

Medway Council

Audit progress report; regaining assurance
progress report; and sector updates

September 2026

Agenda

1	Audit progress report	03
2	Introduction	04
3	Progress as at September 2026	05
4	Audit deliverables	07
5	After the backstop, regaining assurance	08
6	Sector updates	13
7	Audit Committee Resources	23
8	Appendix: audit position as of September 2026	24

Audit Progress Report

Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

[Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



Matt Dean
Key Audit Partner
T: 020 7728 3181
E: matt.dean@uk.gt.com



Ellen Millington
Senior Manager
T: 020 7728 2373
E: ellen.millington@uk.gt.com



Kieran McDermid
Manager
T: 020 7184 4445
E: kieran.j.mcdermid@uk.gt.com

Progress as of September 2026

Financial Statements Audit

The Council's draft financial statements were published on **29 July 2026**, which was a month after the statutory deadline of **30 June 2026**, and two months after the timeframe originally envisaged in the Council's closedown timetable. These delays were due to capacity constraints within the Council's finance team, which as well as having an impact on finalisation of the financial statements, have had a significant effect on the progress made in the audit to date. A detailed progress update is included in the Appendix to this report from page 24.

As communicated at the Audit Committee meeting held on 24 June 2026, our audit work commenced in mid-June, with the aim to complete the majority of sample selection by mid-July. Due to the delays in closing the general ledger accounting system and finalising the financial statements, limited progress was made during this window. Since mid-July, some progress has been made in sample testing relating to income, expenditure and property transactions. However there are some areas within this where sample evidence has been outstanding for over two months, due to delays in obtaining this information from specific teams within the Council.

Limited audit work has been possible to date in relation to other closing balances including creditors and debtors, due to the quality of underlying working papers. There are some areas of the financial statements where no working papers have yet been received including key disclosure notes such as the Dedicated Schools Grant and Pooled Budgets disclosures.

Review of the draft financial statements by the Senior Audit Manager, Key Audit Partner, Engagement Quality Review Partner and specialist Public Sector Financial Reporting team resulted in a high volume of technical queries which were communicated to the Council's finance team and remain largely unresolved. These relate to a range of areas including valuation of financial instruments, such as borrowings and investments, and the group accounts. The Council's finance team have indicated that there is limited technical knowledge and capacity to be able to respond to these issues, without which we are unable to evaluate their impact on the Council's financial position and work towards a conclusion over the closing balances within the Council's balance sheet, and associated revenue transactions.

Value for Money

Our work on the Council's Value for Money arrangements is underway, and we anticipate presenting our Auditor's Annual Report at the next meeting of the Audit Committee on 29 October 2026. Our initial risk assessment was reported to the Audit Committee in the Audit Plan presented at the meeting held on 24 June 2026. We identified three risks of significant weaknesses in arrangements relating to:

- Delivery of transformation savings and contingency plans;
- The financial resilience of Medway Development Company and delivery of its business plan; and
- Financial reporting and audit readiness.

We will continue to keep our risk assessment under review until completion of the financial statements audit. Any changes to our assessment or additional significant matters identified will be communicated to the Council's management and the Audit Committee in a timely manner.

Progress as of September 2026 (continued)

Other areas

Agreed-upon procedures relating to the Council's Housing Benefits Subsidy Claims (2021/22 and 2022/23), Teachers' Pensions End of Year Certificate (2023/24) and Housing Capital Receipts Pooling return (2024/25) are currently being undertaken by our specialist Grants Assurance team. Arrangements for subsequent years as subject to agreement with the Council. We will report our findings on these areas once the procedures are complete.

Meetings

Since commencement of our work in respect of the audit year 2025/26 we have met with the Chief Executive, Chief Operating Officer (Section 151 Officer), Chief Finance Officer and on a regular basis with the Head of Corporate Accounts and wider finance team. Engagement has been positive and constructive however the Council's management acknowledge that finance capacity is limited to respond to the requirements of the audit alongside other responsibilities.

Audit Fees

PSAA published their scale fees for 2025/26: [2025/26 audit fee scale - PSAA](#)

For Medway Council these fees are £451,747. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

Events

We provide a range of workshops and network events.

On 2nd July 2026, we hosted a webinar on how the local government Audit Committee functions within a wider governance landscape. Insights from our webinar can be found here: [Supporting Effective Audit Committees in a Changing Local Government Landscape | Grant Thornton](#).

On 25th September 2026, we will be hosting a webinar on grants delivery, unpacking how to tackle funding certainty; achieve consistency; reduce administration friction; and build capacity. To attend, members and officers can: [Register here](#).

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council’s 2025/26 financial statements.	June 2026	Complete
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	October 2026	Not yet due
Auditor’s Report This includes the opinion on your financial statements.	November 2026	Not yet due
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	Not yet due

After the backstop, regaining assurance

After the Backstop

We ask Audit Committees should challenge their councils on the effectiveness of work to rebuild external audit assurance.

On 26th March 2026, the government published the names of 22 councils and one combined authority that missed the local audit backstop deadline on 27th February 2026.

The number that missed the 27th February 2026 deadline was more than 50% lower than one year before, on 28th February 2025, when 53 local government bodies missed the deadline.

However, PSAA data demonstrates that restoring assurance following the issuance of a disclaimer of opinion is a gradual process that requires time and sustained effort:

- ❖ 47.3% of all opinions that met the February 2025 backstop date were disclaimed.
- ❖ This number only fell to 41.1% one year later for all opinions that met the February 2026 backstop date.

Rebuilding assurance over English local government accounts remains a work in progress for many. With responsibilities and opportunities for the sector expanding rapidly, councils need to continue working with auditors to secure the financial transparency expected of pivotal players in government.

The next statutory backstop dates fall on:

- ❖ **31st January 2027** for the publication of audited 2025/26 financial statements; and
- ❖ **30 November 2027** for the publication of audited 2026/27 financial statements.

We have agreed with the Authority to complete the 2025/26 financial statements audits by the end of November 2026 in preparation for the 2026/27 financial statements audit.

We set out recommendations for Audit Committees in our recent report: Local audit reset: What comes after the backstop? | Grant Thornton

- ❖ **Recruit independent members with appropriate skills and experience.**
- ❖ **Hold management and auditors to account.**
- ❖ **Report to full Council on an annual basis with their assessment of the accounts preparation and audit process.**
- ❖ **Understand the approach to be taken to rebuilding audit assurance where previous accounts were disclaimed:**
- ❖ **Ensure appropriate consideration is given to future financial management where local government reorganisation applies.**

Regaining assurance

Local audit recovery update

A major challenge for auditors in regaining assurance, and returning to an unqualified audit opinion, is that without undertaking audit work in respect of old year transactions, where these were not subject to audit procedures, there will be uncertainty as whether reserves have been properly accounted for.

The National Audit Office (NAO) published guidance in September 2024 for auditors, as part of its Local Audit Reset and Recovery Guidance (LARRIG) series. This sets out key considerations that may assist auditors in regaining assurance at audited bodies where the audit report has been disclaimed due to the backstop.

The LARRIG provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to regain assurance in respect of opening balances. These include a framework for auditors to:

- Assess risk at an entity wide level
- Assess risk at a line item level including in respect of specific balances and reserves
- Determine a response to risk, including appropriate testing of prior year transactions.

For many authorities a reasonable pathway exists through the application of the auditing standards to where the auditor may issue an opinion that is based upon sufficient appropriate audit evidence. The guidance is clear that the timeframe in which this can be achieved will vary depending on the circumstances of individual engagements. It is also clear that there will be authorities where it may not be possible to recover assurance solely through the application of the auditing standards.

The first priority at all audited bodies which have previously been backstopped is to gain assurance regarding in year transactions and closing balances for the current audit year. Timely preparation of draft accounts and high quality supporting working papers is fundamental to the success of audit closedown. We look for all local authorities to prioritise this in enabling the sector to return to balance.

The Ministry of Housing, Communities and Local Government (MHCLG) requested an assessment by 31 July 2026 of capacity for rebuilding assurance. We shared our assessment with the Audit Committee at the meeting held on 24 June 2026, and this has subsequently been shared with MHCLG.

Regaining assurance

Previous years' audits

For the years 2021/22 to 2024/25 the Council's audit opinions were disclaimed under the backstop. The impact of these disclaimed audit reports has been no assurance over the opening balances in the Council's balance sheet from 2022/23 onwards. Previous audits of the Council's financial statements have been protracted and challenging. Significant issues were identified including delays to receipt of audit working papers and supporting documentation, and responses to audit queries and requests. This was largely driven by the aforementioned capacity constraints within the Council's finance team.

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits, requiring audited financial statements to be published by certain dates. As a result of these backstop dates, a disclaimer of opinion was issued for each of the 2021/22 and 2022/23 financial years in December 2024, a disclaimer of opinion was issued for the 2023/24 financial year in February 2025 and a disclaimer of opinion was issued for the 2024/25 financial year in February 2026.

As a result, for 2025/26:

- we have no assurance over the opening balances for 2025/26
- we have no assurance over the closing reserves balance also due to the uncertainty over their opening amount.

The Council has received grant funding of £125,891 under a Section 31 Grant Determination to support the build-back of assurance. The government has set out its expectation that local authorities and audit firms work closely together to enable this build back to happen. Our agreed plan to work with you to regain assurance is detailed overleaf.

Regaining assurance (continued)

2025/26 and future years

The Authority is required to publish audited financial statements for the 2025/26 financial year by 31 January 2027. As part of our audit planning, we have agreed to complete your audit by 30 November 2026.

Our aim for the 2025/26 audit has been to build a foundation on which to start to rebuild assurance, therefore our focus has been on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances in the balance sheet.

We have discussed and agreed the strategy and trajectory for rebuilding assurance, with the Section 151 Officer and Chief Finance Officer. We will continue to work in accordance with this plan, with the Authority's ongoing support and cooperation.

If we are able to continue to complete planned work on in-year transactions and closing balances, with no issues arising, over the coming years we could regain assurance over many balances and transactions in the financial statements.

As a result of the disclaimer of opinion issued for the previous financial years, and a lack of assurance over in year transactions and closing balances for the previous audit year, we do not expect to be able to undertake sufficient work to support an unmodified audit opinion on the 2025/26 financial statements in advance of the backstop date. As highlighted above the priority is to gain assurance regarding in year transactions and closing balances for the current audit year, which will provide a firm basis on which to begin to rebuild assurance.

Sector Updates

Local government reorganisation (LGR)

Audit Committees need to be aware of latest announcements and useful guidance.

On 16th July 2026 the Government LGR decisions for 14 areas of England. Together with decisions already announced for Surrey, Essex, Hampshire, Norfolk and Suffolk, this takes the total programme to 134 existing councils being replaced by 38 new unitary authorities.

Areas covered by the decisions on 16th July were:

- ❖ Derbyshire and Derby;
- ❖ Devon, Plymouth and Torbay;
- ❖ East Sussex and Brighton and Hove;
- ❖ Gloucestershire;
- ❖ Hertfordshire;
- ❖ Kent and Medway;
- ❖ Lancashire, Blackpool & Blackburn with Darwen;
- ❖ Leicestershire, Leicester and Rutland;
- ❖ Lincolnshire, North & Northeast Lincolnshire;
- ❖ Nottinghamshire and Nottingham;
- ❖ Oxfordshire (plus part of West Berkshire);
- ❖ Staffordshire and Stoke-on-Trent;
- ❖ Warwickshire; and
- ❖ Worcestershire.

All changes are subject to Parliamentary approval, but the common timetable across all areas is: Shadow authority elections in May 2027, with new councils formally taking over service delivery (“vesting day”) on 1 April 2028.

In the meantime, [Rewiring the State](#) was published on 31st July 2026, setting out the government’s wider plan to fundamentally rewire the state by shifting power, funding and accountability from Whitehall to local leaders.

Helpful guidance from Grant Thornton:

For our learning from the eight new unitary councils that were created between 2019 and 2024, see [Learning from the new unitary councils](#).

- ❖ For insights into how best to prepare for the new changes now to come, see three recent publications from July and August 2026:
- ❖ [Why agreeing the balance sheet split early matters](#).
- ❖ [The financial planning process and Medium-Term Financial Strategy for newly created unitary councils](#).
- ❖ [Managing assets through Local Government Reorganisation](#).

Audit Committee members are also encouraged to visit our LGR hub for additional information on how their council can successfully navigate change: [Local Government Reorganisation | Grant Thornton](#).

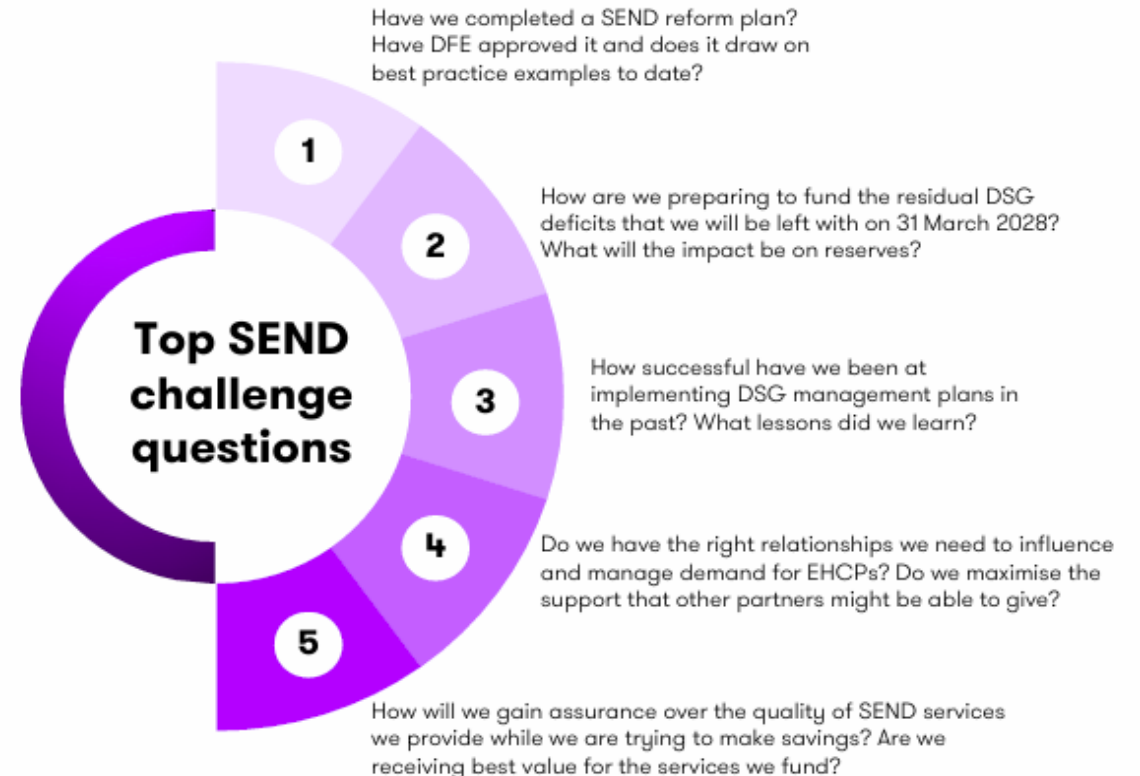
Lessons from Auditor's Annual Reports on Managing Dedicated Schools Grant Deficits

For information: Residual SEND related risks to be aware of, despite proposed reform.

Our latest report on Lessons from Auditors' Annual Reports, published on 20th May 2026, highlights lessons for [Managing Dedicated Schools Grant Deficits](#).

- ❖ New commitments by the government to fund up to 90% of Dedicated Schools Grant deficits on 31st March 2026, if Councils can agree SEND reform plans for their area with the Department for Education (due by 19th June 2026);
- ❖ The financial risks that councils will face once statutory override ends on 31st March 2028;
- ❖ Difficulties encountered so far by councils in effective planning for the management of DSG deficits;
- ❖ The benefits of working proactively with psychologists, teachers and families to make the most of current arrangements; and
- ❖ The importance of maintaining quality and efficiency in SEND service.

With the arrival of the Education for All Bill, Audit Committee members are encouraged to ask their councils:



Adult Social Care

Audit Committees should seek to understand how risks surrounding Adult Social Care are mitigated within their Council.

CQC findings:

On 14th July 2026, CQC published key findings from their assessment programme of all 153 local authorities in England with adult social care responsibilities.

CQC highlighted that the majority of local authorities are rated 'good', but are mainly at the lower end of the scoring threshold for 'good'. Key themes in the report act as a roadmap for strengthening the sector:

- ❖ Prevention
- ❖ Safeguarding
- ❖ Transitions from Children's to Adult's services
- ❖ Unpaid carers
- ❖ Equity in experience and outcomes
- ❖ Co-production (partnerships with voluntary, community, faith and social enterprise organisations)
- ❖ Commissioning.

Other recent developments in relation to the Adult Social Care sector:

- ❖ **29th July 2026** – The Prime Minister set out his commitment to reform adult social care and deliver a National Care Service.
- ❖ **29th July 2026** – Baroness Casey launched a “big conversation on care”, an online survey intended to inform work to develop a National Care Service.
- ❖ **4th August 2026** – ADASS published Learning from Safeguarding Adults Reviews: How can they have national impact?



Children's Social Care

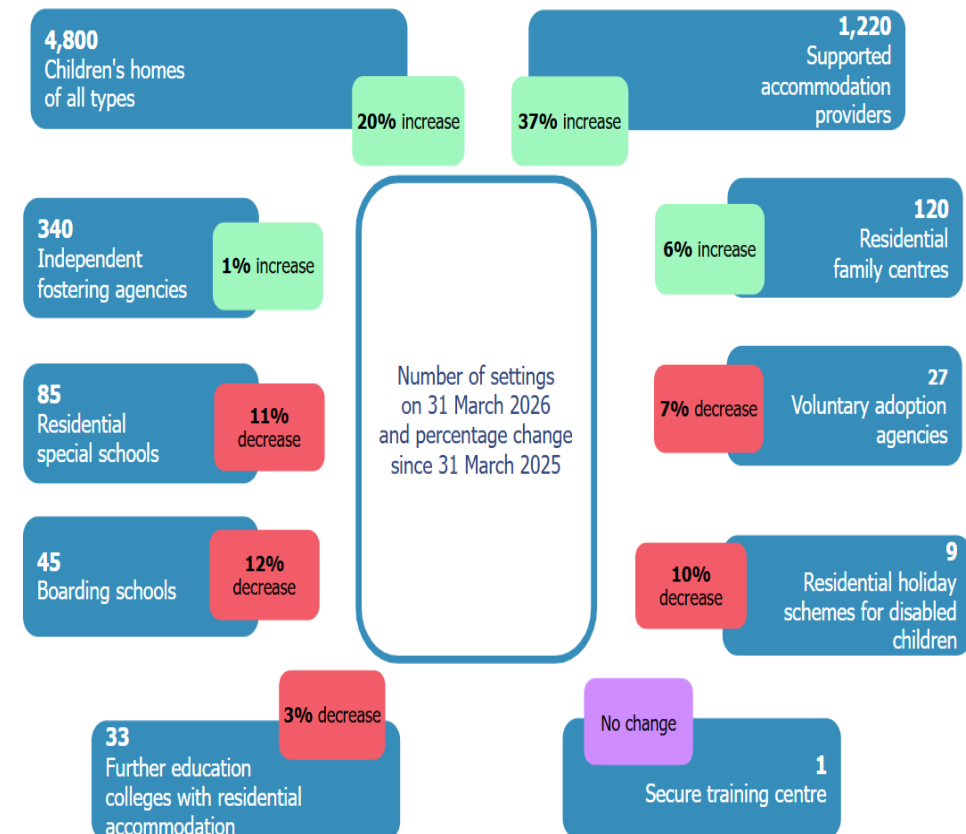
Audit Committees should seek to understand how the risk of unregistered placements is being mitigated by their Council.

Tackling dependency on unregistered children's homes

Supply and demand pressures in recent years have forced many local authorities to rely on placing children in unregistered homes, which offer less protection than they are entitled to. Pressure to prevent this practice is escalating, but Council's overall need more children's homes that they used to, putting them at risk of malpractice:

- ❖ **2nd July 2026** – Ofsted published [research on sufficiency of children's homes places in England](#) – highlighting that issues with workforce capacity, affordability of housing and lack of foster carers has contributed to a sharp growth in local authorities' use of unregistered children's homes.
- ❖ **7th July 2026** – Ofsted launched an [open consultation](#) on proposals to improve how it inspects and regulates children's social care providers. The original proposals aimed, amongst other things, at tackling the “shadow system” of children living unprotected in illegal settings.
- ❖ **30th July 2026** – [Ofsted's official statistics](#) show that there was a 20% increase in the use of children's homes overall in 2026.
- ❖ **5th August 2025** – Ofsted won its first successful prosecution of an illegal children's home provider.

Source: [Ofsted main findings: children's social care in England 2026](#) – GOV.UK



Making the Annual Governance Statement matter

Audit Committees are responsible for approving the AGS (sometimes with Full Council too) and should seek assurance it reflects a robust review against the CIPFA/SOLACE principles, a well-developed Code of Corporate Governance, and a clear assessment of effectiveness.



An evidence-based, candid view of strengths, weaknesses and planned improvements



Effectiveness is a qualitative judgement — not just a policy checklist



The review and drafting of the AGS should always be internally led



Senior officers must show genuine ownership, directed by members



An organisation-wide understanding of how governance works in practice

“

The AGS is a key indicator of the effectiveness of a council’s governance framework and a potential early warning sign of wider governance weaknesses.

Grant Thornton UK, July 2026

[Read our full article →](#) Published 20 July 2026

Valuing people

For information: Audit Committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government reorganisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- ❖ More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- ❖ More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

CQC is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 “Quality Statements” with 24 “Key Lines of Enquiry”, looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC’s change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.



Neighbourhood health frameworks

Audit Committees need to ask their councils what steps are being taken to prepare for changes in the way they work with the NHS.

A [new policy paper on Neighbourhood health frameworks](#) was published on 17th March 2026 – setting out plans to create a new “neighbourhood health service”. This:

- ❖ Builds on ambitions first [set out by the government in 2025](#) to move the focus of health care from hospital treatment to community prevention; and
- ❖ sets out expectations for neighbourhood level partnership working across the health and care system from 2027/28 onwards (with the NHS, local authorities and community and voluntary partners).

As the NHS is embarking on a period of restructuring, and local government is reorganising at the same time, councils will need to be clear about what their responsibilities are; how they will agree local neighbourhood health objectives with partners; and how they will measure progress.

Audit Committees can help by asking officers:

- ❖ What are the risks for our council, and how are these mitigated?
- ❖ How do we identify key public health partners and agree strategic objectives with them?
- ❖ How will we measure neighbourhood health achievements?



Fit for purpose - partnerships and procurement

Audit Committees need to ask their councils how robust their leisure partnerships and procurement are.

Whilst high profile government announcements in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

SOLACE and Alliance Leisure held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- ❖ Co-locating libraries and community services with leisure centres; and
- ❖ Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.



In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), appointed administrators following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Audit Committees can help by asking officers:

- ❖ Are our services for residents and schools at risk?
- ❖ When was the last time we checked the financial health of our contract operators?
- ❖ Do we have a register of community and voluntary sector partners that we are co-delivering social and health prevention impacts with?
- ❖ When was the last time our leisure estates strategy was updated? Are we optimising the use of the estates that we have?
- ❖ How are we measuring the performance of our leisure estates and leisure contracts?
- ❖ Where applicable, what oversight is the health scrutiny committee exercising?

Best Value – have your say

New consultation to take part in

The Ministry of Housing, Communities and Local Government (MHCLG) is currently seeking views on revised statutory guidance for local and strategic authorities in England on compliance with the Best Value Duty.

A new consultation opened on Citizen Space on 15th July 2026, and will remain open until 11:59pm on 7th October 2026. This follows the government's March 2026 publication of Lessons learnt from best value interventions 2025. All local authorities are encouraged to take part in the new consultation, to help shape guidance going forward.

There has been a significant increase in the number of councils entering best value intervention since 2020. The government is aiming to learn from direct council experiences to improve policy, practice, and central government's relationship with local government. For the first time, MHCLG has undertaken structured engagement with all councils in statutory and non-statutory interventions exploring their challenges, recovery actions, and outcomes.

To have your say on the revised guidance and what should happen next, follow this link:

[Consultation on revised Best Value guidance - Ministry of Housing, Communities and Local Government - Citizen Space](#)



Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

Appendix: audit position as of September 2026

Financial Statements: audit position as of September 2026

The table below provides an overview of the audit testing status across the key audit areas.

Work on receipt of financial statements

		Status		Notes
		Planned	Current (Sept 2026)	
Financial statements	Management response to review of financial statements by auditors	●	●	Some of the points raised have been resolved by the Council; others remain outstanding and the Council has indicated that it lacks technical knowledge and capacity to respond – specifically around financial instruments and group accounts.
	Management response to detailed technical review of financial statements	●	●	Some of the points raised have been resolved by the Council; others remain outstanding and the Council has indicated that it lacks technical knowledge and capacity to respond – specifically around financial instruments and group accounts.
	Completion of detailed CIPFA disclosure checklist and verification of casting	●	●	Some of the points raised have been resolved by the Council; others remain outstanding and the Council has indicated that it lacks technical knowledge and capacity to respond – specifically around financial instruments and group accounts.
	Accounting Policy review	●	●	Some of the points raised have received responses from the Authority; others remain outstanding.
Trial Balance	Agreement to the financial statements	●	●	The audit team have completed work on this area.
	Agreement of opening balances to prior year statements	●	●	The audit team have carried out initial reviews and raised with management where the figures do not agree to prior years financial statements.
	Journal testing	●	●	Audit work has not commenced due to outstanding queries with the Council on the reconciliation of the journals listing to the trial balance.

Key	Planned status	Current status
●	N/A	No assurance obtained / work has yet to commence
●	N/A	Audit work started but not completed
●	Incomplete assurance due to backstop disclaimer	Work largely completed (subject to review)
●	All in year assurance obtained, balance audited	All in year assurance obtained planned status achieved

Financial Statements: audit position as of September 2026

Audit area		Testing details		Status		Notes
Statement	Account	Samples	Tested	Planned	Current (Sept 2026)	
CIES	Income – Fees and charges	23	8			Sample testing in progress. No supporting evidence has been received for 9 of the sample items and queries have been raised on a further 6 items.
	Income – Council Tax and NNDR (reliefs)	50	43			Sample testing in progress. All sample evidence has been received but queries have been raised on 7 items
	Income – Grants and contributions	TBC	0			Audit work has not commenced as supporting listings have not been received.
	Income – Interest / Investment income	TBC	0			Audit work has not commenced as supporting listings have not been received.
	Expenditure – Employee benefit costs	47	47			Sample testing has been completed but we are awaiting the Council’s payroll reconciliation to the General Ledger to enable conclusion.
	Expenditure – Other Service expenses	86	21			Sample testing in progress. No supporting evidence has been received for 52 of the sample items and queries have been raised on a further 13 items.
	Expenditure – Depreciation, Amortisation	n/a	n/a			Audit work has not commenced as supporting listings have not been received.
	Expenditure – Loss on disposal NCA	8	8			Audit work is complete subject to internal review.
	Expenditure – Interest payments	o/s	o/s			Audit work has not commenced as supporting listings have not been received.
	Expenditure – Housing benefits	9	9			Audit work is complete subject to internal review.
	Surplus/Loss on revaluation of non-current assets	n/a				Audit work is in progress but not completed as queries are outstanding with the Council and their property valuer.
	Remeasurement of the defined benefit liability	n/a				Audit work is in progress but not completed as queries are outstanding with the Council.
Key	Planned status	Current status				
	N/A	No assurance obtained / work has yet to commence				
	N/A	Audit work started but not completed				
	Incomplete assurance due to backstop disclaimer	Work largely completed (subject to review)				
	All in year assurance obtained, balance audited	All in year assurance obtained planned status achieved				

Financial Statements: audit position as of September 2026

Audit area		Testing details		Status	Notes
Statement	Account	Sample	Tested	PlannedCurrent (Sept 2026)	
Balance sheet - Assets	Property, Plant & Equipment (Closing balance)	o/s	o/s		Audit work is in progress but not completed as queries are outstanding with the Council and their property valuer.
	Property, Plant & Equipment (Additions)	12	12		Audit work is complete subject to internal review.
	Heritage assets	6	6		Audit work is complete subject to internal review.
	Investment Property	o/s	o/s		Audit work is complete subject to internal review.
	Long-term investments	Confirmations requested			Audit work is in progress but not completed as queries are outstanding with the Council.
	Long-term debtors	3	0		Audit work is in progress but not completed as queries are outstanding with the Council.
	Long-term assets				
	Short-term investments	Confirmations requested			Audit work is in progress but not completed as queries are outstanding with the Council.
	Assets held for sale	1	0		Audit work has not started as queries are outstanding with the Council.
	Short-term debtors	TBC	0		Audit work has not commenced as supporting listings have not been received.
	Cash & cash equivalents	Confirmations requested			Audit work is in progress but not completed as queries are outstanding with the Council.
	Current assets				
Key	Planned status		Current status		
	N/A		No assurance obtained / work has yet to commence		
	N/A		Audit work started but not completed		
	Incomplete assurance due to backstop disclaimer		Work largely completed (subject to review)		
	All in year assurance obtained, balance audited		All in year assurance obtained planned status achieved		

Financial Statements: audit position as of September 2026

Audit area		Testing details		Status		Notes
Statement	Account	Sample	Tested	Planned	Current (Sept 2026)	
Balance sheet - Liabilities	Cash and Cash Equivalents (Bank overdraft)	Confirmations requested		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Long & Short-term borrowing	Confirmations requested		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Long & Short-term creditors	TBC	0	●	●	Audit work has not commenced as supporting listings have not been received.
	Long & Short-term provisions	n/a		●	●	Audit work has not commenced as working papers have not been received.
	Other long-term liabilities (Leases)	n/a		●	●	Audit work has not commenced as working papers have not been received.
	Other long-term liabilities (Pension Liabilities)	n/a		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Liabilities					
CIES - disclosures	Income - Completeness	15	13	●	●	Sample testing in progress. All sample evidence has been received but queries have been raised on 2 items
	Expenditure - Completeness	53	15	●	●	Sample testing in progress. No supporting evidence has been received for 23 of the sample items and queries have been raised on a further 14 items.
	Payroll - Senior officer remuneration	16	16	●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Payroll - Exit packages	5	1	●	●	Audit work is complete subject to internal review.
Key	Planned status		Current status			
●	N/A		No assurance obtained / work has yet to commence			
●	N/A		Audit work started but not completed			
●	Incomplete assurance due to backstop disclaimer		Work largely completed (subject to review)			
●	All in year assurance obtained, balance audited		All in year assurance obtained planned status achieved			

Financial Statements: audit position as of September 2026

Audit area		Testing details		Status		Notes
Statement	Account	Sample	Tested	Planned	Current (Sept 2026)	
Other disclosures	Capital commitments (Note 21)	8	8			Audit work is complete subject to internal review.
	Revenue Expenditure Funded from Capital under Statute (Note 29)	10	10			Audit work is complete subject to internal review.
	Leases (Note 30)	n/a				Audit work has not commenced as working papers have not been received.
	Financial instruments (Note 27)	n/a				Audit work has not commenced as working papers have not been received.
	Earmarked, Usable and Unusable reserves (Note 20, 32, 37)	n/a				Audit work is complete subject to internal review.
	Capital Expenditure & Capital Financing (Note 29)	n/a				Audit work is in progress but not completed as queries are outstanding with the Council.
	Dedicated school grants (Note 16)	n/a				Audit work has not commenced as working papers have not been received.
	Pooled budgets (Note 12)	n/a				Audit work has not commenced as working papers have not been received.

Key	Planned status	Current status
	N/A	No assurance obtained / work has yet to commence
	N/A	Audit work started but not completed
	Incomplete assurance due to backstop disclaimer	Work largely completed (subject to review)
	All in year assurance obtained, balance audited	All in year assurance obtained planned status achieved

Financial Statements: audit position as of September 2026

Audit area		Testing details		Status		Notes
Statement	Account	Sample	Tested	Planned	Current (Sept 2026)	
Housing Revenue Account	Primary statement	N/A		●	●	Audit work has not commenced as working papers have not been received.
	Housing Dwelling rents samples	TBC	0	●	●	Audit work has not commenced as working papers have not been received.
	Associated disclosure notes	N/A		●	●	Audit work has not commenced as working papers have not been received.
Collection Fund	Primary statement	Data provided		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Associated disclosure notes	Data provided		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
Group	Primary statements	Data provided		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Consolidation analysis	Data provided		●	●	Audit work is in progress but not completed as queries are outstanding with the Council.
	Associated disclosure notes	Requested information		●	●	Audit work has not commenced as working papers have not been received.

Key	Planned status	Current status
●	N/A	No assurance obtained / work has yet to commence
●	N/A	Audit work started but not completed
●	Incomplete assurance due to backstop disclaimer	Work largely completed (subject to review)
●	All in year assurance obtained, balance audited	All in year assurance obtained planned status achieved



© 2026 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. This publication has been prepared only as a guide. No responsibility can be accepted by us for loss occasioned to any person acting or refraining from acting as a result of any material in this publication.