

Audit Findings for Kent County Council Interim

Year ended 31 March 2026

15 October 2026

**Governance and Audit Committee Members**

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15 October 2026

Audit Findings for Kent County Council for the 31 March 2026

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all misappropriations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2025-.pdf \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2025-.pdf).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Sarah Ironmonger

Partner

For Grant Thornton UK LLP

Chartered Accountants

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Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Kent County Council (the 'Authority') and the preparation of the group and Authority's financial statements for the year ended 31 March 2026 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to report whether, in our opinion, the group and Authority's financial statements:

- give a true and fair view of the financial position of the group and Authority and the group and Authority's income and expenditure for the year.
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report and Pension Fund Financial Statements), is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed during July-September, as planned. Our findings are summarised on pages 15 to 27. We identified no adjustments to the financial statements, other than disclosure errors. These are set out at page 32. We have also raised recommendations for management, set out on page 35, and reported our follow up of prior year recommendations on page 37.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion, subject to the following outstanding matters:

- receipt of component auditor confirmations on completion of subsidiary audits
- completion and clearance of technical points raised in financial statement hot review
- receipt and review of an updated Annual Governance Statement
- completion of final audit file quality reviews by engagement team
- receipt of signed management representation letter
- review of the final set of financial statements

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement (subject to final review), is consistent with our knowledge of the Authority and with the audited financial statements.

Our anticipated financial statements audit report opinion will be unmodified. We anticipate issuing the auditors report shortly after the Governance and Audit Committee meeting on 15 October 2026.

Headlines

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Authority's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Authority's arrangements under the following specified criteria:

- Governance
- Financial sustainability
- Improving economy, efficiency and effectiveness

We have completed our VFM work.

We have identified four significant weaknesses

- Financial Sustainability – Adult Social Care spend
- Financial Sustainability – Special Educational Need (SEN) spend and Dedicated Schools Grant
- Governance – Governance and Audit Committee role and effectiveness incorporating member development, behaviours and cohesion.
- Economy, Efficiency and Effectiveness – Oracle Cloud Programme

Detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

Headlines

Statutory duties

The Local Audit and Accountability Act 2014 (the 'Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act
- certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of our work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until the following matter(s) are resolved:

- where a local authority also has a pension fund for which the opinion on the financial statements in the pension fund annual report has not yet been issued
- where there is outstanding work in relation to consolidation returns
- where confirmation has not been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller and Audit General, and therefore no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Significant matters

We experienced significant delays in obtaining supporting transaction information for debtors and creditors at the beginning of the audit, with significant balances unable to be substantiated. These issues were resolved successfully but took some time. These delays were primarily due to user inexperience with the new Oracle Fusion system.

Our approach to materiality

As communicated in our Audit Plan dated 25 March 2026, we determined **materiality at the planning stage** as **£59.5 million** and **group materiality** as **£60.5 million** based on **1.8%** of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the draft consolidated financial statements. On review of the draft financial statements, the audit team did not consider that the movement in gross expenditure was significant enough to change materiality levels. Our materiality levels, therefore, remain unchanged from the assessment made at the planning stage of the audit.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

We have determined materiality at **£59.5 million** and group materiality at **£60.5 million** based on professional judgement in the context of our knowledge of the Authority and the group.

We have used **1.8%** of gross expenditure as the basis for determining materiality.

We use a benchmark of gross expenditure as the Authority prepares an expenditure-based budget for the financial year with the primary objective of providing services to the local community.

The benchmark for gross expenditure remains steady at 1.8%, consistent with the prior year. The engagement has not increased in risk compared to 2024/25, and no significant issues were encountered during that period. Within the broader sector, Kent County Council is positioned at the lower end of risk, benefiting from a stable business environment despite current financial pressures. Therefore, we have decided to use a benchmark percentage at the higher end of the permissible scale as outlined by the firm.

Performance materiality

We have determined performance materiality at **£37 million**, based on **65%** of headline materiality. This percentage has not changed from the planning phase of the audit.

Component Performance materiality

Where audit work on components are being performed using component performance materiality, this has been set at **£33.15 million**, with the component performance materiality used reflecting the relative risk and size of that component to the group.

Specific materiality

Senior officer remuneration is an area of interest to the readers of financial statements. A lower level of materiality in these areas are appropriate due to the nature of these disclosure notes.

We have therefore assessed a specific materiality for senior officer remuneration that is **£34.5k** per each senior officer. Note this is not a cumulative amount and has been applied to each senior officer.

Reporting threshold

We will report to you all misstatements identified in excess of **£2.975 million**, in addition to any matters considered to be qualitatively material.

Our approach to materiality

A summary of our approach to determining materiality is set out below.

	Group	Authority	Qualitative factors considered
Materiality for the financial statements	£60.5m	£59.5m	We considered materiality from the perspective of the users of the financial statements. The Authority prepares an expenditure-based budget for the financial year with the primary objective to provide services to the local community; therefore, gross expenditure was deemed the most appropriate benchmark. We assessed a rate of 1.8% as appropriate to apply to the gross expenditure benchmark. This is consistent with the prior year and is at the higher end of the allowable range established by the firm.
Performance materiality	£39.0m	£37.0m	Performance Materiality is based on a percentage of the overall materiality and reflects the level at which we perform substantive audit testing. We have determined to apply 65% of overall materiality considering the requirements of ISA 320.
Specific materiality for senior officer remuneration	-	£34.5k per senior officer	Senior officer remuneration is an area of interest to readers of financial statements. A lower level of materiality in these areas is appropriate due to the nature of these disclosure notes. We have therefore assessed a specific materiality for senior officer remuneration that is £34.5k per each senior officer. This has been calculated by applying the benchmark percentage used for financial statement materiality to the total of officer remuneration. Note this is not a cumulative amount and will be applied to each senior officer.
Reporting threshold	£2.975m	£2.975m	This is assessed as 5% of the Authority's financial statement materiality

Overview of audit risks

The below table summarises the significant risks discussed in more detail on the subsequent pages.

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor's judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	G
The revenue cycle includes fraudulent transactions	Significant	↔	✓	Low	G
The expenditure cycle includes fraudulent transactions	Significant	↔	✓	Medium	G
Valuation of land and buildings	Significant	↔	✗	High	G
Valuation of the pension fund net asset / liability	Significant	↔	✗	High	G
Oracle system implementation and data migration	Significant	↔	✗	Low	G

- ↑ Assessed risk increase since Audit Plan
- ↔ Assessed risk consistent with Audit Plan
- ↓ Assessed risk decrease since Audit Plan

- G** Not likely to result in material adjustment or change to disclosures within the financial statements
- A** Potential to result in material adjustment or significant change to disclosures within the financial statements
- R** Likely to result in material adjustment or significant change to disclosures within the financial statements

Significant risks (1)

Risk identified	Audit procedures performed	Key observations
Management override of controls Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities. We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	We have: - evaluated the design and implementation of management controls over journal entries - reviewed and gained understanding of accounting estimates, judgements and decisions made by management - analysed the journals listing and determined the criteria for selecting high risk unusual journal entries - identified and tested unusual journal entries made during the year and the accounts production process for appropriateness and corroboration - reviewed unusual significant transactions identified through risk criteria, or other areas of audit testing.	Our audit work has not identified any issues relating to management override of controls. During our review, we have noted that the journal authorisation workflow functionality within Oracle Fusion has not been implemented. As a result, journals can be posted without system enforced-review and approval controls. Whilst a risk exists, based on the sample of journal entries tested, we did not identify that had been inappropriately posted. We have raised a recommendation on page 30.

Significant risks (2)

Risk identified	Audit procedures performed	Key observations
The revenue cycle includes fraudulent transactions Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. Having considered the risk factors set out in ISA240 and the nature of the Authority and the Group’s revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because: • There is little incentive to manipulate revenue recognition. • Opportunities to manipulate revenue recognition are very limited. • The culture and ethical frameworks of local authorities, including that of Kent County Council, mean that all forms of fraud are seen as unacceptable.	We have evaluated the Authority and Group’s accounting policy for recognition of income for appropriateness and compliance with the Code 2025/26, updated our understanding of the Authority and Group’s system for accounting for income and evaluated the design and implementation of associated relevant controls. We have sample tested transactions around the year-end to ensure that income has been recorded in the correct financial year. We have sample tested grant income receipts to ensure that they have been appropriately categorised and only recognised when conditions have been met.	Our audit work has not identified any issues in respect of revenue recognition. Our audit has not identified any circumstances that would cause us to change our rebuttal of the presumed risk. We experienced significant delays in obtaining supporting transaction information for debtors at the beginning of the audit, with significant balances unable to be substantiated. These issues were resolved successfully but took some time. These delays were primarily due to users being inexperienced with the new Oracle Fusion system. We have raised a recommendation on page 29.

Significant risks (3)

Risk identified	Audit procedures performed	Key observations
Presumed risk of fraud in expenditure recognition Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure. At the planning stage, we considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk. This is due to the low fraud risk in the nature of the underlying nature of the transaction, or immaterial nature of the expenditure streams both individually and collectively.	We have evaluated the Authority and Group’s accounting policy for recognition of expenditure for appropriateness and compliance with the Code 2025/26, updated our understanding of the Authority and Group’s system for accounting for income and evaluated the design and implementation of associated relevant controls. We have sample tested transactions around the year-end to ensure that expenditure has been recorded in the correct financial year.	Our audit work has not identified any issues in respect of expenditure recognition. Our audit has not identified any circumstances that would cause us to change our rebuttal of the presumed risk. We experienced significant delays in obtaining supporting transaction information for creditors at the beginning of the audit, with significant balances unable to be substantiated. These issues were resolved successfully but took some time. These delays were primarily due to user inexperience with the new Oracle Fusion system. We have raised a recommendation on page 29.

Significant risks (4)

Risk identified	Audit procedures performed	Key observations
Valuation of land and buildings The valuation of land and buildings represents a significant estimate in the financial statements. It is considered a significant estimate due to its size, complexity and sensitivity to changes in key assumptions. We have therefore identified it as a significant risk for the audit. We therefore identify the valuation of land and buildings as a significant risk of material misstatement due to the inherent risk of material misstatement arising from error. Assets are subject to a rolling five-yearly valuation cycle in accordance with the CIPFA Code. From 2025-26, in intervening years, current value will be updated using appropriate indexation, unless a desktop valuation is required due to absence of a suitable index. The Authority has adopted this approach for the first time in 2025-26.	We have: - evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work. - evaluated management's indexation methodology, including the process for identifying assets subject to indexation and appropriateness of indices selected for each asset class. - evaluated the competence, capabilities and objectivity of the valuation expert engaged by the Authority. - evaluated the consistency of the disclosure with the valuation report. - evaluated the basis on which the valuations were carried out, including challenging the information and assumptions used by the valuer. - evaluated the reasonableness of the assumptions used to form the estimate. - engaged our own valuation expert to assess the instructions sent to the Authority's valuer, the Authority's valuer's report and the assumptions that underpin the valuation - reviewed indices used and application to asset classes - evaluated the accounting entries for the valuation. - tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and financial statements.	Our audit work has not identified any issues in respect of the valuation of land and buildings. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology As in prior years, the Authority's accounting policy is not to depreciate assets in the year of acquisition, which is not in line with usual practice. The Authority have demonstrated that the resulting charge, had depreciation been charged in the year of acquisition, would not be material. We are content with this consideration.

Significant risks (5)

Risk identified	Audit procedures performed	Key observations
Valuation of net pension liability/asset The Authority's share of the pension fund net liability, as reflected in its Balance Sheet as the net liability arising from defined benefit obligation, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£39m in the Authority's Balance Sheet at 31 March 2026, falling from £29m at 31 March 2025 and £38m at 31 March 2024) and the sensitivity of the estimate to changes in key assumptions. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code. The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable. (continued)	We have: - Updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls. - Evaluated the instructions issued by management to their actuary (Barnett Waddingham) for this estimate and the scope of the actuary's work. - Assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation. - Assessed the reasonableness of the actuary's assumptions and calculations in-line with the relevant standards. - Assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability. - Tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary. - Undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report. (continued)	We have obtained assurances from the auditor of the Kent Pension Fund on the adequacy of controls and source data and ultimately, the valuation of Kent County Council's share of the net pension liability. We have reviewed the requirements of IFRIC 14 and are content that the Authority has applied them appropriately to the year end pension value. Our audit work has not identified any issues in respect of the valuation of the net pension liability as at 31 March 2026.

Significant risks (6)

Risk identified	Audit procedures performed	Key observations
Valuation of net pension liability/asset (continued) The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.	Obtained assurances from the auditor of Kent Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. The actuarial valuation of Kent Pension Fund at 31 March 2026 showed an overall pension surplus, and hence, the Authority results showed a pension surplus amounting to £735m. IAS 19 and IFRIC 14 require that the pension asset / surplus is limited to the present value of economic benefits available as a refund or lower future contributions as contributions are assumed to continue for the full period of the Authority's participation in the Pension Fund. The application of the asset ceiling means that a pension liability of £39m, reflecting the unfunded deficit element of the scheme, has been recorded at 31 March 2026. We have completed appropriate work to ensure that the requirements of the accounting standards and Code have been met. We have suggested that management make additional disclosures in the accounts to further enhance the understandability of the impact of the asset ceiling. We have also requested inclusion in the accounting policy on judgement and uncertainty to explain the uncertainty associated with an asset ceiling. These amendments have both been made.	

Significant risks (7)

Risk identified

Oracle system implementation and data migration

In August 2025, the Authority transitioned its core financial system from Oracle EBS to Oracle Fusion.

Data migration is fundamental to any business technology transformation and there is a risk of error when data is moved from one system to another.

New systems are often evolving and present a greater risk of material misstatements. Given the nature of this transition, we have identified a risk of material misstatement in relation to the system migration at financial statements level.

System migration can introduce inherent risks due to changes in financial reporting functionality, workflow configuration, access controls and the transfer of large volumes of financial data. Errors during data migration or new system configuration may result in incomplete, inaccurate or misstated financial balances in the 2025/26 financial statements.

As this is the first year of operating the new system there is a heightened risk of control weaknesses, configuration errors and instability of newly implemented processes.

Audit procedures performed

We have:

- Reviewed the governance and controls the Authority put in place over the system migration
- Assessed how management ensured data transferred from the old system to the new one was complete and accurate
- Reviewed reconciliations between opening balances in Oracle Fusion and closing balances in Oracle EBS
- Tested samples of migrated data back to source records
- Considered whether changes to workflows, access rights or reporting introduce new financial statement risks
- Evaluated whether the financial reporting outputs from the new system support

Further details on the work performed on the Oracle Cloud Programme are included on page 24.

Key observations

We have not identified any significant issues with the Oracle system implementation and data migration and consider the risk mitigated.

The 2025/26 financial statements were produced on the new Oracle system and we have not identified any material errors in our audit testing.

We have identified from our work that the privileged access within Oracle Fusion is appropriately restricted, with the exception of one user from outside the Financial Analysis and Support Team with access to the Financial Application Administrator role, where we have confirmed the privileged access has not been used inappropriately during the review period.

We have identified a significant weakness in relation to the Authority's arrangements to secure value for money with regard to the Oracle Cloud Programme. Full details are in our Auditor's Annual Report, presented alongside this report.

Other risks (1)

Risk identified	Audit procedures performed	Key observations
Going Concern In common with other local authorities, our value for money work in recent years has identified significant risks regarding the financial sustainability of the Authority. In the prior year, our concerns were focused on the continuing adult social care overspends and overspends with regard to SEND and High Needs Block. The S25 report, issued by the S151 Officer in February 2026 recognises the risks that the Authority faces in the future, with 2026-27 being balanced through planned use of reserves and capital receipts, which are non-recurring. The report also recognises the lost income to the Authority through the decision not to use full Authority Tax flexibilities.	We have: considered the ongoing and future financial pressures faced by the Authority in planning the audit. We are satisfied that the going concern basis of accounting remains the correct basis behind the preparation of the accounts. We have identified significant weaknesses relating to Authority’s financial sustainability and reported separately through our VFM work and included within the Auditor’s Annual Report.	Our audit work is complete and has not identified any material issues in respect of going concern. Our value for money work has identified significant weaknesses with regard to the Authority’s financial sustainability relating to Adult Social Care costs and SEND spend.

Other risks (2)

Risk identified

Local Government Reorganisation

On 16 December 2024, the Minister for State for Local Government and English Devolution Jim McMahon, wrote to all Authorities in remaining two-tier areas and neighbouring small unitaries to set out the plans for a joint programme of devolution and local government reorganisation (LGR). All authorities in Kent submitted plans to MHCLG for LGR by 28 November 2025, resulting in five options for reorganisation which were publicly consulted on before a government decision.

On 16 July 2026 the Government published LGR decisions for 14 areas of England. Together with decisions already announced for Surrey, Essex, Hampshire, Norfolk and Suffolk, this took the total programme to 134 existing Authorities being replaced by 38 new unitary authorities. The Authorities of Kent and Medway were included in these decisions.

On 7 September 2026, the Government announced that it is reviewing and pausing LGR proposals in 14 areas, including Kent and Medway, following updated legal advice regarding the reorganisation process. The Government confirmed that decisions previously announced for Kent and other affected areas will be reviewed as part of this process.

Implications for Kent

- The Government's July 2026 decision to replace existing Kent Council with four unitary authorities is now subject to review.
- Planned implementation arrangements and transition activity may be delayed pending the outcome of the review.
- There are currently no immediate changes to Authority services, and Kent County Council continues to operate under existing governance arrangements.

Audit procedures performed

Prior to the Government announcement on 7 September 2026, we had detailed conversations across the Authority regarding the steps being taken to implement LGR. All discussions were positive, in particular the appointment of an SRO for LGR, being the Authority Chief Executive, and the appointment of a programme director for LGR, while employed by the Authority, had a Kent and Medway wide remit.

Key observations

We will continue to monitor the outcome of the Government LGR review and the impact on the Authority's financial planning, governance arrangements and workforce planning.

Other findings – significant matters

Issue	Commentary	
Oracle Cloud Programme	In 2023, the Authority approved a business case that would see the replacement of the Oracle EBS system in use, to an upgraded Oracle Fusion (cloud) system. This covered the finance system and the payroll system and was to be approached in two phases. A budget of £15m was approved based on a business case provided by the finance and IT teams. Phase 1 of the Oracle upgrade took place in August 2025. An initial view had been to change over on 1 April 2025 but was moved to a less disruptive time of August. A black-out period, when neither Oracle EBS or Oracle Cloud would be available was implemented and well advertised. Naturally, a backlog formed in the black-out period but was rectified in a reasonable time frame. The 2025-26 financial statements were produced using the new finance system, which was successful, bar initial issues with debtors and creditors reporting. Our IT Audit team performed work on the data migration between EBS and Fusion and identified no significant issues. In recent months, a strategic review of the programme and the aims of phase 2 (payroll system) have been undertaken, resulting in project management changes. We understand that the payroll system is planned to go live in early 2027. As the new finance system is classed as transformation activity, the Authority have used flexibility in funding from capital receipts and funded the project through those receipts. The budget for the project has increased since inception in 2023, with a recent report to Cabinet setting out that the project was now expected to cost £43m. Further information on the Oracle Cloud Programme has been included in our Auditor's Annual Report which is presented alongside this report.	Auditor view The Authority must ensure that any lessons learned from the implementation of phase 1 of the Oracle Cloud Programme are applied to the phase 2 implementation. Similarly, any recommendations for improvement from the strategic review of the programme should be implemented. Financial reporting on the programme progress should be tightened and provided to Members on a regular basis. Management response The Council is in the process of implementing improvements to reflect lessons learnt including a review of governance, programme decision making, partnership working and related aspects of programme operations. A new contract variation has been signed with the Council's Implementation Partner and effective progress is being made. Financial oversight has been strengthened, and Finance is represented in the Core Team that is now driving delivery.

Other findings – significant matters

Issue	Commentary											
Dedicated Schools Grant	In common with other authorities across England and Wales, Kent County Council continues to experience significant and increasing demand pressures and therefore costs, relating to Special Educational Needs and Disabilities (SEND). This is funded through the Dedicated Schools Grant (DSG) High Needs Block. The deficits recorded against the DSG for the last five years are shown below: <table><tr><th>2021-22</th><th>2022-23</th><th>2023-24</th><th>2024-25</th><th>2025-26</th></tr><tr><td>£97.616m</td><td>£61.353m</td><td>£67.167m</td><td>£97.483m</td><td>£130.463m</td></tr></table> The deficit reduced in 2022-23 with significant financial support from the Department for Education, the ‘safety valve’ agreement. Currently, a statutory override requires that the DSG deficits are shown within unusable reserves and therefore do not impact the general fund, which requires to be taken into account when setting council tax. This override will cease in March 2028. The Authority have submitted a SEND Reform plan to the Department for Education, which has been approved and agrees a £162.5m grant, covering 90% of the existing deficit, with adjustments for safety valve payments. It is currently unclear how the inevitable deficits for 2026-27 and 2027-28 will be funded, and what impact, if any there will be on general fund balances – albeit the government have indicated that there should not be an impact on general fund balances. Given the low levels of usable reserves held by the Authority (see page 22), any element of the deficit that is not funded will be a significant issue going forward. Work continues in the Children and Young People directorate to maintain or reduce spend, whilst still meeting statutory requirements.	2021-22	2022-23	2023-24	2024-25	2025-26	£97.616m	£61.353m	£67.167m	£97.483m	£130.463m	Auditor view The increasing deficits in SEND spend have been recognised as a significant weakness in the Authority’s arrangements for achieving financial sustainability. Further information is included in our Auditor’s Annual Report presented alongside this report. Management response The DfE approved the SEND Reform Plan on 02/10/26. The Council is due to receive £162.5m High Needs Sustainability Grant in the Autumn of 2026. The SEND Reform Plan will be closely monitored by the DfE. We are still waiting confirmation on how future deficits will be covered and local authority responsibilities, and this has been identified as a budget risk. The statutory override continues to be in place until the end of the 2027/28 financial year.
2021-22	2022-23	2023-24	2024-25	2025-26								
£97.616m	£61.353m	£67.167m	£97.483m	£130.463m								

Other findings – significant matters

Issue

Commentary

Reserves

We have performed analysis on the level of usable reserves held by the Council, considering the amounts which are earmarked in those reserves for specific purposes and therefore not fully available for general use. As has been set out in our value for money reporting in prior years, the level of general reserves held by the Council has been falling, as overspends occurring have been covered by general reserves.

It is common that within useable reserves, amounts will be earmarked for specific purposes. However, the amounts which are earmarked for use in comparison to the total useable reserves is particularly high at 31 March 2026.

	31 March 2025	31 March 2026
Total Useable reserves	£252.033m	£209.927m
Amounts earmarked	£186.376m	£184.471m
Actual useable reserves	£65.657m	£25.456m

Of the £210m held in useable reserves, only 12% of that total is available for general use, should there be unplanned and unexpected expenditure that the Authority is required to fund – such as SEND deficits. We understand that future budgets are expected to replenish the general reserves of the Council and we encourage the continued build back of general reserves.

The Authority's Treasury Management policy sets out that the aim is to hold general reserves between 5% and 10% of the net revenue budget. The General Fund balance at 31 March 2026 represents 4% of the net revenue budget for 2026/27.

Auditor view

Our value for money reporting has identified significant weaknesses in arrangements for the achievement of financial sustainability – primarily linked to Adult Social Care and SEND spend. While reserves have been used to support and balance the financial position in prior years, this is no longer an option for Kent County Council and steps must be taken to build back the general reserves.

Management response

The Council's reserves position fell just below 5% at the end of the 2025/26 year after funding the in-year revenue overspend. The 2026/27 budget includes contributions to the General Fund to repay the drawdown required in 2024/25 and a contribution to rebuild financial resilience and provide for future risks. Reserves are monitored closely and reported to Cabinet quarterly as part of the budget monitoring process.

Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Oracle EBS - General Ledger	ITGC assessment (design and implementation effectiveness only)	Green	Green	Green	Green	Management override of control
Oracle Cloud - General Ledger	ITGC assessment (design and implementation effectiveness only)	Amber	Amber	Green	Green	Management override of control

Further details on the work performed on the Oracle Cloud Programme are included on page 21.

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Black] Not in scope for assessment

Other findings – Information Technology

We also performed specific procedures in relation to the events that occurred during the audit period, specifically the new system implementation and related data migration.

We observed the following results:

Work performed	Results
Project setup, initiation and planning A formal governance structure was in place to oversee and approve the scope of the project. The structure included adequate representation from appropriate business and IT users. The objectives and deliverables of the project are clearly defined, documented and approved.	Our work is complete and has not identified any issues.
System design and specification process are appropriately designed to meet business requirements. Functional and technical solution design documents were formally considered and approved. Changes to solution design were formally managed and approved.	Our work is complete and has not identified any issues.
Security Segregation of duties was formally considered and approved for the structure and assignment of user access. Access rights assigned to users in the new system are in line with job role and responsibilities with the exception of one user from the Financial Analysis and Support Team with access to the Financial Application Administrator role.	Our work is complete. Privileged access within Oracle Fusion is appropriately restricted, with the exception of one user from outside the Financial Analysis and Support Team with access to the Financial Application Administrator role. We have inspected a user population report and verified that none of the users identified in the finding had created, modified, or maintained Oracle Cloud user accounts during the review period. We have raised a recommendation on page 30.

Other findings – Information Technology (continued)

Work performed	Results
Data conversion and migration Data conversion was formally documented and approved prior to go live. A defect management process was established to ensure the conversion and migration process does not miss key data.	Our work is complete and has not identified any issues.
Data migration Standing and transactional data was migrated completely and accurately. Data checked and reconciliations performed were formally documented and approved.	Our work is complete and has not identified any issues.
Chart of accounts mapping Chart of accounts mapping was documented, reconciled and authorised	Our work is complete and has not identified any issues.
Reporting Key custom reports used in financial reporting were developed, tested and approved prior to go live.	Not in scope as no key custom reports in financial reporting were developed
Interfaces Key interfaces moving key data used in financial reporting were developed, tested and approved.	Not in scope as no key custom reports in financial reporting were developed
Go live authorisation The decision to go live was formally documented prior to go live in accordance with approved go live criteria.	Our work is complete and has not identified any issues.

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Governance and Audit Committee. We are aware of the work of the Counter Fraud team and continue to discuss their work and findings on a regular basis.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from the Authority, including specific representations in respect of the Group covering the financial statements, annual governance statement and narrative report which is included in the Governance and Audit Committee papers.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banking and treasury partners. This permission was granted and the requests were sent. All banking requests were returned with positive confirmation, albeit some with significant delays.
Disclosures	Our review found no material omissions in the financial statements. Details of disclosure changes made to the financial statements following audit review have been set out on page 29.
Significant difficulties	We experienced significant delays in obtaining supporting transaction information for debtors and creditors at the beginning of the audit, with significant balances unable to be substantiated. These issues were resolved successfully but took some time. These delays were primarily due to user inexperience with the new Oracle Fusion system.
Other matters	There are no other matters that we are required to bring to the attention of those charged with governance.

Other responsibilities

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Authority recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • The use of the going concern basis of accounting is not a matter of significant focus of the auditor’s time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity’s services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Authority and the environment in which it operates • the Authority’s financial reporting framework • The Authority’s system of internal control for identifying events or conditions relevant to going concern • management’s going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified; and • management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect – refer to Appendix D.
Matters on which we report by exception	We are required to report on a number of matters by exception in a number of areas: • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses.
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. As the Authority exceeds the specified group reporting threshold of £2 billion, we examine and report on the consistency of the WGA consolidation pack with the Authority's audited financial statements. Note that work is not yet completed and the planned timescale for the work is to be completed by 30 November 2026. In line with National Audit Office (NAO) guidance, audit certificates are required to remain open pending confirmation that the WGA group audit has been certified by the Comptroller and Auditor General (C&AG), including where no issues exceed reporting thresholds. Accordingly, we cannot formally conclude the audit and issue an audit certificate until this confirmation is received. We are satisfied that this does not have a material effect on the financial statements for the year ended 31 March 2026. This is reflected in our audit report (see Appendix C)
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2025/26 audit of Kent County Council and its group as detailed in Appendix C, due to the WGA matters described above.

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure	Misclassification or change identified	Adjusted?
Note 28 Pension Cost	As set out on page 15 , the impact of the pension asset ceiling at 31 March 2026 is material to the financial statements, we suggested an enhancement to disclosures by including a reconciliation of the opening and closing asset ceiling positions and the impact of the latest triennial valuation at 31 March 2026 to the asset ceiling.	✓
Note 5 Estimation uncertainty	We requested additional disclosures to be added to this note regarding the pension asset ceiling, reflecting the estimation and judgement used in the calculation.	✓
Note 35 Audit Fees	The audit fee disclosure has been updated to include non-audit service fees and is now consistent with the Audit Plan.	✓
Note 17 Property, plant and equipment	We have identified disclosure omission regarding the disclosure of indexed assets, specifically noting that the additions made during the fiscal year 2025/26 are not separately indexed. It is essential for management to clarify this in the disclosure to ensure transparency and compliance with reporting standards.	✓
Note 39 Financial instruments	A misclassification error has been identified relating to amount of £18,071k that was disclosed in fee income where the amount should have been disclosed in fee expense.	✓
Throughout	A number of typographical errors have been identified throughout the financial statements.	✓
Throughout	A number of immaterial accounting policies and disclosures have been included in the financial statements. These should be removed to avoid obscuring material information within the financial statements.	✓

Impact of unadjusted misstatements

We have not identified any adjustments during the audit, that were over our reporting threshold that were not made in the final set of financial statements.

Impact of unadjusted misstatements in the prior year

The table below provides details of misstatements identified during the prior year audit which were not adjusted for within the final set of financial statements for 2024/25, and the resulting impact upon the 2025/26 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2025/26 financial statements.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on surplus/deficit of the provision of services £'000	Impact on general fund £'000	Reason for not adjusting
Calculation of depreciation not charged in the year of acquisition	Dr Depreciation expense 2,996	Cr Accumulated depreciation (2,996)	2,996	-	Immaterial, projected audit difference
Projected error arising from schools bank reconciliations not performed at 31 March 2025	Dr Income 3,207	Cr Cash (3,207)	3,207	(3,207)	Immaterial, projected audit difference
Difference arising from audit calculation for provision for doubtful social care debts using more prudent assumptions	Dr Expenditure 19,292	Cr Provision for doubtful debt (19,292)	19,292	(19,292)	Immaterial, projected audit difference
Impact of prior year unadjusted misstatements on the current year's financial statements	25,495	(25,495)	25,495	(22,499)	
Cumulative impact of prior year and current year unadjusted misstatements on 2025/26 financial statements	25,495	(25,495)	25,495	(22,499)	

Action plan

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
● High	1. Year end debtor and creditor listings Management experienced difficulties in generating complete and accurate debtors and creditors listings following the implementation of Oracle Fusion. This resulted in delays to the audit process of sample selections during the year. Risk – there is a risk that incomplete or inaccurate system generated reports could lead to material misstatement in the preparation of financial statements including recognition of income and expenditure.	We recommend that management implement periodic soft closes at month 6 or 9 and perform routine reconciliations between Oracle Fusion reports and the general ledger. This will enable the finance team to develop familiarity with system reporting functionality, identifying reporting issues earlier in the financial year, and ensure that complete and accurate year end listings can be generated efficiently. This should improve the quality of financial reporting and reduce the risk of audit delays. Management response A project will be completed to develop knowledge and understanding of the reporting functionality, ensuring that this dataset is available to the external auditors in an efficient and timely manner. This will enable sampling of these areas to commence earlier in the audit timetable. We will also engage with the external auditors, as required, to improve the quality of this financial reporting wherever possible.

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Action plan

Assessment	Issue and risk	Recommendations
● Green	2. Journals authorisation The journal authorisation workflow functionality within Oracle Fusion has not been implemented. As a result, journals can be posted without system enforced-review and approval controls. Risk – in the absence of an automated workflow, there is an increased risk of unauthorised or inappropriate journals being posted, which could result in errors or management override of controls not being detected on a timely basis.	Whilst implementation of Oracle Fusion’s journal approval workflow represents good practice, KCC has established compensating controls whereby journals are reviewed and approved outside the system prior to posting. Based on the audit procedures performed, we did not identify any exceptions and assessed the residual control risk in this area as low. Management response As per the external auditors comments, there is an established control method outside of the Oracle system itself, and no exceptions were identified. The Oracle Cloud Programme and management considered alternatives. The current procedures are commensurate with the risk associated to unauthorised or inappropriate journals being posted.
● Medium	3. Oracle Fusion security management Privileged access within Oracle Fusion is appropriately restricted, with the exception of one user from outside the Financial Analysis and Support Team with access to the Financial Application Administrator role. Further documentation has been reflected on page 21 Risk – inappropriate assignment of highly privileged access rights increases the risk of unauthorised changes to system configurations, user access and financial data which could result in segregation of duties conflict, management override of controls and unauthorised transaction.	Management should review the appropriateness of privileged access assignments on a periodic basis and ensure that administrative roles are restricted to authorised personnel with a demonstrable business requirement. Management response Agreed

Key

- High – Significant effect on control system and/or financial statements
- Medium – Limited impact on control system and/or financial statements
- Low – Best practice for control systems and financial statements

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority’s 2024/25 financial statements, which resulted in 8 recommendations being reported in our 2024/25 Audit Findings Report. We further follow up on 4 recommendations reported in our 2024/25 Audit Findings Report which were not fully implemented at the point of reporting for 2025/26.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Formal impairment review of assets under construction Audit work identified that the Authority do not perform a formal, documented impairment review of assets under construction as part of the year-end processes. There is a risk that with not performing and formalising this review, assets under construction may be materially misstated in the financial statements, if for example, projects have been aborted, but a capital value remains for them in the financial statements.	A formal, documented review of assets under construction, considering the risk of impairment was performed by the Authority for the year ended 31 March 2026.
✓	Provision for doubtful debts – Adult Social Care Audit work reviewing the estimate made by management concluded that the assumptions used are overly optimistic, leading to an understatement in the provision for doubtful debt. There is a risk that this value continues to rise and may become material.	We have reperformed our analysis of the adult social care provision for doubtful debts, using percentages from other, similar local authorities. We are content that the provision is materially accurate and fairly stated.
✓	School bank account reconciliations As reported in prior years (since 2021/22), schools bank reconciliations are not always being performed as at 31 March. This results in a projected misstatement on the schools bank accounts. This year the error is projected to be £4.8m. We note that the recommendation made in the 2024/25 Audit Findings Report has yet to be addressed. We have therefore projected an error on the schools bank balances again.	We have noted a significant improvement in the number of school bank account reconciliations that are performed as at 31 March, however, anomalies remain. A projected misstatement of £424k has been identified for reconciliations performed for 31 March 2026. We have closed the recommendation but will continue to monitor this going forward.

Assessment

✓ Action completed

X Not yet addressed

Follow up of prior year recommendations (continued)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	Cash reconciliation – school salaries account As part of the work conducted on cash and cash equivalents, we selected for testing the school’s salaries bank account. A reconciling item of £2.8m for PAYE was included erroneously in the reconciling items and was not a true reconciling item. We recommended that management ensure bank reconciliations are performed and reviewed on a monthly basis to ensure the financial statements are complete and accurate. During our 2023/24 audit we identified that reconciliations have not been completed during the year or at year-end as the prior year recommendation was issued after 2023/24 year-end instructions had been issued. Further, we identified that the correcting journal entry for the £2.8m identified in 2022/23 had been duplicated in the ledger but has not been paid twice. We continue to flag the lack of reconciliation in our Audit Findings Report to ensure there is complete transparency of the issue with the Governance and Audit Committee and to encourage best practice.	No errors were identified in the reconciling items as part of our audit testing. Reconciliations were not completed for the schools salary account, on the basis that the schools salary balance is part of the overall balance that is reconciled. We continue to recommend that a separate reconciliation is performed so management are content that schools and Authority funds are allocated and accounted for appropriately.

Assessment

✓ Action completed

X Not yet addressed

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2026

The National Audit Office issued its latest Value for Money guidance to auditors in March 2026. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30 November each year from 2025-26. Our draft AAR will be reported to the Governance and Audit Committee on 15 October 2026.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

In undertaking this work, we have retained the two significant weaknesses identified in prior years, regarding Adult Social Care and SEN expenditure. A further two significant weaknesses have been identified during 2025-26.

Independence considerations

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority or group that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Authority or group or investments in the group held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Authority or group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Authority or group.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Authority/group, senior management or staff

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Authority's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below sets out the total fees for audit and non-audit services that we have been engaged to provide or charged from the beginning of the financial year to 31 March 2026, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the group’s policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis.

We confirm that the fees from non-audit services to the audited entity and its controlled entities do not exceed 70% of the total audit fee for the year.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Kent County Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees.

Audit fees	£
Kent County Council Audit – PSAA Scale Fee	475,501
Use of experts – Data migration	5,000
Total	480,501

Our 2024-25 Audit Findings Report and 2025-26 Audit Plan noted we were in the process of agreeing a fee variation for the 2024-25 audit with PSAA for the implementation of IFRS 16 and legal fees arising from technical accounting issues encountered. This is still in the process of being agreed with PSAA.

This covers all services provided by us and our network to the group /Authority, its senior officers and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

Fees and non-audit services

Audit-related non-audit services

Service	£	Threats Identified	Safeguards applied
Certification of Teachers Pensions Return 2024-25	12,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the scale fee for the audit of £475,501 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Department for Transport – Local Transport Plan Major Projects 2024-25	7,875	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £7,875 in comparison to the scale fee for the audit of £475,501 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Total	20,375		

Total audit and non-audit fee

Audit fee - £475,501	Non-audit fee - £20,375
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The above fees are exclusive of VAT and out of pocket expenses.

The fees agree to the financial statements

This covers all services provided by us and our network to the group /Authority, its senior officers and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		
Non-compliance with laws and regulations		
Unadjusted misstatements and material disclosure omissions		
Expected modifications to the auditor's report, or emphasis of matter		

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all members of the Governance and Audit committee and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our final group scoping, as well as the status of work on each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Auditor	Responsible Individual	Status	Comments
Kent County Council	Yes	Scope 1	Scope 1	Grant Thornton UK	Sarah Ironmonger	●G	The work has been completed and reviewed with no unresolved issues identified.
Global Commercial Services Group Ltd	Yes	Scope 3	Scope 3	UHY Hacker Young	Allan Hickie	●G	The work has been completed, and we have reviewed the work on 10 September 2026 with no unresolved issues identified.
Commercial Services Kent Ltd	Yes	Scope 2	Scope 2	UHY Hacker Young	Allan Hickie	●G	The work has been completed, and we have reviewed the work on 10 September 2026 with no unresolved issues identified.

Scope 1

Scope 2

Scope 3

Out of scope

Audit of entire financial information of the component, either by the group audit team or by component auditors (full-scope)

Specific audit procedures designed by the group auditor (specific scope)

Specific audit procedures designed by a component auditor (specific scope)

Out of scope components are subject to analytical procedures performed by the Group audit team to group materiality.

●G

●A

●R

Planned procedures are substantially complete with no significant issues outstanding.

Planned procedures are ongoing/subject to review with no known significant issues.

Planned procedures are incomplete and/or significant issues have been identified that require resolution.

Group audit continued

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Comments
Gen2 Property Ltd	No	Out of scope	Out of scope	All entities are audited along with the consolidation of all entities into Global Commercial Services Group Ltd by UHY Hacker Young
Invicta Law Ltd	No	Out of scope	Out of scope	
EDSECO Ltd (The Education people)	No	Out of scope	Out of scope	
Cantium Business Solution Ltd	No	Out of scope	Out of scope	
Commercial Services Trading Ltd	No	Out of scope	Out of scope	
CSG Global Education Ltd	No	Out of scope	Out of scope	
Landscapes for Learning Ltd	No	Out of scope	Out of scope	
Lifecycle Management Group	No	Out of scope	Out of scope	
Prospect Payroll Ltd	No	Out of scope	Out of scope	
Kent Waste Management LLP	No	Out of scope	Out of scope	
UK Teach Ltd	No	Out of scope	Out of scope	
Groupe WF Education	No	Out of scope	Out of scope	
Commercial Services Education Holdings Ltd (WF Education Group Holdings Ltd)	No	Out of scope	Out of scope	
Bowerhouse II Solar Ltd	No	Out of scope	Out of scope	
Hampshire & Kent CS LLP	No	Out of scope	Out of scope	
Luton & Kent CS LLP	No	Out of scope	Out of scope	
Surrey & Kent CS LLP	No	Out of scope	Out of scope	
Dudley & Kent CS LLP	No	Out of scope	Out of scope	
Dorset & Kent CS LLP	No	Out of scope	Out of scope	
Halton & Kent CS LLP	No	Out of scope	Out of scope	
Hackney & Kent CS LLP	No	Out of scope	Out of scope	
Commercial Services Education Ltd (WF Education Group Ltd)	No	Out of scope	Out of scope	
Impact Energy People Partners Ltd (People Tech Services Ltd)	No	Out of scope	Out of scope	

Involvement in the work of component auditors

Scope	Component auditors involved	Summary of involvement	Changes compared to planned involvement
Scope 1	Grant Thornton UK	The Group Engagement Lead led a planning meeting with the group engagement team which included a discussion on risks and guidance on designing procedures. Throughout the audit the group engagement team participated in meetings and reviewed all audit documentation in respect of significant risks, including the underlying workpapers. A formal internal standback meeting with the group engagement team will be attended by the Group Engagement Lead and Engagement Quality Control Reviewer (EQCR).	No changes to planned involvement
Scope 2	UHY Hacker Young	The Group Engagement Lead has sent group instructions to the component auditor which have been received and responded to, as appropriate. The group audit instructions set out expected materiality levels, scope of work and indicative sample sizes.	No changes to planned involvement
Scope 3	UHY Hacker Young	The Group Engagement Lead led a planning meeting with the component auditor which included a discussion on risks and guidance on designing procedures. The Group Engagement Lead has sent group instructions to the component auditor which have been received and responded to, as appropriate. The group audit instructions set out expected materiality levels, scope of work and indicative sample sizes. Work was completed to the requirements of the component auditor. Audit work has been reviewed by the component audit team with no issues arising	No changes to planned involvement

C: Draft Audit Opinion

Independent auditor's report to the members of Kent County Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Kent County Council (the 'Authority') and its subsidiaries and joint ventures (the 'group') for the year ended 31 March 2026, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, the Cash Flow Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, the Group Balance Sheet and the Group Cash Flow Statement and notes to the financial statements, including material accounting policy information. The notes to the financial statements include the Expenditure and Funding Analysis. 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 2025/26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2026 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Authority 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Corporate Director Finance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority or the group to cease to continue as a going concern.

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In our evaluation of the Corporate Director Finance's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that the Authority's and group's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and the Authority. In doing so we had regard to the guidance provided in Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Authority and the group and Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Corporate Director Finance's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's and the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Corporate Director Finance with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon and our auditor's report on the pension fund financial statements. The Corporate Director Finance is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

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Responsibilities of the Authority and the Corporate Director Finance

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Corporate Director Finance. The Corporate Director Finance 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 2025/26, for being satisfied that they give a true and fair view, and for such internal control as the Corporate Director Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporate Director Finance is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 (as amended), the Local Government Act 2003 and the Local Government Act 1972.
- We enquired of management and the Governance and Audit Committee concerning the group and Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Governance and Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

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- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. We determined that the principal fraud risk was in relation to:
 - management override of controls, specifically posting inappropriate journals to manipulate results for the year ended 31 March 2026
- Our audit procedures to address the principal fraud risk included:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - journal entry testing, with a focus on unusual journal entries and those considered to be high risk; and
 - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the valuation of land and buildings and defined benefit pension scheme valuations.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority audit team members included consideration of their:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector in which the group and Authority operates
 - understanding of the legal and regulatory requirements specific to the Authority and group including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it or recognise non-compliance.

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- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Authority and group’s operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority and group’s control environment, including the policies and procedures implemented by the Authority and group to ensure compliance with the requirements of the financial reporting framework.
- For components at which audit procedures were performed, we requested component auditors report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

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 other legal and regulatory requirements – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We have nothing to report, except that we identified four significant weaknesses in the Authority’s arrangements for the year ended 31 March 2026:

Significant weakness in arrangements identified	Recommendations
Financial Sustainability	
1. Managing cost and savings within adult social care Persistent overspends in Adult Social Care and Health (ASCH) have significantly reduced levels of reserves, creating increased risk for ongoing financial sustainability.	Key recommendation The Authority must place an organisational focus on developing and implementing effective mitigations to manage its financial sustainability risks within ASCH.
This is a continuing significant weakness.	

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Significant weakness in arrangements identified	Recommendations
Financial Sustainability	
2. Managing the Dedicated Schools Grant deficit	Key recommendation
The Dedicated Schools Grant (DSG) funds education services, but the Authority has been spending more than the provided funding. The Authority’s forecast DSG deficits for 2026/27 and 2027/28 are unresolved and this creates risk to ongoing financial sustainability. This is a continuing significant weakness	The Authority must continue to work urgently with partners to deliver the SEND Reform Plan, and to implement and embed the changes it is making, to ensure that the growing DSG deficit is mitigated and the financial risk to the Council relating to the forecast deficits for 2026/27 and 2027/28 is reduced as far as possible to a sustainable level across the medium term.

Significant weakness in arrangements identified	Recommendations
Governance	
3. Governance and Audit Committee (GAC) effectiveness, member development, member behaviours and cohesion	Key recommendation
A review of GAC effectiveness highlighted a number of areas for further development. We have identified opportunities for wider member training and targeted activity to help foster member cohesion. Good governance is an integral part of the Authority’s effectiveness. This is a new significant weakness.	The Authority should consider the development and implementation of a governance improvement programme.
Improving economy, efficiency and effectiveness	
4. Implementation of the Oracle Cloud Programme	Key recommendation
The Authority’s planned implementation of phase two of the Oracle Cloud Programme has been delayed; additional funding has been agreed and a lessons learnt review has been commissioned. Oracle Programme slippage and cost acceleration identifies arrangements in programme delivery have not been optimal and any rebasing of the project will need to be carefully managed by the Authority This is a new significant weakness	The Authority must ensure that the findings of the Oracle Cloud Programme Lessons Learned Review are fully incorporated into the governance and delivery arrangements to reduce the risk of further delays and cost escalation. We also recommend the Policy and Resources Cabinet Committee receive regular formal updates to the Oracle Cloud Programme until implementation has been assured.

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Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority 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 Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the relevant guidance issued by the Comptroller and Auditor General. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Kent County Council for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Authority's consolidation returns and we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of 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 Authority's members 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed

Sarah Ironmonger, Key Audit Partner



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