

Audit Committee

19 March 2026

Audit Progress Report and Sector Updates

Report from: Phil Watts, Chief Operating Officer
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Summary

This report provides this Committee an update on the progress in Grant Thornton delivering their responsibilities as the Council's external auditors.

1. Recommendation

- 1.1. The Committee is asked to note the content of the Audit Progress Report and Sector Updates at appendix 1 to the report.

2. Budget and policy framework

- 2.1. The receipt of the audit sector progress report is a matter for the Audit Committee.

3. Background

- 3.1. Independent external auditors are responsible for undertaking audits within local authorities on behalf of the Public Sector Audit Appointments Ltd (PSAA). The purpose of this report is to:
 - provide a report on progress in delivering Grant Thorntons 'responsibilities as Medway Councils' external auditors
 - provides a series of sector updates in respect of emerging issues which the Committee may wish to consider

4. Advice and analysis

- 4.1. The report attached as Appendix 1 highlights the following areas providing information relating to the auditor responsibilities for the Council:
 - audit deliverables
 - sector updates
 - Public sector finance leaders' barometer
 - CIPFA Code changes to the accounting for non-investment assets
 - Finance Settlement 2026/27 to 2028/29

- SEND reform plans
- Local Outcomes Framework
- Local Government Reorganisation and Devolution update
- Transport connectivity
- Maintaining local roads
- Unlocking land for housing
- The Crisis and Resilience Fund
- Successful legacy planning for major events
- After the Backstop: Reset, recovery and reform in the audit of local authority accounts.

5. Risk management

5.1. There are no significant risks arising from this report.

6. Financial implications

6.1. There are no direct financial implications arising from this report.

7. Legal implications

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

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Appendices

Appendix 1 – External Audit Sector Progress Report and Sector Updates

Background papers

None