



# **Audit Findings (ISA 260) Report for Maidstone Borough Council**

Year ended 31 March 2025

30 September 2025

**Maidstone Borough Council**

Maidstone House  
King Street  
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30 September 2025

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Dear Members of the Audit, Governance and Standards Committee

**Audit Findings for Maidstone Borough Council for the year ended 31 March 2025**

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 auditor 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 defalcations 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.

**Chartered Accountants**

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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-2024-.pdf \(grantthornton.co.uk\)](#).

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.

## Sophia Brown

Key Audit Partner  
For Grant Thornton UK LLP

### Chartered Accountants

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# 01 Headlines

# Headlines (1)

This page and the following summarises the key findings and other matters arising from the statutory audit of Maidstone Borough Council (the 'Council') and the preparation of the Council's financial statements for the year ended 31 March 2025 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 Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
- 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) and the Narrative Report), 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 remotely over two visits, during March and again from June-September 2025. In April 2025, we issued an Indicative Audit Plan, setting out the scope and timing of our work. We confirm that no material changes were made to that report, and it should be noted as the final audit plan for 2024-25 financial statements.

Our findings are summarised in Section 3 and Appendices B and D of this report. We identified 9 adjustments to the financial statements that result in a net decrease of £0.317m to the Council's Comprehensive Income and Expenditure Statement. We have not identified adjustments to the financial statements that have an impact to the Council's usable reserves. We have raised one recommendation for management as a result of our audit work, see Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix C.

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

- Receipt of management's representation letter.

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited.

Our financial statements audit report opinion is **unmodified**.

# Headlines (2)

## Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Council 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 Council'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 Council's arrangements under the following specified criteria:

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

We have completed our VFM work, and our detailed commentary is set out in the separate Auditor's Annual Report, presented alongside this report

We have satisfied ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources in the current year.

## 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; and
- to certify the closure of the audit.

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

We have completed the majority of 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 we receive confirmation from the NAO that the group audit of the Whole of Government Accounts has been certified by the Comptroller & Auditor General. 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 2025.

## Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

# Headlines (3)

## Implementation of IFRS 16

Implementation of IFRS 16 Leases became effective for local government bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Local government accounts webinars were provided for our local government audit entities during March, covering the accounting requirements of IFRS 16. Additionally, CIPFA has published specific guidance for local authority practitioners to support the transition and implementation on IFRS 16.

### Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.”

In the public sector the definition of a lease is expanded to include arrangements with nil consideration. This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires the right of use asset and lease liability to be recognised on the balance sheet by the lessee, except where:

- leases of low value assets
- short-term leases (less than 12 months).

This is a change from the previous requirements under IAS 17 where operating leases were charged to expenditure.

The principles of IFRS 16 also apply to the accounting for PFI liabilities.

The changes for lessor accounting are less significant, with leases still categorised as operating or finance leases, but some changes when an authority is an intermediate lessor, or where assets are leased out for little or no consideration.

### Impact on the Council

In the current year, the implementation of IFRS 16 resulted in the first-time recognition of a right-of-use asset and a corresponding lease liability on the Council’s balance sheet. This brought in £0.327m net book value of assets and £0.335m lease liability in the balance sheet. Additionally, corresponding movements have been charged in the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS).

New accounting policies were included in the financial statements, and additional disclosures relating to leases have been added in Note 30 of the accounts in accordance with the requirements of the IFRS 16 as adopted by CIPFA Code.

We reviewed the process for preparing the lease register under IFRS 16. The process was well designed to capture material leases. We performed completeness testing on leases which included reviewing judgements and exclusions, investigating sector wide IFRS 16 challenges and searching financial records and reconciling business rates and insurance data. We have reported our findings on page 36.

# 02 Materiality

# Our approach to materiality

As communicated in our Indicative Audit Plan dated 29 April 2025, we determined materiality at the planning stage as £2.322m based on approximately 2.5% of prior year gross expenditure. At year-end, we reconsidered planning materiality based on the draft financial statements. Final materiality levels have remained the same as reported at the planning stage. A recap of our approach to determining materiality is set out below.

	<b>Council £</b>	<b>Qualitative factors considered</b>
<b>Materiality for the financial statements</b>	2,322,000	We determined the final financial statement materiality based on a proportion of the prior year gross expenditure of the Council. The main users of the Council's accounts primary interest is in the cost of providing services and how the it manages its spending. As such, we conclude that the gross expenditure is the most appropriate benchmark to set the materiality levels for the Council. Materiality is £2.322m which equates to approximately 2.5% of your prior year gross expenditure for the period.
<b>Materiality for specific transactions, balances or disclosures – senior officer remuneration and termination benefits</b>	20,000	We consider senior officer remuneration and termination benefits as sensitive disclosures and of public interest. We set a lower materiality figure to ensure adequate procedures are performed and identified misstatements of lower amounts are reported to those charged with governance. No changes on this threshold since the planning stage.
<b>Reporting threshold</b>	116,000	We determined that an individual difference less than £116,000 is considered trivial. We report to the Audit, Governance and Standards Committee any unadjusted misstatements above this threshold.

# **03 Overview of significant and other risks identified**

# Overview of audit risks

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.

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

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	● Green
Valuations of land and buildings (including investment properties)	Significant	↔	✘	High	● Green
Valuation of the pension fund net liability	Significant	↔	✘	High	● Green
Risk of fraud in revenue recognition (ISA (UK) 240 presumed – rebutted for all revenue streams)	Other	↔	✘	Low	● Green
Risk of fraud in expenditure recognition (rebutted) and other risk of completeness of expenditure	Other	↔	✘	Low	● Green

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

- Green - Not likely to result in material adjustment or change to disclosures within the financial statements
- Amber - Potential to result in material adjustment or significant change to disclosures within the financial statements
- Red - Likely to result in material adjustment or significant change to disclosures within the financial statements

# Significant risks (1)

## Risk identified

### 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.

The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular **journals, management estimates, and transactions outside the course of business as a significant risk**, which was one of the most significant assessed risks of material misstatement.

## Audit procedures performed

To address this risk, we performed the following:

- Evaluated the design and implementation effectiveness of management controls over journals.
- Analysed the journals listing using data analytics tools and determined the criteria for selecting high risk unusual journals.
- Identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration.
- Gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness.
- Evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions.

## Key observations

Our audit work is complete and has **not identified any significant issues** in respect of management override of controls.

We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

# Significant risks (2)

## Risk identified

### Valuation of land and buildings (including investment properties)

Under ISA 540 (UK) and ISA 315 (UK), auditors are required to determine the assessed risk of material misstatements in relation to accounting estimates. This involves considering the extent to which an accounting estimate is subject to estimation uncertainty, including the degree of complexity, subjectivity, or other inherent risk factors that could affect the susceptibility of the estimate to material misstatement due to fraud or error.

The valuation of land and buildings, and investment properties represents a key accounting estimate which is sensitive to changes in assumptions and market conditions. Management has appointed external valuation expert to carry out the valuation as at 31 March 2025.

### Other land & buildings (£135.2m at 31 March 2025):

The Council re-values its other land and buildings on a rolling five-yearly basis. The Council applies valuation techniques and key assumptions are made by the valuer to determine the current value of the assets at financial statement date.

### Investment properties (£52.6m at 31 March 2025):

The Council measures and re-values its investment properties at fair value on an annual basis at each year end.

We therefore identified **valuation of other land and buildings, and investment properties as a significant risk**, particularly key assumptions and inputs applied by the valuer at the financial statement date.

## Audit procedures performed

To address this risk, we performed the following:

- 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 the competence, capabilities and objectivity of the valuation expert engaged by the Council.
- Discussed with the valuation expert engaged by the Council, the basis on which the valuations were carried out.
- Challenged the information and assumptions used by the valuers to assess completeness and consistency with our understanding.
- Tested, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Council's asset register and financial statements.
- Evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.

## Key observations

Our audit work on the valuation of land and buildings, including investment properties, is complete.

Our work has **not identified any significant issues** in relation to both valuation of other land and buildings, and investment properties.

We are satisfied that the judgements and estimates made by management are appropriate. Following an assessment of management's judgements and estimates, both individually and in aggregate, **we conclude that there is no material misstatement** arising from management bias across the financial statements.

# Significant risks (3)

## Risk identified

### Valuation of the pension fund net liability

The Council's share of the pension fund net liability, as reflected in its Balance Sheet as the net defined benefit liability, 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 (£6.65m in the Council's Balance Sheet at 31 March 2025) and the sensitivity of the estimate to changes in key assumptions.

The Council's share of the Kent Pension Fund's assets and liabilities under the Local government Pension Scheme (LGPS), has fair value of planned assets (£144.3m) exceeding the fair value of defined obligation (£133.2m).

The asset ceiling under IFRIC 14 was applied, limiting the surplus that can be recorded in the balance. This involves an assessment carried out by the management expert, in line with actuarial valuations method.

We therefore identified valuation of the **Council's pension fund net liability as a significant risk**, which was one of the most significant assessed risks of material misstatement.

## Audit procedures performed

To address this risk, we performed the following:

- Updated our understanding of the processes and controls put in place by management to ensure that the Council'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 management expert (an actuary) for this estimate and the scope of the actuary's work.
- Assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation.
- Assessed the accuracy and completeness of the information provided by the Council to the actuary to complete the pension fund valuation.
- 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.
- Reviewed the IFRIC 14 assessment carried by management's expert 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 performed any additional procedures suggested within the report.
- Requested ISA 19 assurance letter from the auditor of Kent County Council Pension Fund over 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.

## Key observations

Our audit work is complete and we received assurances from the Kent Pension Fund auditor.

We are satisfied that the judgments and estimates made by management regarding the valuation of net pension liability were appropriate.

Furthermore, **we found no material misstatement** arising from management bias as a result of the judgments and estimates made over the valuation.

# Other risks (1)

## Risk identified

### Presumed risk of fraud in revenue recognition

Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.

Having considered the risk factors set out in ISA240 and nature of the revenue streams at the Council. Based on that, we have rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams. This is due to the low fraud risk in the nature of the underlying transactions. We have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- There is little incentive to manipulate expenditure recognition;
- Opportunities to manipulate revenue recognition are very limited; and
- The culture and ethical frameworks of local authorities, including that of the Council, meaning that all forms of fraud are seen as unacceptable.

Based on our assessment, no specific fraud risk factors have been identified and therefore **we do not consider revenue recognition to be a significant risk for the Council.**

## Audit procedures performed

To address this risk, we performed the following:

- Selected a sample of revenue items from each material revenue stream and tested to supporting information and subsequent receipt of income to gain assurance over accuracy, occurrence and completeness.
- Tested a sample of receipts and invoices raised post year end to ensure they were included in the correct financial year, gaining assurance over completeness.
- Updated our understanding of the revenue business process for material revenue streams.

## Key observations

Our audit work is complete and **has not identified any issues** regarding the revenue recognition.

# Other risks (2)

## Risk identified

### Presumed risk of fraud in expenditure recognition

In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).

Having considered the nature of all expenditure streams at the Council, we considered the risk that expenditure may be misstated due to the improper recognition of expenditure and concluded that there is not a significant risk for all expenditure streams. This is due to the low fraud risk in the nature of the underlying transaction, which would require a significant number of transactions to be incorrectly recorded to cause a material misstatement. We determined that the risk of fraud arising from expenditure recognition can be rebutted, because:

- There is little incentive to manipulate expenditure recognition;
- Opportunities to manipulate expenditure recognition are very limited; and
- The culture and ethical framework of local authorities, including Maidstone Borough Council, mean that all forms of fraud are seen as unacceptable.

However, we identified that due to the level of estimation involved in the manual accruals of expenditure, and the potential volume of large accruals at year-end, there is an increased risk of error of completeness in expenditure recognition.

## Audit procedures performed

To address this risk, we performed the following:

- Inspected transactions incurred around the end of the financial year to assess whether they had been included in the correct accounting period.
- Inspected a sample of accruals made at year end for non-pay expenditure not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year.
- Investigated manual journals posted as part of the year-end accounts preparation that reduce expenditure, to assess whether there is appropriate supporting evidence for the transaction.

## Key observations

Our audit work is complete. **A material adjustment and a control deficiency** in relation to expenditure recognition were identified. We report our findings for these on pages 37 and page 33 respectively.

We are satisfied that the judgments and estimates made by management regarding the accruals of expenditure were appropriate.

Furthermore, **we found no material misstatement** arising from management bias across the financial statements.

# 04 Other findings

# 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	
Agresso	ITGC assessment (design, implementation and operating effectiveness)	● Green	● Green	● Green	● Green	No issues identified

## 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

# **05 Communication requirements and other responsibilities**

# Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit, Governance and Standards Committee. We have not been made aware of any other incidents in the period, and no other issues have been identified during the course of our audit procedures.
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	We are not aware of any significant incidences of non-compliance.
Written representations	A letter of representation has been requested from management, which is presented as a separate item for presentation along this report. There are no specific representations requested from management.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Council's banking and treasury partners. This permission was granted, and the requests were sent. All requests that were sent to counterparties were returned.
Disclosures	Our review found no material omissions in the financial statements. We have reported immaterial disclosure misstatements in Appendix D of this report.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	There were no significant difficulties. Members of the finance team were available to provide evidence and explanations as required throughout the audit.

# Other responsibilities (1)

Issue	Commentary
Going concern	<p>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 Council 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.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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 Council’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report.</li> </ul> <p>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 Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we considered and evaluated:</p> <ul style="list-style-type: none"> <li>• the nature of the Authority and the environment in which it operates</li> <li>• the Authority’s financial reporting framework</li> <li>• the Authority’s system of internal control for identifying events or conditions relevant to going concern</li> <li>• management’s going concern assessment.</li> </ul> <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> <li>• a material uncertainty related to going concern has not been identified; and</li> <li>• management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.</li> </ul>

# Other responsibilities (2)

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>Our audit work is complete. No inconsistencies were identified. We have issued an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> <li>• 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,</li> <li>• if we have applied any of our statutory powers or duties,</li> <li>• where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses.</li> </ul> <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>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.</p> <p>Note that work is not required as the Council does not exceed the threshold of £2 billion specified by the NAO, we are not required to complete detailed work on WGA returns.</p>
Certification of the closure of the audit	<p>We cannot formally conclude the audit and issue an audit certificate for the Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we receive confirmation from the National Audit Office that the audit of the Whole of Government Accounts (WGA) consolidation pack for the year ended 31 March 2025 is complete and certified by the Comptroller and Auditor General. There is no further work required to be undertaken by us.</p> <p>We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.</p>

# **06 Value for money arrangements**

# Value for money arrangements

## Approach to value for money work for the year ended 31 March 2025

The National Audit Office issued its latest value for money guidance to auditors in November 2024. 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 2024-25. Our draft AAR accompanies this audit findings report as a separate Committee item.

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



### 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.



### Financial sustainability

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



### Governance

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

In undertaking this work we have not identified any significant weaknesses in arrangements. Full commentary is included in our 2024-25 AAR, presented along this report.

# **07 Independence considerations**

# Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no independence matters that we would like to report to you.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

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 Council 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 Council or investments in 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 Council 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 Council.
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 Council, senior management or staff that would exceed the threshold set in the Ethical Standard.

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 and network firms have complied with the Financial Reporting Council'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 the date of this report, 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 Council's policy on the allotment of non-audit work to your auditor. None of the below services were provided on a contingent fee basis.

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 Maidstone Borough 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 in that we have segregated the audit and non-audit teams to ensure independence and implemented robust review processes to monitor compliance with ethical standards.

<b>Audit fees</b>	<b>Proposed fee £</b>	<b>Final fee £</b>
Audit of Maidstone Borough Council	163,802	163,802
Additional fee-IFRS16	TBC	9,410
<b>Total audit fees (excluding VAT)</b>	<b>163,802</b>	<b>173,212</b>

## **Audit-related non-audit services**

<b>Service</b>	<b>Fees £</b>	<b>Threats Identified</b>	<b>Safeguards applied</b>
Housing Benefit (Subsidy) Assurance Process		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 in comparison to the total fee for the audit of £173,212 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.
2023-24	60,503		
2024-25*	35,058		
<b>Total audit fees (excluding VAT)</b>	<b>95,561</b>		

\*A variable element of £1,500 per day applies to any additional agreed testing for the 2024-25 HBAP work.

# 08 Appendices

# A. Communication of audit matters with those charged with governance (1)

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.	●	●
Views about the qualitative aspects of the Council'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 (2)

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 the company directors 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. Action plan (1)

We set out here our recommendation for the Council which we have identified as a result of issues identified during our audit. The matter reported here is 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
<p>●</p> <p>Medium</p>	<p><b>Related parties – declaration forms</b></p> <p>In our review of the 2024-25 related party disclosures, we noted that the Council did not obtain related party declaration forms for 7 out of 73 Members. This represents a breach of the Council’s standard control procedures and creates a risk that related party transactions and interests may not be fully captured or disclosed in the financial statements.</p>	<p>We recommend that all Members submit their related party declaration forms in line with the timetable of the Council’s annual exercise. Where declaration forms are not received from Members management must carry out alternative procedures to ensure that significant related parties are not missed for inclusion in the disclosures within the financial statements.</p> <p><b>Management response</b></p> <p>MBC Monitoring Officer was able to rely on the Disclosure of Pecuniary Interests (DPI) forms submitted by the 7 Members in question. These forms capture similar information to the RP returns, including details of contracts with the Council, employment, and land ownership within the borough. Members are required to update their DPI forms within 28 days of any changes, and the Monitoring Officer confirmed that no related party interests or conflicts were disclosed by these 7 Members. Going forward MBC will ensure future forms are completed wherever possible.</p>

### 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

## B. Action plan (2)

Assessment	Issue and risk	Recommendations
<p>●</p> <p>Medium</p>	<p><b>Completeness of expenditure</b></p> <p>During testing of the bank statement samples, one key item (Sample #2) was found to be erroneous. This transaction related to services or goods delivered in March 2025, invoiced in April 2025, and paid in May 2025. Accordingly, an expenditure accrual should have been recorded in the 2024/25 GL but was omitted. MBC advised that the transaction was missed during the accounts closing process because the payment was processed late in April 2025.</p> <p>MBC confirmed that several controls are in place to prevent such omissions which failed, including:</p> <ol style="list-style-type: none"> <li>1. Budget Manager Notifications – Budget managers are asked to inform Finance of any payments requiring accruals. A database is also used to identify open orders that may need to be accrued.</li> <li>2. April Payment Run Review – Finance reviews April payment runs to identify transactions requiring accruals. In this case, the payment was processed approximately one week after the review period had ended, as Finance had moved on to finalising the capital outturn position.</li> </ol>	<p>We note that although procedures like budget manager notifications and April payment run reviews exist, they failed to capture this transaction. We recommend extending the review period, enhancing system-based flags for late payments, and reinforcing budget manager responsibilities. These steps will help prevent similar errors and strengthen the integrity of the year-end accrual process.</p> <p><b>Management response</b></p> <p>To mitigate recurrence, MBC Finance will incorporate this example into year-end training to highlight the importance of notifying Finance about outstanding invoices. Additionally, the April payment run review period will be extended, potentially into mid-May, and Finance will conduct targeted reviews of high-value capital schemes to identify any expected payments requiring accruals.</p>

# C. Follow up of prior year recommendations

We identified the following issues in the audit of the Council's 2023-24 financial statements, which resulted in 2 recommendations first raised in 2022-23 being reported in our 2023-24 Audit Findings Report. Both recommendations remain in progress, and we set out below the latest actions.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Not yet addressed	<p><b>Debtor and creditor year end listings (raised in 2022-23)</b></p> <p>Management is not able to prepare year-end debtor and creditors listing in a format which presents the value of each individual debtor or creditor balance owed at 31 March. Instead, the system computes the year-end balance by taking the rolled forward balance of the prior year, plus or minus the movement in-year to compute the aggregate account closing balance.</p> <p>Although the closing balances are not materiality misstated, there is a risk that by not recording the individual debtor/creditor balances the Council may not be able to identify individual debtor or creditor transactions, making it difficult ascertain the correct age of the debtors and creditors, and making it challenging to apply specific provisions if required. Further, this impacts the time taken by the audit team to draw samples and test the closing balances efficiently.</p> <p><b>2024-25 update:</b> The issue with not having individual debtor and creditor listings continues in 2024-25, and one sample again traced to a prior year balance, requiring extra work to verify. However, overall, the Council provided more structured and clearer transaction data this year, which made it easier to review and test balances. While the core risk persists, the improved data quality and smoother process helped reduce audit effort.</p>	<p>Management has increased the number of Debtor and Creditor listings that meet the requirement for the 2024-25 audit during the quality assurance process.</p> <p>Management aims to increase this further for 2025-26 where possible. There are limitations due to some of the balance being too complex or too timely to complete this detailed work. The aim is to focus on those that are of higher risk to minimise risks going forward.</p>
Not yet addressed	<p><b>Journal control environment (raised in 2022-23)</b></p> <p>From our understanding of journals entry process control environment and the risk of management override of controls, we identified that two members of the finance team have 'super user' rights for the financial reporting system. We have noted that these individuals are in charge of reviewing access rights on a monthly basis, and they fulfil the responsibilities of any absent individuals.</p> <p>There is a risk of segregation of duties while these individuals temporarily fulfil an absentee's role. Moreover, granting super user rights to finance team members increases the risk of management override of controls since the individuals are involved in the journal posting process and have full access to the system.</p>	<p>Please note that only one super user remains at the Council since the other super user left.</p> <p>We recommend that management reviews the super user's administrative access and confirms if it aligns with their role and responsibilities.</p>

# D. Audit adjustments (1)

We are required to report all non-trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000
<b>1. Debtors and creditors BR Pool Model</b>				
MBC identified one issue in preparing and accounting of the BR Pool Model Debtors/Creditors. A material in-year classification error which overstates both creditors and debtors by £19.5m.				
Dr. BR Pool Creditors year-end balance £19.511m	Nil	19,511	Nil	Nil
Cr. BR Pool Debtors year-end balance £19.511m		(19,511)		
<b>2. Investment Property (IP) #1</b>				
We reconciled the gross book value of IP in the fixed asset register (FAR) to valuation reports, identifying a £0.900m difference. The value of Boxmend Industrial Estate was overstated due to a transposition error (correct figure: £2.353m not £3.253m).				
Dr. CIES £0.9m	900	(900)	Nil	Nil
Cr. Investment Property (£0.9m)				

# D. Audit adjustments (2)

## Impact of adjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000
<b>3. Investment Property (IP) #2</b>				
Asset 24174 (Parkwood Industrial Estate): Valuation of this IP asset was in progress at year-end as the MBC Property Team finalised details for the tenancy schedules, including passing rent, lease terms, and tenancy review dates, critical information for the valuation. The valuation increases value of this asset by £1,530m (previous value £7.113m, updated value £8,643m).				
Dr. Investment Property £1.530m	(1,530)	1,530	Nil	Nil
Cr. CIES £1.530m				
<b>4. Investment Property (IP) #3</b>				
Asset 24150 (107 Wallis Avenue): We identified a difference between the lease term and the passing rent values used in the valuation. This resulted in a £0.325m decrease in the IP asset's value.				
Dr. CIES £0.325m	325	(325)	Nil	Nil
Cr. Investment Property £0.325m				

# D. Audit adjustments (3)

## Impact of adjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000
<b>5. Property, plant &amp; equipment (PPE) – Other land &amp; buildings (OLB) #1</b>				
Asset 24007 (Downswood Community Centre) – We identified a difference between the net revalued amount per the valuer report (£1.398m) reflected in the FAR, and the valuer's workbook (£1.255m).				
Dr. Revaluation Reserve £0.143m	Nil	143	Nil	Nil
Cr. PPE (OLB) £0.143m		(143)		
<b>6. Property, plant &amp; equipment – OLB #2</b>				
Asset 24158 (38 John Street): Incorrect asset valued by the valuer. This was addressed and valuation corrected, a reduction of £0.720m.				
Dr. Revaluation Reserve £0.72m	Nil	720	Nil	Nil
Cr. PPE (OLB) £0.72m		(720)		
<b>7. IFRS 16 Leases #1 opening balances</b>				
We identified omitted leases in relation to HR car lease scheme and a car park rental for which right of use (ROU) asset and associate liability must be recognised.				
Dr. RoU asset (opening balance) £0.463m	Nil	463	Nil	Nil
Cr. Deferred liability (opening balance) £0.463m		(463)		

# D. Audit adjustments (4)

## Impact of adjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000
<b>8. IFRS 16 Leases #2 closing balances</b>				
The following adjustments are in relation to adjustment 7 above and account for the required in-year accounting of the omitted leases:				
Dr. Depreciation (CIES) £0.108m	108		108	Nil
Cr. Accumulated depreciation (Balance Sheet) £108m		(108)		
Dr. Lease liability (Balance Sheet) £0.120m		120		
Cr. Lease expenditure (CIES) £0.120m	(120)		(120)	
<b>9. Completeness of expenditure</b>				
Missed accrual for services provided by Serco Leisure Operating Ltd to MBC for Maidstone Leisure Centre and Lockmeadow Health Club. Services were delivered in March 2025 but invoiced and paid in 2025-26, resulting in the expenditure being incorrectly excluded from the 2024-25 ledger.				
Dr. PPE (OLB) £2.177m	Nil	2,177	Nil	Nil
Cr. Accrual (BS) £2.177m		(2,177)		
<b>Overall impact</b>	<b>(317)</b>	<b>317</b>	<b>(12)</b>	<b>0</b>

# D. Audit adjustments (5)

## 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?
1. Note 20: Financial Instruments	We identified that £2m of a £60m loan should be recorded as a short-term rather than long-term liability.	✓
2. MiRS and Capital Financing Requirement (CFR)	£0.198m difference between the statement of accounts and CFR. Management is aware of this difference, an historical issue for a number of years.	X
3. Note 20: Financial Instruments	The year-end debtors listing omitted the local government debtors of c.£1.3m.	✓
4. Cash Flow Statement	Two errors were identified in the 'Operating activities' section of the Cashflow Statement: 1) £0.637m: The amount the Council owes to creditors was understated by £0.637m. 2) £0.010m: A movement of £0.010m in Long-term debtors was not factored into the cashflow statement. Given the values are not material management does not plan to correct for these.	X
5. Impairment for impaired debts	Disclosure error of £0.567m - Lockmeadow dilapidations classified as a current debtor (with a 100% doubtful debt provision). However, with lack of invoice and uncertainty, this item should be recognised as a contingent asset. Therefore, the short-term debtors and provision for doubtful debts are overstated by this amount.	X
6. Note 30: Capital expenditure & capital funding	Capital expenditure relating to right of use assets was omitted. Due to the introduction of IFRS16, all leases are considered the same as finance leases and hence are treated as part of capital expenditure.	✓

# D. Audit adjustments (6)

## Misclassification and disclosure changes (continued)

Disclosure	Misclassification or change identified	Adjusted?
7. Note 17: Capital Commitments	The capital commitments disclosure was understated by £1.8m but the projects disclosed were correct. Project capital commitment values have been updated.	✓
Various	Various spelling, formatting, casting and other minor adjustments made as a result of the audit process. These were not individually significant.	✓

# D. Audit adjustments (7)

## Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. The Audit, Governance and Standards Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000	Reason for not adjusting
<b>1. Housing Benefits</b>					
Variance between cells 11 & 94 and the ledger. The ledger includes DHP & overpayments which is not part of the cell 11 and cell 94 database. Variance is expected and noted in prior year also.					
Dr. Housing Benefit Subsidy account £0.376m	376	Nil	376	Nil	Management concluded this item was not material to warrant an adjustment.
Cr. Housing Benefit Adjustment account £0.376m	(376)		(376)		
<b>2. Impairment for impaired debts</b>					
Commercial property provision calculation is overstated by £0.172m.					
Dr. Impairment for bad debts (Balance Sheet) - £0.172m					Management concluded that this item was not material to warrant an adjustment.
Cr. Bad debt expense (CIES) £0.172m	(172)	172	(172)	Nil	

# D. Audit adjustments (8)

## Impact of unadjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Impact on general fund £000	Reason for not adjusting
<b>3. Other services expenditure #1</b>					
In preparing the MIRS, management identified an error relating to a prior adjustment that was incorrectly posted. The original entry was to debit Reserves and credit CIES cost of services by £0.698m.					
Dr CIES cost of services	698		698	Nil	Management concluded this item was not material to warrant an adjustment.
Cr Reserves		(698)			
<b>4. Other services expenditure #2</b>					
An error was identified where income in cost centre EA10 was incorrectly net against expenditure, resulting in a misstatement in both the CIES and MiRS.					
Dr Expenses £0.322m	322	Nil	322	Nil	Management concluded this item was not material to warrant an adjustment.
Cr Income £0.322m	(322)		(322)		
<b>5. Other services expenditure #3</b>					
This is the prudent error recognition of expenses which are currently unsupported by management within cost centre EA10:					
Dr Reserves £0.303m		303		Nil	Management concluded this item was not material to warrant an adjustment.
Cr Expenses £0.303m	(303)		(303)		
<b>Overall impact of current year unadjusted misstatements</b>	<b>223</b>	<b>(223)</b>	<b>(223)</b>	<b>0</b>	

# D. Impact of unadjusted misstatements in the prior year (1)

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 2023-24, and the resulting impact upon the 2024-25 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2024-25 financial statements. The Audit, Governance and Standards Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
<b>1. Investment property</b>					
We identified that one asset had an incorrect rent start date used for the valuation. This resulted in an error of £0.050m. Our testing is based on a sample population, therefore the extrapolated error is deemed to be £0.138m.					
Dr. Investment Property £0.138m		138		Nil	This is a projected error. The actual error is below triviality.
Cr. CIES (£0.138m)	(138)		(138)		
<b>2. Investment property</b>					
In reconciling the valuation report with the fixed asset register (FAR) we identified an investment property asset with a negative value. The negative amount was included in the FAR by mistake and did not relate to any asset.					
Dr. Investment Property £0.380m		380		Nil	Not material
Cr. CIES (£0.380m)	(380)		(380)		

## D. Impact of unadjusted misstatements in the prior year (2)

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
<b>3. Property, plant &amp; equipment (OLB)</b>					
In our testing of the accounting treatment of the revaluation gains and losses, we identified that for some revalued assets:					
<ul style="list-style-type: none"> <li>The gain in the valuation of the asset should have been recorded in the CIES rather than the revaluation reserve. The error amounts to £0.359m.</li> </ul>					
Dr. Revaluation Reserve £0.359m		359		Nil	Not material
Cr. CEIS £0.359m	(359)		(359)		
<ul style="list-style-type: none"> <li>The loss on revaluation was overcharged in the revaluation reserve by £0.270m.</li> </ul>		270			
Dr. PPE Asset £0.270m		(270)			
Cr. Revaluation Reserve £0.270m					
<b>Overall impact of prior year unadjusted misstatements</b>	<b>(877)</b>	<b>877</b>	<b>(877)</b>	<b>0</b>	<b>0</b>

# D. Impact of unadjusted misstatements in current and prior years

The table below considers the overall impact of unadjusted misstatements in current and prior years.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Conclusion
Overall impact of unadjusted misstatement in the current year	Dr 223	Cr 223	Cr 223	Impact not material in the current year, no change in net expenditure position in current year.
Overall impact of unadjusted misstatement in the prior year	Cr 877	Dr 877	Cr 877	Impact not material in the prior year, no change in net expenditure position in current year.
Cumulative impact of prior year and current year unadjusted misstatements on 2024-25 financial statements	Cr 654	Dr 654	Cr 654	The impact of prior period and/or current period unadjusted misstatements is not material and does not change the reported position of Maidstone Borough Council.



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