

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 27/10/2025

Subject: Annual Audit Report (Value for Money) 2024/25

Report author: James Newman, Assistant Director - Finance

Responsible Director: Sukvinder Kalsi, Executive Director of Finance and Corporate Services

SUMMARY

This report presents the external auditor's Annual Audit Report relating to the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (commonly known as "Value for Money" reporting). The report covers the financial year 2024/25.

In summary, the external auditors have assessed the Council as 'green' on financial sustainability and 'amber' for governance, and improving economy, efficiency and effectiveness. The external auditors have also not used any of their extensive reporting powers relating to public interest reports, judicial reviews, advisory notices or statutory recommendations.

The external auditors have suggested a small number of recommendations (4 in total and these are detailed in the report. All these are being progressed and expected to be discharged during 2025/26.

RECOMMENDATIONS

1. To note the contents of the "Auditor's Annual Report for the Year Ended March 2025" from Grant Thornton LLP (being the Council's external auditor) (Appendix 1).
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Wards Affected: All

H&F Values

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	The Annual Audit Report is a key tool in demonstrating how the Council delivers value for money.

Financial Impact

This report presents the external auditor's Value for Money assessment and is wholly of a financial nature.

Legal Implications

There are no direct legal implications in relation to this report. The External Auditor is required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to verify that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Angela Hogan, Chief Solicitor (Contracts and Procurement) 8th October 2025

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Background Papers Used in Preparing This Report

None

Annual Audit Report 2024/25

1. The external auditor is required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to verify that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (commonly known as “value for money” of VFM arrangements).
2. The Code of Audit Practice issued by the National Audit Office (NAO) requires the auditor to report to the Council commentary relating to those proper arrangements.
3. The Council’s external auditor is Grant Thornton LLP.
4. The attached report from Grant Thornton LLP presents both a summary and detailed analysis of their review of the Council’s VFM arrangements including key findings, recommendations and the Council’s response to those recommendations.
5. The auditor is required to review the Council’s value for money arrangements in the areas of Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness. The overall assessment by the auditor against these five criteria is as follows.

Criteria		2024/25 Assessment
Financial sustainability		Green
Financial sustainability - HRA		Amber
Governance		Amber
Improving economy, efficiency, effectiveness		Amber
Improving economy, efficiency, effectiveness - HRA		Amber

6. The 2024/25 AAR contains a limited number improvement recommendations only (i.e. no statutory recommendations nor key recommendations) and these relate to the HRA (level of contingencies, stock condition work), our liquidity and reporting our regular Treasury reports to Audit Committee in addition to Cabinet (see Treasury Outturn 2024/25 on this Agenda).

LIST OF APPENDICES:

Appendix 1 – Annual Auditor’s Report on Hammersmith and Fulham Council 2024/25.