewals with Legal Services and with them there will be a number of historic rent reviews that will be resolved as part of the wider renewal discussions, further reducing the numbers. These outstanding events are being identified by the new Concerto system. There is a current strategy to focus on the lease renewals which have the greatest financial risk to the Council, with the top 10 expirations having a total rent roll in excess of £1m and if the tenants vacate this will have a significant impact on the Council's income.

Appendix A: Internal control conclusions

2. No regular reviews of Oracle user access rights (2021-22)

Description of deficiency

The Council does not conduct periodic reviews of access rights for all non-standard Oracle users. Although the client has started undertaking periodic reviews for certain classes of non-standard Oracle users, e.g. users assigned with payroll roles, there is no such review for all non-standard users and no review is done for users assigned with finance roles.

Potential effects

The Oracle system may be accessed inappropriately or fraudulently. Unintentional or fraudulent data alteration or entry may occur.

Recommendation

Council should implement a formal policy and process which allows for periodic reviews of the access rights of all users with non-standard access to Oracle.

Management response

We accept the recommendation and will implement a formal policy for system access reviews for all non-standard users. We have carried out ad hoc reviews of standard and non-standard users in 2022, the risk of the Oracle system being accessed inappropriately and fraudulently is low but will look to introduce a formal policy for 2025/26.

Status of implementation 2024-25 – Closed

Quarterly access reviews have been implemented for Oracle user rights

Appendix A: Internal control conclusions

3. Journals approval (2020-21)

Description of deficiency

During our journal testing, we identified an issue of segregation duties in the Oracle system where it allowed the creator of journals to self-approve and post the Journal as well. We could identify 18 such self-approved journals and we were explained by the management these were year-end financial closure journals where rights were given to staff members to pass the rectification journals to fix the errors identified during the closure and this right has since been revoked.

The Council's finance team were able to evidence that for 12 of 18 journals a compensating control was put in place to ensure that the journal was reviewed after the event. For the remaining 6 journals management could not evidence the segregation of duties. However, we tested these 6 journals substantively and confirmed that they were reasonable journals and there was no indication of any management override of controls.

Potential effects

Absence of segregation of duties between posting and approving journals increases the risk of management override of control and fraud.

Recommendation

The Council should consider removing the functionality of self-creating, approving and posting journals.

Management response

Oracle has a control feature that prevents submitters of journals from also approving, and this has now been turned on to prevent self-authorisation.

Status of implementation 2024-25- Closed

A system of segregation of duties on the Oracle system has now been implemented

Appendix A: Internal control conclusions

4. Accounting of deferred income (2020-21)

Description of deficiency

During our testing of debtors and creditors, we noted that the Council recognised income at the time an invoice is raised during the year by debiting the debtors and crediting the income. In cases where an income needed to be deferred to the subsequent year, the Council pass an entry by debiting the expenditure and crediting the deferred income. This has the effect of increasing the income, expenditure, debtors and creditors by the amount of deferred income. These book entries are not adjusted/reversed at the year-end.

Potential effects

The Council's accounting increases the risk that the accounts are materially misstated.

Recommendation

The Council should reverse the relevant accounting entries as part of its year-end financial closure and reporting process.

Management response

The carrying of an opposing debtor and creditor will occur where a receipt in advance is processed but there is no payment received at bank by 31 March. As part of financial closing a check will be undertaken to check whether Receipts in Advance have been paid, and where required an accounting adjustment will be put through to reverse the debtor and creditor position.

Status of implementation 2024-25 – Closed

We have not found the same issues for 2024-25 during our audit testing.

Appendix B: Draft management representation letter

Forvis Mazars
30 Old Bailey
London
EC4M 7AU

Dear Suresh Patel,

London Borough of Camden - Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of London Borough of Camden "the Council" for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Council you determined it was necessary to contact in order to obtain audit evidence.

I confirm as s151 Officer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

I confirm that there is no information provided to you as part of the audit that I consider legally privileged.

Appendix B: Draft management representation letter

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Council and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Council's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current and fair value

I confirm that the methods, significant assumptions and the data used by the Council in making the accounting estimates, including those measured at current and fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Council have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Council has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix B: Draft management representation letter

Fraud and error

I acknowledge my responsibility as s151 Officer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Council involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended applicable law.

I have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Council's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Council has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Appendix B: Draft management representation letter

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2024/25 in relation to the Council's service concession arrangements that you have not been made aware of.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Council, including the impact of mitigation measures and uncertainties, and that the disclosure in the Narrative Report and the subsequent events note 6 to the financial statements fairly reflects that assessment.

Tariffs

I confirm that I have carried out an assessment of the potential impact of changes in US trade policy in respect of tariffs, including the impact of reciprocal tariffs by other countries, including the impact of mitigation measures and uncertainties, and that the disclosure in the Narrative Report and the subsequent events note 6 to the financial statements fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Council will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Council's financial and operating performance over the period covered by the financial statements.

Appendix B: Draft management representation letter

Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Daniel Omisore

Director of Finance (interim S151 Officer)

Date:

Appendix C: Draft audit report

Independent auditor's report to the members of London Borough of Camden Council

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of London Borough of Camden Council ("the Council) for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations specify the date by which The Council is required to publish its Accountability Statements, which include the financial statements and the auditor's opinion, for each financial year. The Council is required to publish its Accountability Statements for the year ended 31 March 2025, by 27 February 2026 ('the 2026 backstop date').

On 27 Feb 2025 and 06 Dec 2024, we issued disclaimers of opinion in relation to the financial statements for the years ended 31 March 2024 and 31 March 2023 respectively, as there was insufficient time to perform all necessary audit procedures to obtain sufficient appropriate evidence upon which to form an opinion before the relevant backstop date(s) specified in the Amendment Regulations.

The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion through Local Audit Reset and Recovery Implementation Guidance 06 ("LARRIG 06") in June 2025. We have had regard to LARRIG 06 and other relevant guidance and determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance. As a result, we are not able obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for the year ended 31 March 2025 before the 2026 backstop date.

Responsibilities of Director of Finance (interim S151 Officer) for the financial statements

As explained more fully in the Statement of responsibilities for the Statement of Accounts, the Director of Finance (interim S151 Officer) is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. Director of Finance (interim S151 Officer) is also responsible for such internal control as the Director of Finance (interim S151 Officer) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Finance (interim S151 Officer) is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Finance (interim S151 Officer) is responsible for assessing each year whether or not it is appropriate for the Council to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Appendix C: Draft audit report

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Council's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Appendix C: Draft audit report

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of London Borough of Camden Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have:

- received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.
- completed our work on an objection raised in relation to the Council's financial statements for the year ended 31 March 2025.

Suresh Patel

Key Audit Partner, For and on behalf of Forvis Mazars LLP

30 Old Bailey, London, EC4M 7AU

Appendix D: Confirmation of our independence

We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Audit Strategy Memorandum and therefore we remain independent.

Appendix E: Other communications

Other communication	Response
 Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations/</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> <li data-bbox="437 721 2488 750">they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and <li data-bbox="437 750 2488 779">they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
 Going Concern	<p>As noted in section 3 of our report, when we issue a disclaimed opinion, we do not express a view on whether it is appropriate for the accounts to be produced on a going concern basis. We have therefore not considered the appropriateness of management's going concern assessment.</p>

Appendix E: Other communications

Other communication	Response
 Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
 Matters related to fraud	<p>As explained in section 3 of our report, we sought and obtained information from management in relation to any actual or suspected fraud which could materially impact upon the financial statements. We have reported any matters arising in accordance with our responsibilities as your appointed auditor. Due to our decision to disclaim the opinion, we have not undertaken further procedures in respect of fraud. Therefore, we do not provide any assurance that the financial statements are free from material error due to fraud.</p>
 System of Quality Management	<p>To address the requirements of ISQM (UK) 1, our firm's System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm's System of Quality Management, including:</p> <ul style="list-style-type: none"> Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.) Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality Evaluating responses and remediating control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2025. Details of that assessment and our conclusion are set out in our 2024/2025 Transparency Report, which is available on our website here.</p>

Contact

Forvis Mazars

Suresh Patel

Partner

Tel: +44 (0) 7977 261 873

Suresh.Patel@mazars.com

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

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