



Ministry of Housing,
Communities &
Local Government

Jim McMahon OBE MP
*Minister of State for Local
Government and English
Devolution*
2 Marsham Street
London SW1P 4DF

Florence Eshalomi MP
Chair of the Housing Communities and
Local Government Committee

7 July 2025

Dear Florence,

In March 2025, I [wrote to the committee](#) to update you on the decisive action that the government took to clear the unacceptable local audit backlog in England. A key aspect of these measures included setting a series of deadlines whereby local bodies, unless exempt, must publish their audited accounts. I am writing to you today to update you on the outcomes of the most recent backstop date of 28 February 2025 for the publication of audited accounts for financial year 2023/24.

28 February 2025 backstop

Local bodies, unless exempt, were required to publish their audited accounts for the financial year 2023/24 by 28 February 2025. Over 92% of bodies have published audited accounts for the financial year 2023/24. Of these bodies, just under 50% of bodies published a disclaimed opinion due to the backstop, whilst 41% published unmodified (clean) opinions. 13 bodies were exempt from the publication requirements; however, exemptions no longer apply for three of these bodies, and they have now published their audited accounts.

Furthermore, I can confirm that the government has today [published a list](#) of bodies that failed to meet the publication requirements at this backstop. The list reflects whether bodies published their draft accounts by 16 January 2025 (the latest date on which the 30-working-day inspection could commence for it to conclude by the backstop), whether the audit opinion was delivered by the backstop, the date on which it was delivered, and whether bodies published their audited accounts by 16 May 2025.

The government has contacted all bodies and their auditors included on the list and will continue to engage to ensure that outstanding audited accounts for all outstanding financial years are published as soon as practicable.

Financial support for bodies affected by the measures

The department recently announced up to £49 million in funding to help councils clear their backlogs and cover additional costs of restoring audit assurance. The release of funds to councils will be contingent on publication of audited accounts and audit fees being paid.

27 February backstop (for financial year 2024/25)

The deadline for publication of audited accounts for the financial year 2024/25 is 27 February 2026. In line with amendments made to the Accounts and Audit Regulations 2015, bodies are required to publish their draft accounts by 30 June 2025. The government will monitor compliance with this deadline with a view to ensuring improvements to the overall system of compliance and timeliness.

Systemic reform

In December 2024, the government launched its ambitious strategy to overhaul the broken local audit system. This strategy set out a clear purpose for local audit and its users, proposals for simplified and proportionate financial reporting, improvements to the market's capacity and capability, and ways to build strong relationships between local bodies and auditors. The establishment of a new single body, the Local Audit Office (LAO), to oversee local audit will radically simplify and streamline the currently fragmented system. The LAO will be proportionate and focussed on local audit matters, ensuring efficiency, transparency and value for money. strategy to overhaul the broken local audit system in England and embed transparency and value for money across local government. The government also published in early April a response to its consultation, which included 16 further commitments to reform the system.

Yours sincerely,

A handwritten signature in blue ink that reads "Jim McMahon." The signature is written in a cursive, flowing style.

Jim McMahon OBE MP

Minister of State for Local Government and English Devolution