



Audit Committee

30 October 2025

Updated Audit Progress Report 2024/2025

Report from: Phil Watts, Chief Operating Officer

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Summary

This report presents an update to the progress of the audit of the Council's Statement of Accounts for the financial year 2024/25 from Medway Council's External auditors, Grant Thornton as at the end of September 2025.

1. Recommendations

- 1.1. The Committee is recommended to note the updated Audit Progress Report including the proposed audit deliverables to be presented to a future meeting of this Committee.

2. Budget and policy framework

- 2.1. International Standard of Auditing require the audit plan to be communicated to 'those charged with governance'. The Terms of Reference of this Committee include discussions with the external auditor on new accounting standards, changes to the reporting framework and the basis of the annual audit, including the content of performance work.

3. Background

- 3.1. An update to the Audit Plan for 2024/25 was presented to Audit Committee on 11 September 2025, with the proposal to submit both the draft Audit Findings Report and the Auditors Annual Report to this Committee at this meeting.
- 3.2. This is not possible at the present time due to insufficient progress on the 2024/25 audit of the financial statements.
- 3.3. The current update progress report at Appendix 1, gives details as to the progress as at the end of September 2025 in each of the key areas and details which of these will be subject to further planned work in January 2026,

prior to obtaining an audit opinion by the statutory deadline of 27 February 2026.

- 3.4. Grant Thornton have provided comments as to the reasons for the current status of each area, which have been discussed with management as part of regular meetings.
- 3.5. Whilst significant progress has been made when compared to the last update the Committee received, management recognise that there is still a significant amount of work to be carried out before Grant Thornton return in January 2026 and officers are working hard to ensure this work is completed before the end of this calendar year.
- 3.6. The revised audit deliverables are set out at the end of the Audit Progress Report.

4. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Budget Pressure	The budget for audit fees has been set at the level of the scale fee proposed by PSA; any additional fee charged by Grant Thornton would result in a budget pressure.	It will be necessary to work to identify compensating savings within Business Support and Centralised Services budgets. The Finance & Business Improvement Division will work to ensure that the statements are accurate and supported by high quality working papers to minimise the risk of additional fees being charged.	CIII
Complying with Statutory Deadlines	The audited 2024/25 statements must be published by 27 February 2026.	The finance team has been the subject of right sizing as part of the 2024/25 approved budget to ensure it has the appropriate resources to enable it to meet	CIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
		the statutory deadlines, together with advanced planning including training for both finance staff and budget managers.	

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

5. Financial implications

5.1. The PSAA agreed scale fees for 2024/25 are £443,336, but fees for other audit work such as certifications of Teachers Pension, Housing Subsidy and Pooling of Housing Capital Receipts have yet to be provided. Any additional costs over those budgeted for would need to be funded from savings made on existing revenue budgets in Business Support and Centralised Services.

6. Legal implications

6.1. There are no direct legal implications to this report.

Lead officer contact

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Appendices

Appendix 1 – Audit Progress Report.

Background papers

None.