



**HM Treasury**

## Financial Reporting Advisory Board Paper

Update on the timeliness and issues coming through from the 2024-25 reporting cycle.

<b>Issue:</b>	An update from HM Treasury on the timeliness and reporting issues arising from the 2024-25 reporting cycle. This includes a summary of the laying timetable of departmental accounts, qualified audit opinions, and changes in reporting timeliness since 2023-24. It also includes a brief update on the Whole of Government Accounts.
<b>Impact on guidance:</b>	N/A
<b>IAS/IFRS adaptation?</b>	N/A
<b>Impact on WGA?</b>	N/A
<b>IPSAS compliant?</b>	N/A
<b>Interpretation for the public-sector context?</b>	N/A
<b>Impact on budgetary regime and Estimates?</b>	N/A
<b>Alignment with National Accounts</b>	N/A
<b>Recommendation:</b>	None – for the Board's information only
<b>Timing:</b>	Ongoing

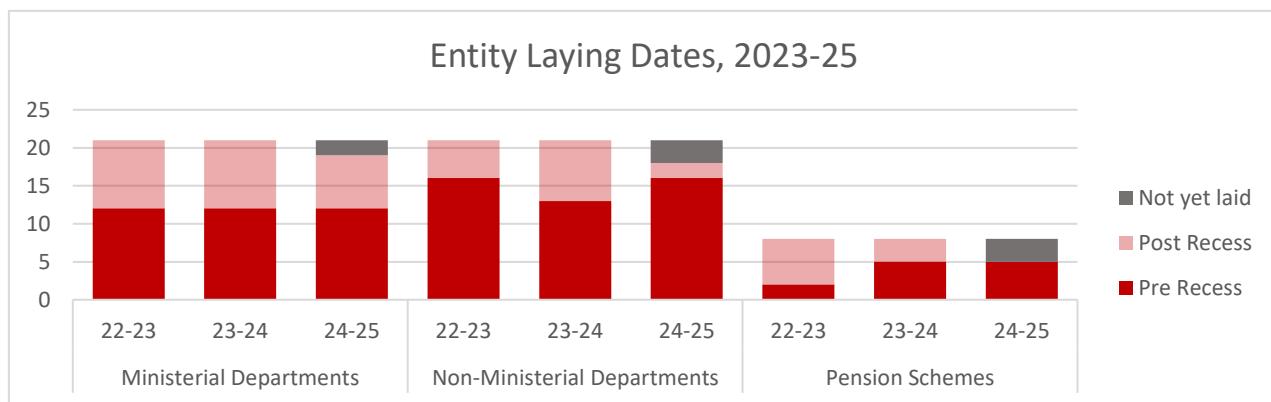
### DETAIL

#### Background

1. This paper provides a summary of the 2024-25 laying timetable as of 10<sup>th</sup> November 2025, including detail on the current laying timetable and audit qualifications.
2. In December 2024, HMT's Dear Account Officer (DAO) letter set the administrative deadline for laying accounts as 30<sup>th</sup> June 2025.
3. Parliamentary recess began on 22<sup>nd</sup> July.

#### 2024-25 laying timetable

4. Thirty-three of the fifty bodies laid by the Financial Secretary to the Treasury (FST) were able to lay their ARAs before the Parliamentary summer recess, an increase compared to 2023-24. This figure comprises twelve ministerial departments, sixteen non-ministerial departments and five pension schemes. Please refer to Appendix 1 for a full list of entities and their laying dates in 2024 and 2025.
5. Defra received certification on Friday 7<sup>th</sup> November and expect to lay their accounts on 12<sup>th</sup> November.
6. As of 10<sup>th</sup> November 2025, forty-one bodies have laid their ARAs, with nine accounts still outstanding. Those outstanding are three Ministerial Departments (Defra, DHSC and NIO), three non-Ministerial Departments, and three pension schemes.
7. A summary year-on-year table can be found in Appendix 2.
8. There has been some significant progress this year. This includes DSIT and Ofgem returning to laying accounts pre-recess. However, several departments continue to lay after summer recess (DEFRA, DCMS, DHSC) and MoD has moved from pre-recess to post-recess. Overall, the performance is better than in 2023-24, due to three non-ministerial departments moving pre-recess.
9. HMT will stay in contact with departments throughout the preparation of 2024-25 accounts and will maintain a tracker with projected laying dates. HMT is committed to continuing to engage with departments to support them in their efforts to lay accounts pre-recess.



#### Audit qualifications

10. Four departmental ARAs (DWP, HMRC, DBT and MoD) have received a qualified audit opinion so far. In line with last year, DWP and HMRC both received a qualified opinion on regularity within their ARAs this year due to material levels of fraud and error. DBT received qualified audit opinions in respect to the provision for the Horizon Shortfall Scheme and the level of suspected fraud within the Future Fund. MoD received qualified opinions regarding assets under construction and a breach of non-Budget expenditure.

11. DWP, HMRC and DBT laid their ARAs pre-recess, with MoD laying their ARA in November.

Detail of the departments receiving an audit qualification are set out below.

#### Departments with reoccurring qualified opinions:

- **Department for Work and Pensions (DWP) (laid 10th July 2025)**

DWP received a qualified opinion due to the level of fraud and error in benefit expenditure. This is the 37th year in which DWP's accounts have been qualified due to material levels of fraud and error in benefit expenditure, excluding State Pension. This year, DWP estimates 6.2% of related expenditure (£9.3 billion) was overpaid. Overpayments were due to Fraud, Official Error and Claimant Error. Claimants received 1.7% (£4.9 billion) less than they were eligible for in 2024-25, an increase from 1.6% (£4.2 billion) in 2023-24. Expenditure on State Pension has again been excluded from the qualified opinion because the £640 million spent on irregular payments was immaterial in the context of DWP's £137.4 billion State Pension expenditure.

- **HM Revenue and Customs (HMRC) (laid 17<sup>th</sup> July 2025)**

HM Revenue and Customs have again received a qualified opinion due to the material level of error and fraud due to tax credits and related benefits, including Corporation Tax research and development reliefs, Personal Tax Credits, and Child Benefit.

- For Corporation Tax research and development reliefs, HMRC estimates the level of error and fraud overpayments to be 5.9% of related expenditure (£481 million). This has fallen from 2023-24, which was estimated to be 7.8% of related expenditure (£601 million).
- For Personal Tax Credits, HMRC that the mid-point of error and fraud can be estimated at 4.2% of forecast expenditure (overpayments of £85 million) and 0.8% (underpayments of £15 million).
- For Child Benefit, the estimated mid-point of error and fraud is 2% of related expenditure (£270 million).

The qualification arose due to the aggregated levels of error and fraud arising from overpayments and underpayments, which are considered to be material to HMRC's accounts.

- **Department for Business and Trade (DBT)**

DBT received a qualified audit opinion in respect to a lack of sufficient evidence to obtain a true and fair opinion on the provision for the Horizon Shortfall Scheme, as the department did in 2023-24. For 2024-25, DBT also received a qualified opinion on regularity due to the level of suspected fraud within the Future Fund.

DBT noted a provision for the Horizon Shortfall Scheme of £742 million. The C&AG was unable to obtain sufficient evidence of the carrying value of this provision at 31 March 2025 and the accuracy of the related expenditure for the year. DBT were considered to have obtained insufficient justification from Post Office Limited for the claim volume and

claim value estimates used by DBT in the preparation of the provision estimate. The provision is based on estimates made by Post Office Limited about the number of potential additional claims expected under the scheme and the value at which these claims would be settled. As of May 2025, 18,500 letters had been sent to current and former postmasters, with a further 15,500 letters planned to be sent. The C&AG noted that insufficient analysis of the progress and results of the mailout exercise had taken place, which may have led to a materially different estimate.

For 2023-24, DBT received a regularity qualification due to an Excess Vote. For 2024-25, DBT received a regularity qualification due to the issues with the Future Fund. The C&AG considered the Future Fund, a COVID-19 support scheme which issued convertible loans to businesses, to have current-year losses and cumulative suspected fraud that are material to DBT's accounts. Losses of £25.9 million have been recognised in the 2024-25 financial year. DBT has categorised 7% (£79.5 million) of the value of investments as suspected fraud. DBT therefore received a qualified opinion on materiality.

#### **Departments Newly Receiving Qualified Opinions on Accounts:**

##### **Ministry of Defence (MoD) (laid 4<sup>th</sup> November 2025)**

MoD received qualified opinions on the group financial statements and a qualified opinion on regularity.

The C&AG was unable to obtain sufficient appropriate audit evidence that assets under construction, managed by Arm's Length Bodies, were free from material misstatement. The assets amounted to £6.13 billion. The C&AG considers the effect of these issues to be potentially material in terms of existence, classification and valuation.

MoD also received a qualified opinion on regularity. The department breached the Non-Budget expenditure control total, incurring an outturn against this limit of £2.56 billion. The excess arose from a prior period adjustment to ensure completeness of legal and other provisions. The breach caused an Excess Vote, leading to the opinion on regularity.

#### **WGA Update**

##### **12. 2023-24**

The 2023-24 Whole of Government Accounts (WGA) was laid pre- recess in July 2025, in line with the recovery plan. It is the third consecutive WGA to have been produced with an 8-month turnaround and is the fourth consecutive year of improved timeliness relative to financial year end per the table below:

WGA Year	Publication date	Time taken to complete WGA	Completion time post-year end
2018-19	July 2020	14 months	1 year and 4 months
2019-20	June 2022	23 months	2 years and 3 months
2020-21	July 2023	13 months	2 years and 4 months
2021-22	March 2024	8 months	2 years
2022-23	Nov 2024	8 months	1 year and 8 months
2023-24	July 2025	8 months	1 year and 4 months

The 2023-24 WGA received a disclaimed audit opinion on the basis of both missing and unaudited data, both of which were deemed to be material and pervasive. Missing data relates to entities who do not submit data to WGA and unaudited relates to submissions that have not been audited, whilst unaudited data relates to the submission of draft data.

For 2023-24, the missing data figures are broadly unchanged from 2022-23, with roughly 31% of entities not submitting data. Unaudited data worsened relative to prior year, with 280 submissions containing draft data, an increase of 53 relative to prior year.

The missing and unaudited data primarily relates to English local government entities; 41% of entities did not submit, whilst a further 55% submitted draft data. Only 16 entities submitted audited data which accounts for 4% of this group. We expect the implementation of the local government audit backstop to reduce the level of unaudited data submitted to WGA, though the impact of this will not be witnessed for several WGA cycles.

The backstop dates are presented below:

Financial Year	Backstop Date
2023-24	28/08/2025
2024-25	27/02/2026
2025-26	31/01/2027
2026-27	30/11/2027
2027-28	30/11/2028

**13. 2024-25**

Data collection for 2024-25 opened on 09 June 2025. As of 28/10/25, we have received 66% of Cycle 1 returns and 19% of Cycle 2 returns. The Data Collection Tool is still open for submissions, and we are working with entities to ensure we receive as many returns as possible.

Per the recovery plan, the 2024-25 WGA is due to be laid pre summer recess 2026. This would represent WGA returning to a similar publication timetable as pre-Covid.

## Appendix 1:

Department/Pension Scheme	2023-24 laying date	Difference between years	2024-25 laying date
Armed Forces Retired Pay, Pensions etc	18/07/2024	N/A	Not yet laid
Cabinet Office	12/12/2024	50 days earlier	23/10/2025
Cabinet Office: Civil Superannuation	17/12/2024	N/A	Not yet laid
Charity Commission	18/07/2024	10 days earlier	08/07/2025
Competition & Markets Authority	29/07/2024	19 days earlier	10/07/2025
Crown Estate Office	23/07/2024	30 days earlier	23/06/2025
Crown Prosecution Service	22/07/2024	5 days earlier	17/07/2025
Department for Business and Trade	30/01/2025	137 days earlier	15/09/2025
Department for Culture, Media and Sport	21/11/2024	22 days earlier	30/10/2025
Department for Education	29/07/2024	12 days earlier	17/07/2025
Department for Energy Security and Net Zero	18/11/2024	64 days earlier	15/09/2025
Department for Environment, Food and Rural Affairs	18/12/2024	N/A	Not yet laid
Department for Health and Social Care	17/12/2024	N/A	Not yet laid
Department for Science, Innovation and Technology	10/09/2024	62 days earlier	10/07/2025
Department for Transport	30/07/2024	9 days earlier	21/07/2025
Department for Work and Pensions	22/07/2024	12 days earlier	10/07/2025
Food Standards Agency (Consolidated Accounts)	27/01/2025	N/A	Not yet laid
Food Standards Agency (Westminster Funded)	27/01/2025	N/A	Not yet laid
Foreign, Commonwealth and Development Office	29/07/2024	7 days earlier	22/07/2025
Foreign, Commonwealth and Development Office: Overseas Superannuation	12/12/2024	N/A	Not yet laid
Forestry Commission	14/11/2024	120 days earlier	17/07/2025
Government Actuary's Department	14/11/2024	10 days earlier	04/11/2025
Government Legal (includes GLD, Attorney General's Office, HMCPSI)	18/07/2024	8 days earlier	10/07/2025
HM Revenue and Customs	30/07/2024	13 days earlier	17/07/2025
HM Treasury	30/07/2024	9 days earlier	21/07/2025
Home Office	30/07/2024	13 days earlier	17/07/2025

Ministry for Housing, Communities and Local Government	29/07/2024	8 days earlier	21/07/2025
Ministry of Defence	30/07/2024	97 days later	04/11/2025
Ministry of Justice	14/11/2024	15 days later	30/10/2025
Ministry of Justice: Judicial Pensions Scheme	23/07/2024	13 days earlier	10/07/2025
National Crime Agency	30/07/2024	9 days earlier	21/07/2025
National Health Service Pension Scheme (England and Wales)	18/07/2024	1 day earlier	17/07/2025
National Savings and Investments	29/07/2024	26 days earlier	03/07/2025
Northern Ireland Office	18/12/2024	N/A	Not yet laid
Office for Standards in Education, Children's Services and Skills	18/07/2024	3 days later	21/07/2025
Office of Gas and Electricity Markets	21/01/2025	188 days earlier	17/07/2025
Office of Qualifications and Examinations Regulation	29/07/2024	8 days earlier	21/07/2025
Office of Rail and Road	24/07/2024	9 days earlier	15/07/2025
Royal Mail Statutory Pension Scheme	17/12/2024	153 days earlier	17/07/2025
Scotland Office and Office of the Advocate General	29/07/2024	8 days earlier	21/07/2025
Serious Fraud Office	30/07/2024	20 days earlier	10/07/2025
Teachers' Pension Scheme (England and Wales)	29/07/2024	12 days earlier	17/07/2025
The National Archives	25/07/2024	8 days earlier	17/07/2025
The Security and Intelligence Agencies	28/11/2024	24 days earlier	04/11/2025
UK Statistics Authority	18/07/2024	1 days earlier	17/07/2025
UK AEA Pension Scheme Accounts (BEIS)	25/07/2024	8 days earlier	17/07/2025
UK Export Finance	30/07/2024	13 days earlier	17/07/2025
United Kingdom Supreme Court	22/10/2024	100 days earlier	14/07/2025
Wales Office	29/07/2024	8 days earlier	21/07/2025
Water Services Regulation Authority	30/01/2025	N/A	Not yet laid

## Appendix 2:

### 2024-25 ARA laying summary

The below table and chart provide a summary of the number of entities who planned pre-recess laying, the number of entities that achieved pre-recess laying and the number of entities with a qualified audit certificate as of 10<sup>th</sup> November 2025.

Summary as of 10 <sup>th</sup> November 2025	Ministerial Departments		Non-Ministerial Departments		Pension Schemes	
	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25
Entities in scope	21	21	21	21	8	8
Entities planned pre-recess laying	15	15	16	17	6	6
% Planned pre-recess laying	71%	71%	76%	81%	75%	75%
Entities achieved pre-recess laying	12	12	13	16	5	5
% Achieved pre-recess laying	57%	57%	62%	76%	63%	63%
% Entities achieved pre-recess who planned pre-recess	80%	80%	81%	94%	83%	83%
Entities laid as of November	13	18	14	18	5	5
Entities with a qualified audit certificate	2	4	1	0	0	0
% Entities with a qualified audit certificate of who has laid	10%	22%	5%	0%	0%	0%