

Audit Findings Report for Maidstone Borough Council

Year ended 31 March 2026

28 September 2026

**Maidstone Borough Council**

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28 September 2026

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Dear Members of the Audit, Governance and Standards Committee

Audit Findings for Maidstone Borough Council for the year 31 March 2026

This Audit Findings Report 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.

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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-2025 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2025).

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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Contents

Section	Page
Headlines	05
Materiality	08
Overview of significant and other risks identified	11
Other findings	19
Communication requirements and other responsibilities	21
Value for money	25
Independence considerations and fees	27
Appendices	
A. Communication of audit matters to those charged with governance	31
B. Action plan – audit of financial statements	33
C. Follow up of prior year recommendations	42
D. Audit adjustments	43
E. Draft audit opinion	56

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 'Authority') and the preparation of the Authority's financial statements for the year ended 31 March 2026 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 Authority's financial statements:

- give a true and fair view of the financial position of the Authority and its income and expenditure for the year
- 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), 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 during March and June-September 2026. Our findings are summarised on pages 12-20 of this report. We identified 9 adjustments to the financial statements, resulting in a £3.5 million increase to the Authority's Comprehensive Income and Expenditure Statement. These have a £3.0m increase on the General Fund. Details of audit adjustments are provided on page 43.

We also raised recommendations for management, set out on pages 33-41 and reported our follow up of prior year recommendation on page 42.

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 Authority 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 Authority’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 Authority’s arrangements under the following specified criteria:

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

We have completed our VFM work. A summary is provided on page 26, with detailed commentary in the separate Auditor’s Annual Report presented alongside this report.

We are satisfied that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

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
- certify the closure of the audit.

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

We have completed the majority of our 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 confirmation is received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller and Audit General and 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 2026.

02 Materiality

Our approach to materiality (1)

As communicated in our Audit Plan dated 16 March 2026, we determined materiality at the planning stage as £2.687 million based on 2.5% of prior year gross operating costs. At year-end, we reconsidered planning materiality based on the draft financial statements. Materiality was updated and amended to £2.384 million due to a reduction in gross operating costs compared to the prior year. A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

We determined materiality at £2.384m based on professional judgement in the context of our knowledge of the Authority, including consideration of its financial position, the nature of its operations, and the information needs of users of the financial statements

We used 2.5% of gross expenditure as the basis for determining materiality.

Gross expenditure is considered an appropriate benchmark for a local authority as it is a key measure of the scale of the Authority's activities and is relevant to users' assessment of financial performance and stewardship of public funds. The application of 2.5% is at the upper end of the acceptable range set out in Grant Thornton guidance and remains appropriate as no significant matters, unusual transactions, or heightened audit risks were identified in either the current or prior years.

Specific materiality

We determine a specific lower materiality of £20,000 per individual, for senior officers' remuneration and termination benefits.

Reporting threshold

We will report to you all misstatements identified in excess of £0.119m, in addition to any matters considered to be qualitatively material.

Our approach to materiality (2)

A summary of our approach to determining materiality is set out below.

	Authority	Qualitative factors considered
Materiality for the financial statements	2,348,000	We determined the final financial statement materiality based on a proportion of the Authority's current year gross expenditure. The main users of the Authority'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 Authority. Materiality is £2.348m which equates to approximately 2.5% of your current year gross expenditure for the period.
Specific materiality for senior officer remuneration and termination benefits	20,000	We consider senior officer remuneration and termination benefits as sensitive disclosures and of public interest. We set a lower materiality figure of £20,000 per individual 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.
Reporting threshold	119,000	We determined that an individual difference less than £119,000 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

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

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.

Risk	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
Valuation of land and buildings (including investment properties)	Significant	↔	✗	High	● Green
Valuation of the pension fund 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	Audit procedures performed	Key observations
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 Authority 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.	To address this risk, we have: • Evaluated the design and implementation of management controls over journals. • Analysed the journals listing 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.	Our audit work on management override of controls is complete. Findings While our journal testing did not identify any unusual, inappropriate or unsupported journal postings, we identified a significant control deficiency relating to the approval of database year-end journals and segregation of duties within this process. We report our findings on this matter on page 35. Conclusion We are satisfied that the judgements made by management in relation to journal postings were appropriate and have been applied consistently. Furthermore, having assessed management judgements and estimates individually and in aggregate, we found no material misstatement arising from management bias across the financial statements.

Significant risks (2)

Risk identified

Valuation of land & buildings (including investment properties)

Under ISA 540 (UK) and ISA 315 (UK), auditors are required to assess the risk of material misstatement arising from accounting estimates, taking into account estimation uncertainty, complexity, subjectivity and other inherent risk factors.

The valuation of land and buildings and investment properties is a key accounting estimate that is sensitive to changes in assumptions and market conditions. Management engaged an external valuation expert to undertake valuations as at 31 March 2026.

Other land & buildings (£152.6m at 31 March 2026):

Assets are valued on a rolling five-year cycle in accordance with the CIPFA Code. In intervening years, values are updated using appropriate indexation, or desktop valuations where no suitable index is available. This approach was adopted by the Authority for the first time in 2025-26.

Investment properties (£53.3m at 31 March 2026):

These assets are measured at fair value and revalued annually by an external valuation expert.

We identified the valuation of other land and buildings (including investment properties) as a significant risk due to the inherent risk of material misstatement. Our audit focused on assets with valuation movements outside expected ranges, significant changes in key valuation assumptions, and other areas identified through auditor judgement as having an elevated risk of misstatement.

Audit procedures performed

To address this risk, we have:

- 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 Authority.
- Evaluated the consistency of the disclosure with the valuation report.
- Evaluated the basis on which the valuations were carried out.
- Evaluated and challenged the information and assumptions used by the valuer.
- Evaluated the reasonableness of the assumptions used to form the estimate.
- Reviewed indices used and application to asset classes.
- Evaluated the accounting entries for the valuation.
- Tested on a sample basis, revaluations made during the year to ensure they have been input correctly into the Authority's asset register and financial statements.

Findings

We identified one material and three other adjustments relating to the valuation of land & buildings and no misstatements relating to the valuation of investment properties.

- I. Inconsistencies between the valuer's report and the Fixed Asset Register (FAR);
- II. An error in the FAR whereby accumulated depreciation had not been reset to nil following a revaluation;
- III. An error in the FAR relating to incorrect postings to the Revaluation Reserve and the Comprehensive Income and Expenditure Statement (CIES); and
- IV. Assets recorded in the FAR with nil depreciation balances despite being depreciable assets.

(Continued overleaf)

Significant risks (3)

Risk identified

Valuation of land & buildings (including investment properties) - continued

Audit procedures performed

Our detailed findings are reported from page 33 of this report, and all identified misstatements have been adjusted by management.

In addition, we performed a review of indexation applied to other land & buildings assets, which is a new requirement for 2025-26. Based on the procedures performed, no material exceptions or adjustments were identified.

Conclusion

Based on the procedures performed, we obtained sufficient appropriate audit evidence to conclude that the valuation of land & buildings, including investment properties, is not materially misstated. We were satisfied that the valuation methodologies, key assumptions, market evidence, and indexation approach adopted by management and its valuation expert were reasonable and appropriately supported.

The errors identified through our testing were either corrected by management or were not material individually or in aggregate. We did not identify any evidence of management bias in the valuation process and conclude that the carrying values of land and buildings, including investment properties, and the related disclosures are fairly stated within the 2025-26 financial statements.

Significant risks (4)

Risk identified

Valuation of pension liability

When revisiting the risk assessment upon receipt of the draft accounts we updated the audit plan to pinpoint the significant risk for this area; the audit plan stated net pension liability, and we revise this to pension liability (which does not include the pension asset) as this represents the significant estimate in the financial statements.

The Authority's share of the pension fund net liability, reflected in its Balance Sheet as the net defined benefit liability (£6.82m), represents a significant estimate in the financial statements.

The net position comprises a gross pension liability of £142.58m, offset by gross pension assets of £164.39m, and adjusted by £27.74m in respect of the impact of the asset ceiling under IFRIC 14. The gross liability, determined at Authority level, is subject to significant actuarial judgement and estimation uncertainty, and is therefore the element giving rise to the significant risk.

The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code. We therefore concluded that the methods and models used do not in themselves give rise to a significant risk of material misstatement.

The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.

Audit procedures performed

To address this risk, we have:

- Updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls.
- Assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation.
- Assessed the accuracy and completeness of the information provided by the Authority to the actuary to complete the pension fund valuation.
- Tested the consistency of the pension fund liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary.
- Undertaken 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.
- Reviewed the IFRIC 14 assessment carried out by the actuary and evaluated the reasonableness of the assumptions used as part of the assessment.
- Requested assurances from the auditor of Kent County Council Pension Fund as to 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.

Findings and conclusion

Our audit work on the valuation of the Authority's pension liability, including consideration of source data, actuarial assumptions and management's estimation process, identified no material issues. We reviewed the assurances provided by the auditor of the Kent Pension Fund and obtained sufficient assurance over the completeness, existence and valuation of the pension liability. We also concluded that IFRIC 14 had been appropriately considered and that no additional liability was required.

Other risks (1)

Risk identified

Presumed risk of fraud in revenue recognition (rebutted for all revenue streams)

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 Authority. 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 the Maidstone Borough Council means that all forms of fraud are seen as unacceptable, indicating a satisfactory control environment exists in the Authority to mitigate the risks of fraud.

Based on our assessment, no specific fraud risk factors were identified, and we do not consider revenue recognition to be a significant risk for the Authority.

Audit procedures performed

Our audit procedures included:

- Confirmed our understanding of the revenue business process and determined if there were any relevant controls.
- Evaluated the Authority's accounting policy for recognition of income for appropriateness and compliance with the Code.
- Agreed, on a sample basis, relevant income and year-end debtors/income accruals to invoices and cash payment or other supporting evidence.
- Carried out testing on sample basis of invoices issued in the period prior to and following 31 March 2026 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

Findings and conclusion

Our audit work is complete. We did not note any material adjustments or findings in relation to income recognition and cut-off.

We are satisfied that the judgements made by management regarding the recognition of income at year-end are appropriate and were determined using a consistent methodology. Having assessed management's judgements and estimates individually and in aggregate, we are satisfied that there is no material misstatement arising from management bias in relation to income recognition across the financial statements.

Other risks (2)

Risk identified

Presumed risk of fraud in expenditure recognition

Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.

Having considered the nature of all expenditure streams at the Authority, we considered the risk of improper recognition of expenditure and concluded that there is not a significant risk due to the low fraud risk in the nature of the underlying transactions, or immaterial nature of the expenditure streams both individually and collectively.

We identified an increased risk of error in estimation and cut-off processes at year-end in respect of the completeness of expenditure. There is also a risk of incorrectly classifying revenue expenditure as capital expenditure, which would impact the general fund. We do not consider these areas to be a significant risk for the Authority but will keep this consideration under review through the audit to ensure the judgement remains appropriate.

Audit procedures performed

Our audit procedures included:

- Confirmed our understanding of the expenditure business process and determine if there are any relevant controls.
- Evaluated the Authority's accounting policy for recognition and capitalisation of expenditure for appropriateness and compliance with the Code.
- Inspected transactions incurred around the end of the financial year to assess whether they were included in the correct accounting period.
- Agreed, on a sample basis, relevant expenditure and year-end creditors and accruals to invoices or other supporting evidence.
- Carried out testing, on sample basis, of invoices received in the period prior to and following 31 March 2026 to determine whether expenditure is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.
- Agreed, on a sample basis, relevant capital expenditure to invoices or other supporting evidence, to confirm it was capital in nature.

Findings and conclusion

Our audit work is complete. We did not note any material adjustments or findings in relation to expenditure recognition and cut-off.

We are satisfied that the judgements made by management regarding the recognition and accrual of expenditure at year-end are appropriate and were determined using a consistent methodology. Having assessed management's judgements and estimates individually and in aggregate, we are satisfied that there is no material misstatement arising from management bias in relation to expenditure recognition 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. Since the Audit Plan was agreed, i-Trent and Academy were added within the scope of testing to increase assurance over system-generated information and the related control environment.

IT application	Level of assessment performed	ITGC control area rating				Issues identified
		Overall ITGC rating	Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Agresso	ITGC assessment (design, implementation and operating effectiveness)	 Green	 Green	 Green	 Green	No issues identified
i-Trent	ITGC assessment (design and implementation effectiveness only)	 Green	 Green	 Green	 Green	No issues identified
Academy	ITGC assessment (design and implementation effectiveness only)	 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 incidents in the period, and no issues were 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	The principal laws and regulations with which the local authority complies include, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003. 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 were no specific representations requested from management
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority'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.
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	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. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • 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 • 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 Authority’s financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. 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 Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Authority and the environment in which it operates • the Authority’s financial reporting framework • The Authority’s system of internal control for identifying events or conditions relevant to going concern • management’s going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified; and • management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities (2)

Issue	Commentary
Other information	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. No inconsistencies were identified. We plan to issue an unmodified opinion in this respect.
Matters on which we report by exception	We are required to report on matters by exception in a number of areas: • 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 • if we have applied any of our statutory powers or duties • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. We have nothing to report on these matters.
Specified procedures for Whole of Government Accounts	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. Note that work is not required as the Authority does not exceed the £2 billion threshold specified by the NAO.
Certification of the closure of the audit	We cannot formally conclude the audit and issue an audit certificate for the Authority for the year ended 31 March 2026 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 consolidation pack for the year ended 31 March 2026 is complete and certified by the Comptroller and Auditor General. There is no further work required to be undertaken by us. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

06 Value for money arrangements

Value for money arrangements

Approach to value for money work for the year ended 31 March 2026

The National Audit Office issued its latest Value for Money guidance to auditors in March 2026. 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 2025-26. 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.



Governance

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



Financial sustainability

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



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.

In undertaking this work we have not identified any significant weaknesses in arrangements. Full commentary is included in our 2025-26 AAR.

07 Independence considerations and fees

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.

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority 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 Authority or investments 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 Authority or group 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 Authority.
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 Authority, 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 Authority's policy on the allotment of non-audit work to your auditor. None of the below services were provided on a contingent fee basis.

We confirm that the fees from non-audit services to the audited entity and its controlled entities do not exceed 70% of the total audit fee for the year.

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.

Audit fees		£	
2025-26 Audit of Maidstone Borough Council (excluding VAT)		168,387	
Audit-related non-audit services			
Service	£	Threats Identified	Safeguards applied
Certification of Housing Benefits Subsidy claim		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 as the fee for this work is £73,616 in comparison to the total fee for the audit of £168,387 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.
2024-25	37,308		
2025-26	36,308 (+daily rate of £1,500)		
Total (excluding VAT)	73,616		

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 Authority'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 recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are 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
● High	Reconciliation of property valuations to the fixed asset register In reconciling the external valuer's reports to the fixed asset register (FAR), we identified instances where valuation updates were not fully reflected in the FAR. This included one material omission relating to Heather House Community Centre and two trivial differences relating to Lockmeadow Market Stores and Lockmeadow Market Creche, where revised valuation figures had not been processed following updates to the valuation reports. There is a risk that property asset valuations may not be completely and accurately recorded in the FAR and financial statements, leading to potential misstatements.	Management must implement a formal reconciliation process between all valuation reports received from the external valuer and the FAR, including any subsequent amendments issued after the initial valuation reports. The reconciliation should be independently reviewed and formally evidenced prior to financial statement finalisation to ensure all valuation changes are accurately recorded within the FAR and appropriately reflected in the financial statements. Management response Recommendation accepted

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
● High	Revaluation reserve and CIES accounting for revaluation losses Testing of Property, Plant and Equipment (PPE) revaluation accounting treatment identified that revaluation losses were not correctly apportioned between the Revaluation Reserve (RR) and the Comprehensive Income and Expenditure Statement (CIES). Revaluation losses were recognised within the CIES before fully utilising balances held within the RR relating to the relevant assets. The RR was therefore understated and expenditure within the CIES was overstated. This creates a risk that PPE revaluation movements are not accurately reflected within the financial statements and that reserves and reported expenditure are misstated.	Management must review the fixed asset register to ensure revaluation losses are accounted for in accordance with the CIPFA Code. Revaluation losses should be charged against the available RR balance for an asset before any remaining balance is recognised within the CIES. A review of the resulting accounting entries should be undertaken prior to financial statement finalisation. Management response Recommendation accepted

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 (3)

Assessment	Issue and risk	Recommendations
● High	Year-end journal approvals and segregation of duties In reviewing the year-end journal process, we noted that accruals, debtors, creditors and other year-end adjustments are entered into the accruals database and subsequently consolidated into a journal which is posted to the general ledger. We identified an instance where a Senior Finance Manager submitted a transaction to the database and subsequently approved the consolidated journal containing that transaction, creating a segregation of duties risk. Management advised that potential errors are identified through the review of year-end management accounts and investigation of unusual variances. Whilst this provides a compensating detective control, the approval process does not include a review of the individual entries within the journal and therefore does not prevent an individual from approving transactions they have submitted. As a result, segregation of duties within the year-end journal process is weakened, increasing the risk of errors, inappropriate adjustments or management override of controls not being identified on a timely basis.	Management must strengthen controls over the preparation and approval of year-end journals. Approval of consolidated year-end journals should be performed by an officer who is independent of the preparation or submission of the underlying transactions. In addition, management must review the year-end journal process to ensure there is appropriate independent review of entries within the database and adequate segregation of duties over the preparation and approval of journals. Where full segregation of duties is not possible, alternative compensating controls should be implemented and evidenced. Management response It should be noted that the journals are already approved by an officer who is not involved in preparing or submitting the underlying transactions. We agree that this review should be evidenced, and in the rare instance where the approving officer has himself/herself been involved in preparing or submitting the underlying transaction, we will take steps to ensure that they pass the journal to another officer for approval.

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 (3)

Assessment	Issue and risk	Recommendations
● High	Exit Packages In testing termination benefits, we identified a material termination payment of £0.023m that should have been recognised in the prior financial year, as the obligation arose before the reporting date. The payment was not identified through the payroll report used as part of the year-end accruals process and was therefore omitted from the year-end review. Due to the material nature of the error found this indicates a significant weaknesses in the controls operating over the identification and accrual of termination benefits. There is a risk that employee benefit expenses and related liabilities are not recognised in the correct accounting period and may therefore be misstated.	Management should strengthen the year-end accruals process for identifying termination benefits and other employee-related obligations. This should include reviewing the completeness of payroll reports used during the year-end process, performing targeted reviews of post year-end payroll payments to identify obligations existing at the reporting date, and enhancing communication between HR and Finance to ensure all employee departures and settlement agreements are communicated on a timely basis. Management response The termination payment identified in this case was unusual in that approval and payment straddled a year end. Normally our accruals process would pick up situations like this and we are content that the process is already suitably robust.

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 (4)

Assessment	Issue and risk	Recommendations
● Medium	External solicitor contacts Management was requested to provide contact details for external legal firms engaged with during 2025-26. The information provided consisted primarily of generic law firm inboxes and finance team contacts rather than the named solicitors or barristers responsible for the Authority's legal matters. In addition, management engages a relatively large number of external solicitors, and management was unable to readily provide a complete schedule of outstanding litigation and claims matters linked to the relevant law firms. As a result, obtaining external confirmation over litigation and claims matters was more complex and time consuming than would be expected. Furthermore, the absence of a complete and maintained record of litigation matters increases the risk that contingent liabilities, provisions and related financial statement disclosures are not identified, assessed and reported completely and accurately.	Management should establish and maintains a centralised register of litigation and claims matters, including the relevant external legal representatives, details of the matter, its current status and any related balances. Given the number of external legal representatives engaged with, management should also consider whether opportunities exist to rationalise the use of external legal firms where appropriate. This would assist in improving the oversight and monitoring of litigation and claims matters and help ensure that complete and accurate records are maintained. Management response Recommendation accepted

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 (5)

Assessment	Issue and risk	Recommendations
● Low	Consistency of Movement in Reserves Statement (MIRS) supporting disclosures In reconciling notes that form part of the MIRS, we identified a number of trivial variances relating to inconsistencies between figures disclosed across the financial statements and supporting notes that contribute to the final MIRS. Due to the nature of the variances, it was not always possible to determine the correct balance or the direction of the difference from the information presented. Consequently, the variances were aggregated on an absolute basis to reflect the maximum potential misstatement, amounting to £65,000 in total. Whilst these variances were individually and collectively trivial, we would ordinarily expect the MIRS and supporting notes to fully reconcile, with only minor rounding differences arising where applicable. The variances identified indicate a weakness in the financial statement review process and create a risk that inconsistencies between the MIRS and supporting disclosures may not be identified and corrected prior to publication of the financial statements.	Management should enhance its financial statement review procedures to ensure consistency between the MIRS and all supporting notes and disclosures. A comprehensive cross-check of balances and disclosures should be performed prior to financial statement finalisation to identify and resolve any inconsistencies and improve the overall accuracy of the financial statements. Management response We will ensure that there is consistency across the accounts and the MIRS from the 2026-27 Statement onwards.

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 (6)

Assessment	Issue and risk	Recommendations
● Low	General ledger to financial statement mapping In our review of the Authority's financial reporting process, we noted that mapping general ledger transactions to the financial statements relies on a number of different coding dimensions rather than a single, consistent methodology. The use of multiple coding dimensions requires a detailed understanding of several mapping methodologies when reconciling the general ledger to the Statement of Accounts. Whilst management has established processes to operate this approach, from an audit perspective the use of multiple mapping methodologies makes reconciliation of the general ledger to the financial statements more time consuming and complex. Furthermore, as the Authority prepares for local government reorganisation (LGR), the current mapping structure may present additional challenges when consolidating and integrating financial reporting arrangements across organisations.	Management should review the current financial statement mapping structure with a view of simplifying their current process. This would help reduce the complexity of the financial reporting process and support the future consolidation and integration of financial reporting arrangements arising from LGR. Where simplification is not practicable, management should formally document the methodology used to map general ledger transactions to the financial statements and maintain this documentation as part of the year-end accounts preparation process. A periodic review should also be undertaken to confirm that mapping rules remain accurate and reflect any changes to coding structures or reporting requirements. Management response Our coding methodology is driven by management reporting requirements. As such, we consider that it is fit for purpose and is not readily adaptable. Our approach to mapping account codes to the Statement of Accounts is consistent year-on-year. We note that auditors have now documented the mapping of accounting codes across to the Statement of Accounts, so we trust that no further review of our processes is required.

- 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 (7)

Assessment	Issue and risk	Recommendations
● Low	Negative net book values in the fixed asset register (FAR) In testing Property, Plant and Equipment, we identified £0.108m of assets within the FAR with negative net book values (NBVs). The presence of negative NBVs indicates that asset records are not being maintained in accordance with expected accounting principles and may not accurately reflect the carrying value of assets held by the Authority.	Management should review all assets with negative net book values and update the FAR to ensure that asset balances do not fall below nil. This review should be performed periodically as part of the Authority's asset management and year-end financial reporting processes to maintain the accuracy and completeness of asset records. Management response Management has confirmed that this review will be undertaken as part of the 2026-27 accounts process.
● Low	Business Rates Pool reconciliation We identified a material misstatement in the year-end Business Rates Pool debtor and creditor balances. The misstatement arose due to an understatement of the 2025-26 Business Rates Pool figures used in the calculation of the balances reported in the financial statements. We also identified a misstatement in the prior year relating to the same area, where the Business Rates Pool balance was overstated at 31 March 2025. The recurrence of this issue indicates that controls over the preparation, review and reconciliation of Business Rates Pool balances are not operating effectively. There is a risk that debtor and creditor balances could be materially misstated.	Management should strengthen controls over the calculation and review of Business Rates Pool balances to ensure amounts reflected within the financial statements are accurate and fully supported. This should include performing a detailed reconciliation of reported debtor and creditor balances to the Business Rates Pool model and payments made during the year in settlement of pool liabilities, together with an independent review of the reconciliation prior to inclusion in the Statement of Accounts. Management response The misstatement identified by auditors was in an early draft of the accounts which it was always intended would be updated once full information about the Business Rates Pool was available. It should be noted that 2025/26 was the final year of the Kent Business Rates Pool, so this issue will not recur in future years.

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 (8)

Assessment	Issue and risk	Recommendations
● Low	Collection Fund debtor reconciliations In testing Collection Fund debtors, we identified a number of unreconciled differences between the Statement of Accounts, trial balance, Collection Fund models and supporting listings. These included trivial differences arising from the double counting of balances, timing differences between financial years and omissions within supporting models. The variances identified had not been detected through management's reconciliation process. This indicates weaknesses in the reconciliation and review controls operating over Collection Fund balances. There is a risk that debtor balances, income and related disclosures may not be accurately recorded within the financial statements.	Management should strengthen reconciliation controls over Collection Fund balances and undertake a documented review of all reconciliations prior to financial statement finalisation. Differences should be identified, investigated and resolved promptly, with supporting evidence retained. The review should also confirm that balances are correctly classified, recorded in the appropriate financial year and supported by complete and accurate underlying records. Management response We accept this recommendation and we will review and strengthen our controls around this area.

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

C. Follow up of prior year recommendations (1)

We identified the following issues in the audit of the Authority’s 2024-25 financial statements, which resulted in 2 recommendations being reported in our 2024-25 Audit Findings Report. *We are pleased to report that management have implemented our recommendations.*

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Action completed	Related parties – declaration forms 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.	The recommendation has been actioned, and we had a 100% return for the declaration forms this year.
Action completed	Completeness of expenditure 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. MBC confirmed that several controls are in place to prevent such omissions which failed, including: 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. 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.	The need to account for all 2025-26 expenditure was highlighted to both finance staff and those working in service departments. This was done via training sessions and year-end closedown communications that were sent out. Enhanced checks on post year-end payments runs were also made.

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 surplus/deficit of the provision of services £000	Impact on general fund £000
1. Kent Business Rates Pool debtors and creditors				
Management identified errors in the accounting for Kent Business Rates Pool balances. Debtor balances of £8.053m and creditor balances of £8.408m were incorrectly offset within the same account code. In addition, post year-end notification of Kent Business Rates Pool balances resulted in the recognition of a further £8.079m debtor balance and £8.629m creditor balance. As a result, debtors increased by £16.132m and creditors increased by £16,683. The net adjustment of £0.55m is recognised within the CIES, with a corresponding adjustment to the MiRS.				
Dr. Debtors £16.132m		16,132		
Dr. CIES £0.55m	550		550	550
Cr. Creditors £16.683m		(16,683)		

D. Audit adjustments (2)

Impact of adjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on surplus/deficit of the provision of services £000	Impact on general fund £000
2. Property, Plant & Equipment (PPE) – Other land & buildings (OLB) #1				
Asset 25089 (Heather House Community Centre): The valuation of this asset was not updated in the fixed asset register (FAR) and understated by £0.868m.				
Dr. PPE (OLB) £0.868m		868		Nil
Cr. Revaluation Reserve £0.868m		(868)		
Dr. PPE (OLB) £0.121m	(121)	121	(121)	
Cr. Depreciation (CIES) £0.121m				
3. Property, Plant & Equipment (PPE) – Other land & buildings (OLB) #2				
Accumulated depreciation relating to revalued assets was not written out of the FAR following revaluation, resulting in an increase of £0.050m to the carrying value of PPE.				
Dr. PPE (OLB) £0.050m		50	Nil	Nil
Cr. Accumulated depreciation £0.050m		(50)		

D. Audit adjustments (3)

Impact of adjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on surplus/deficit of the provision of services £000	Impact on general fund £000
4. Property, Plant & Equipment (PPE) – Other land & buildings (OLB) #3				
Revaluation losses were recognised within the CIES before fully utilising the available balance held within the Revaluation Reserve, resulting in reduction of expenditure recognised within the CIES and a corresponding reduction in the Revaluation Reserve of £3.621m.				
Dr. Revaluation Reserve £3.621m.		3,621		
Cr. CIES £3.621m	(3,621)		(3,621)	(3,621)
5. Property, Plant & Equipment (PPE) – Other land & buildings (OLB) #4				
Assets 25079 (Chillington House) and 24031 (Granada House): These assets had nil depreciation balances within the FAR despite being depreciable assets. This resulted in a £0.025m increase to depreciation expense and a corresponding £0.025m reduction in the carrying value of the assets.				
Dr. Depreciation expense (CIES) £0.025m	25		25	Nil
Cr. PPE (OLB) £0.025m		(25)		

D. Audit adjustments (4)

Impact of adjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on surplus/deficit of the provision of services £000	Impact on general fund £000
6. Housing Benefit subsidy				
A difference was identified between the Housing Benefit subsidy disclosed in the financial statements and the Housing Benefit subsidy return, resulting in an increase of £0.093m to Housing Benefit subsidy income.		93		
Dr. Debtors £0.093m	(93)		(93)	(93)
Cr. CIES £0.093m				
7. Grants Receipts in Advance (GRIA)				
A difference was identified in the classification of GRIA balances between current and long-term liabilities. Following a review of expected utilisation of grant balances, £6.455m was reclassified from long-term liabilities to current liabilities.				
Dr. Long-term GRIA £6.455m	Nil	6,455	Nil	Nil
Cr. Short-term GRIA £6.455m		(6,455)		

D. Audit adjustments (5)

Impact of adjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on surplus/deficit of the provision of services £000	Impact on general fund £000
8. Movement in Reserves Statement (MIRS)				
A difference of £0.208m was identified as the draft Statement of Accounts used the budgeted MRP figure, which was subsequently updated to the final calculated MRP value in the final accounts.				
Dr. General Fund £0.208m	Nil		Nil	208
Cr. Capital Adjustment Account £0.208m		(208)		
9. Fees and charges income				
A factual error of £0.224m was identified and sufficient evidence was not available to support the recognition or accounting treatment of the balance at 31 March 2026. As a result, the item should not be recorded in the financial statements, resulting in an overstatement of Receipts in Advance and an understatement of Fees and Charges income of £0.224m.				Nil
Dr. Receipts in advance £0.224m		224		
Cr. Fees and charges income £0.224m	(224)		(224)	
Overall impact	(3,484)	3,862	(3,484)	(2,956)

D. Audit adjustments (6)

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 24: Cash and cash equivalents accounting policy	The Cash and cash equivalents accounting policy disclosure included the prior year investment balance of £13.985m. This has been updated to the current year figure of £27.340m.	Yes
2. Movement in Reserves Statement (MIRS) and supporting notes	We identified a number of trivial variances between balances disclosed in the MIRS and supporting notes. The aggregate value of the identified differences was £0.065m (absolute basis). The balances disclosed within the MIRS and supporting notes are expected to fully reconcile, except for any minor rounding differences. Management is aware of these differences, an historical issue over a number of years.	No
3. Note 31: Pension liability disclosure	The disclosed amount of £19.037m did not represent expected employer pension contributions but instead agreed to the projected payroll figure included within the actuarial report. Management amended the disclosure to reflect the expected employer contributions of £4.089m. The scheme history has also been updated to include the asset ceiling.	Yes
4. Accounting policies – useful lives	Inconsistencies were identified between the asset useful lives disclosed in the financial statements and the depreciation methodologies applied by management. The accounting policy has been updated to reflect the depreciation policies applied in practice. In addition, useful lives for right-of-use assets has now been added, which was previously omitted.	Yes
5. Note 17: Infrastructure Assets	Infrastructure assets were included within the main Property, Plant and Equipment (PPE) note and did not have their own separate disclosure. Management amended the PPE note to include a standalone infrastructure assets disclosure, providing details of movements in net book value and a reconciliation to the infrastructure assets balance reported within PPE. This amendment improves the transparency of the disclosure and aligns with the CIPFA-recommended presentation approach for infrastructure assets	Yes

D. Audit adjustments (7)

Misclassification and disclosure changes – continued

Disclosure	Misclassification or change identified	Adjusted?
6. Note 1: Expenditure and Income (E&I) analysed by nature	The presentation of gains & losses on disposal and revaluation movements within the E&I note was not consistent with the requirements of the CIPFA Code. Management amended the disclosure to include a separate line for gains/(losses) on disposal and to present revaluation gains & losses within the depreciation, amortisation and impairment line. Due to the material nature of the amendment, a prior period adjustment was also made to ensure consistency of presentation between periods.	No
7. Note 13: Exit Packages	We identified a termination payment of £0.023m that should have been recognised in the prior year. Management amended the financial statements to reflect the termination payment in the correct reporting period. Due to the material nature of the amendment, a prior period adjustment is also reflected within the disclosure.	Yes
8. Note 21: Borrowings classification	In reconciling the borrowings note to the Balance Sheet, we identified that short-term borrowings of £0.757m were incorrectly classified as long-term borrowings within the note.	Yes
9. Note 30 – Capital expenditure and capital funding	We identified a number of inconsistencies within the capital expenditure and capital funding note. The opening balances for PPE and other revenue contributions did not reflect a prior year IFRS 16 audit adjustment of £0.953m. In addition, certain balances within the note had not been updated for final journals posted during the accounts production process, resulting in inconsistencies with supporting records and other notes within the financial statements. Management amended the disclosure to reflect the prior year adjustment and final journal entries, ensuring consistency across the financial statements.	Yes
10. Note 17 – PPE	Management amended the PPE disclosure table analysing assets by valuation basis to align the disclosure with the updated FAR. The changes affected the allocation of Land & Buildings balances across the historical cost, revaluation and indexation categories.	Yes

D. Audit adjustments (8)

Misclassification and disclosure changes – continued

Disclosure	Misclassification or change identified	Adjusted?
11. Note 29 – Capital Adjustment Account	We identified that the Minimum Revenue Provision (MRP) disclosed within Note 29 was based on the budgeted MRP figure (£2.272m) rather than the actual MRP charge for the year (£2.064m). As a result, the disclosure was overstated by £0.208m. Management updated the note to reflect the actual MRP charge, which was agreed to the supporting calculation.	Yes
12. Note 20 – Financial instruments	The financial instruments disclosure contained a number of presentation and disclosure errors. The disclosed fair value of long-term loans was overstated by £0.318m due to accrued interest on Aviva and PWLB loans being included in the disclosure despite already being reflected within the fair values. In addition; the short-term and long-term loan balances disclosed within the financial instruments note were not consistent with the corresponding audited balances reported in the Balance Sheet; and short-term debtors disclosed within the financial instruments note were understated by £1.391m as certain local authority debtor balances meeting the definition of financial instruments were omitted from the disclosure.	Yes
13. Note 11 – Grant income	Other grants within the grant income note contained material grant streams. Material grant income streams should be separately identified/disclosed. Management agreed to add additional disaggregation.	Yes
14. Note 4: Assumptions made about the future and other major sources of estimation uncertainty	We identified that the note originally disclosed a provision of £5.8m and the Council's share of £2.3m, rather than the correct figures of £7.9m and £3.2m respectively. Management has updated the disclosure to reflect the correct balances and enhanced the estimation uncertainty narrative to include the IFRIC 14 asset ceiling adjustment and its sensitivity to future employer contribution assumptions.	Yes
15. Various	Various spelling, formatting, casting and other minor adjustments were made as a result of the audit process. These matters were not individually significant. This included ensuring consistent use of brackets with financial amounts throughout the accounts. This includes changes to the Narrative Report and one update in the Annual Governance Statement reflecting that a prior year value for money improvement recommendation remains in progress.	Yes

D. Audit adjustments (9)

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 surplus/deficit of the provision of services £000	Impact on general fund £000	Management's reason for not adjusting
1. Property, Plant & Equipment (PPE) – Alternative index assumptions					Not material
In testing management's indexation methodology, we applied alternative assumptions considered reasonable, including the use of a regional factor within depreciated replacement cost building indices and full-year index data that was unavailable at the valuation date. This resulted in a variance of £0.134m in PPE balances. The variance arises from the application of reasonable alternative assumptions rather than an error in management's methodology.	Nil	134	Nil	Nil	
Dr. Revaluation Reserve £0.134m		(134)			
Cr. PPE £0.134m					

D. Audit adjustments (10)

Impact of unadjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £'000	Impact on surplus/deficit of the provision of services £'000	Impact on general fund £'000	Management's reason for not adjusting
2. Debtors reconciliation					
We identified a difference of £0.215m between the Debtors Note and the year-end debtor listing. The difference arose from a combination of posting inconsistencies, including mispostings that were subsequently corrected, together with minor rounding and aggregation differences, overstating the debtor balance					Not material
Dr. CIES £0.215m					
Cr. Debtors £0.215m	215		215	215	
		(215)			
3. Grant income					
Management was unable to provide sufficient audit evidence to support a 0.5% trigger uplift applied to grant income. The uplift related to five sample items tested and the resulting error was extrapolated across the population, resulting in a projected overstatement of grant income of £0.125m.					Not material
Dr. CIES £0.125m	125		125	125	
Cr. Debtor £0.125m		(125)			

D. Audit adjustments (11)

Impact of unadjusted misstatements – continued

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £'000	Impact on surplus/deficit of the provision of services £'000	Impact on general fund £'000	Management's reason for not adjusting
4. Fees and charges income (unadjusted extrapolated misstatement) Please see adjusted misstatement number 9 (page 47). This unadjusted error reflects the extrapolation of the identified sample misstatement across the population, resulting in an estimated unadjusted misstatement of £0.469m. Dr. Receipts in advance £0.469m Cr. Fees and charges income £0.469m		469		Nil	Extrapolated error
	(469)		(469)		
Overall impact of current year unadjusted misstatements	(129)	127	(129)	340	

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 2024-25, and the resulting impact upon the 2025-26 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2025-26 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 surplus/deficit of the provision of services £000	Impact on general fund £000	Reason for not adjusting
1. Bad debt impairment					
The commercial property provision calculation is overstated by £0.172m.					Immaterial
Dr. Impairment for bad debts (Balance Sheet) £0.172m		172			
Cr. Bad debt expense (CIES) £0.172m	(172)		(172)	(172)	
2. Other services expenditure #1					
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.					Immaterial
Dr CIES cost of services £0.698m	698		698	698	
Cr Reserves £0.698m		(698)			

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

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on surplus/deficit of the provision of services £000	Impact on general fund £000	Reason for not adjusting
3. Other services expenditure #2					
This is the prudent error recognition of expenses which were unsupported by management within cost centre EA10:					Immaterial
Dr Reserves £0.303m		303			
Cr Expenses £0.303m	(303)		(303)	(303)	
Impact of prior year unadjusted misstatements on the current year's financial statements	223	(223)	223	223	Immaterial
Cumulative impact of prior year and current year unadjusted misstatements on 2025-26 financial statements	(352)	350	(352)	117	Immaterial

E. Draft Audit Opinion (1)

DRAFT Independent auditor's report to the Members of Maidstone Borough Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Maidstone Borough Council (the 'Authority') for the year ended 31 March 2026, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Collection Fund Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2026 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

E. Draft Audit Opinion (2)

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance and Resources' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Director of Finance and Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance and Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Director of Finance and Resources with respect to going concern are described in the relevant sections of this report.

E. Draft Audit Opinion (3)

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

E. Draft Audit Opinion (4)

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Director of Finance and Resources

As explained more fully in the Statement of Responsibilities, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Finance and Resources. The Director of Finance and Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance and Resources is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

E. Draft Audit Opinion (5)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003, Local Government Act 1972, and Local Government Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012).
- We enquired of management and the Audit, Governance and Standards Committee, concerning the Authority's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

E. Draft Audit Opinion (6)

Auditor's responsibilities for the audit of the financial statements cont.

- We enquired of management, internal audit and the Audit, Governance and Standards Committee whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. We determined that the principal fraud risk was in relation to:
 - Management override of controls, specifically posting inappropriate journals to manipulate results for the year ended.
- Our audit procedures to address the principal fraud risks included:
 - Evaluation of the design effectiveness of controls over journals;
 - Analysing the journals listing and determining the risk-based criteria for selecting high risk unusual journals; and
 - Testing the identified high risk journal entries made during the year and the accounts production stage for appropriateness and corroboration of supporting evidence.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it or recognise non-compliance.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

E. Draft Audit Opinion (7)

Auditor's responsibilities for the audit of the financial statements cont.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the Authority audit team members included consideration of their:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the local government sector
 - understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

E. Draft Audit Opinion (8)

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026.

We have nothing to report in respect of the above matter

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

E. Draft Audit Opinion (9)

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the relevant guidance issued by the Comptroller and Auditor General. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

E. Draft Audit Opinion (10)

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Maidstone Borough Council for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

This report is made solely to the Members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Members as a body, for our audit work, for this report, or for the opinions we have formed.

[**Signature**]

Sophia Brown, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

XX September 2026



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