

By: Chief Accountant, Joe McKay

To: Governance and Audit Committee, 15 October 2026

Subject: Draft Statement of Accounts 2025/26

Status: Unrestricted

Summary: This paper provides assurance on the production of the Statement of Accounts and confirms the arrangements required to comply with the Accounts and Audit Regulations.

Background

The scope of the external audit of the Statement of Accounts is set in accordance with the National Audit Office (NAO) Code of Practice and International Standards on Auditing, and these cover two distinct areas:

Financial Statements & Annual Governance Statement (AGS)

Grant Thornton are responsible for forming and expressing an opinion on Kent County Council's single entity accounts, group accounts, and the Kent Pension Fund accounts.

The outcomes are provided in the Audit Findings Reports (AFRs). The report covers whether the financial statements give a true and fair position of the financial position and income and expenditure for the year, and whether they have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and the Local Audit and Accountability Act 2014.

In addition to reviewing the financial statements, Grant Thornton are also required to report whether the Annual Governance Statement (AGS) is materially consistent with the financial statements.

Value for money arrangements

Grant Thornton consider whether there are sufficient arrangements in place for securing economy, efficiency and effectiveness in the use of our resources, reporting in detail on our overall arrangements, as well as providing key recommendations on any significant weaknesses identified during the audit.

The outcomes of that process are provided in the separate Annual Audit Report (AAR).

Assurance for Members

Draft publication - the draft financial statements and draft AGS were published on 30 June 2026 in line with the deadline set in the Accounts and Audit Regulations.

Inspection of accounts period - the 'public inspection of accounts' window was also completed in line with the Accounts and Audit Regulations and ran from 1 July 2026 to 11 August 2026, with all relevant requests responded to.

External audit - no adjustments to the financial statements have been identified as part of the external audit, other than minor disclosure errors.

Recommendations for management - there are some recommendations identified which management have provided a response to within the AFR presented by Grant Thornton.

AGS – Grant Thornton have confirmed that the AGS is consistent with their knowledge of our organisation and with the audited statement of accounts.

Audit backstop - the timing of the completion of the audit work is in advance of the audit backstop date of 31 January 2027.

Governance and sign-off

The Accounts and Audit Regulations state that:

- i) ...the publication date for final, audit accounts is 31 January 2027. The authority must, following the conclusion of the period of public inspection, in the following order:
 - a. Consider, either by way of a Committee or by the Members meeting as a whole, the Statement of Accounts;
 - b. Approve the Statement of Accounts by a resolution of that Committee or meeting;
 - c. Ensure the Statement of Accounts is signed and dated by the person presiding over the Committee or meeting at which approval was given

Letters of Representation are provided in connection with the audits of the financial statements for the Council and the Kent Pension Fund; and they will be required to be formally minuted by the Committee to confirm they are approved and signed by the Chair of the Committee and Corporate Director Finance.

Recommendations

Members are asked to:

- Approve the Annual Governance Statement (AGS) for 2025/26
- Approve the Statement of Accounts for 2025/26
- Note the Audit Findings Report (AFR) for Kent County Council and the Kent Pension Fund
- Approve the Letters of Representation for Kent County Council and the Kent Pension Fund

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