

Audit Findings (ISA 260) Report for Tonbridge and Malling Borough Council

Year ended 31 March 2025

30 September 2025



Tonbridge and Malling Borough Council
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30 September 2025

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Dear Members of the Audit Committee

Audit Findings for Tonbridge and Malling Borough Council for the year ended 31 March 2025

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with the Audit Committee.

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-2024-.pdf \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-2025.pdf).

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Sophia Brown

Key Audit Partner
For Grant Thornton UK LLP

Chartered Accountants

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01 Headlines

Headlines (1)

This page and the following summarises the key findings and other matters arising from the statutory audit of Tonbridge and Malling Borough Council (the ‘Council’) and the preparation of the Council’s financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the Council’s financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report), is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed remotely over two visits, during March and again from June–September 2025. In April 2025, we issued an Indicative Audit Plan, setting out the scope and timing of our work. We confirm that no material changes were made to that report, and it should be noted as the final audit plan for 2024–25 financial statements.

Our findings are summarised in section 3 and Appendices B and D of this report. We have not identified adjustments to the financial statements that have an impact to the Council’s Comprehensive Income and Expenditure Statement and the level of usable reserves.

We identified several disclosure amendments throughout the financial statements. These are detailed in Appendix D. We have also raised recommendations for management as a result of our audit work. These are set out in Appendix B. Our follow up of recommendations from the prior year’s audit are detailed in Appendix C.

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

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 is unmodified.

Headlines (2)

Value for money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

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

We have completed our VFM work, and our detailed commentary is set out in the separate Auditor's Annual Report, presented alongside this report. We reported one significant weakness in the prior year, carried forward from 2022-23, which is now closed and fully addressed.

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

Statutory duties

The Local Audit and Accountability Act 2014 (the 'Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

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

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we receive confirmation from the NAO that the group audit of the Whole of Government Accounts has been certified by the Comptroller & Auditor General. Therefore, no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Significant matters

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

Headlines

National context – audit backlog

Government proposals around the backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- For years ended 31 March 2025 by 27 February 2026
- For years ended 31 March 2026 by 31 January 2027
- For years ended 31 March 2027 by 30 November 2027

The statutory instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

We completed the 2024-25 audit in advance of the backstop date for the 2024-25 financial year. The Council will not be affected by the backstop legislations for the current audit year and prior years. We would like to express our appreciation for the continued assistance provided by finance team and other staff of the Council, supporting the audit process fully.

Headlines (3)

Implementation of IFRS 16

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

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

Introduction

IFRS 16 updates the definition of a lease to:

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

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

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

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

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

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

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

Impact on the Council

In the current year, the implementation of IFRS 16 has resulted in the first-time recognition of a right-of-use asset and a corresponding lease liability on the Council's balance sheet. These has brought in £215k, net book value of assets and lease liability in the balance sheet. Additionally, corresponding movements have been charged in the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS).

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

We report on this area on page 19, covering the procedures we have completed and our findings.

02 Materiality

Our approach to materiality

As communicated in our Indicative Audit Plan dated 14 April 2025, we determined materiality at the planning stage as £1.49m based on approximately 2.5% of prior year gross expenditure. At year-end, we reconsidered planning materiality based on the draft financial statements. Final materiality levels have remained the same as reported at the planning stage. A recap of our approach to determining materiality is set out below.

	Council £	Qualitative factors considered
Materiality for the financial statements	1,490,500	We determined the final financial statement materiality based on a proportion of the prior year gross expenditure of the Council. The main users of the Council's accounts primary interest is in the cost of providing services and how the it manages its spending. As such, we conclude that the gross expenditure is the most appropriate benchmark to set the materiality levels for the Council. Materiality is £1.491m which equates to approximately 2.5% of your prior year gross expenditure for the period.
Materiality for specific transactions, balances or disclosures – 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 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	74,500	We determined that an individual difference less than £74,500 is considered trivial. We report to the Audit Committee any unadjusted misstatements above this threshold.

03 Overview of significant and other risks identified

Overview of audit risks

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Other risks are, in the auditor’s judgement, those where the risk of material misstatement is lower than that for a significant risk, but they are nonetheless an area of focus for our audit.

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

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	● Green
Valuation of land and buildings	Significant	↔	✗	High	● Green
Valuation of the pension fund net liability/asset	Significant	↔	✗	High	● Green
Risk of fraud and error in revenue recognition (rebutted for all streams)	Other	↔	✗	Low	● Green
Fraud in expenditure recognition	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	Conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p> <p>The Council faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • 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 to supporting evidence. • Identified and tested journals entries made off-ledger, gaining understanding and corroborating to supporting evidence. • 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. 	<p>Our audit work is complete and has not identified any issues in respect of management override of controls.</p>

Significant risks (2)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of land and buildings</p> <p>The Council re-values its land and buildings on a rolling five-yearly basis. The Council applies valuation techniques such as the depreciated replacement cost (DRC) for the valuation of its other land and buildings. In applying this method, key assumptions are made by the valuer to arrive to a value of a modern asset equivalent (MEA), meeting the capacity and location requirements of the services being provided by the replaced asset.</p> <p>The valuation of land and buildings represents a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>We therefore identified valuation of land and buildings as a significant risk, particularly key assumptions and inputs applied by the valuer at financial statement date to determine the current value of the assets.</p> <p>As a result, we selected 10 assets covering £30.9 million of the £51.2 million balance revalued during the year.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to management’s valuation expert, and the scope of their work. • Evaluated the competence, capabilities and objectivity of the valuation expert engaged by management. • Discussed with, and wrote to, management’s valuation expert to confirm the basis on which the valuation was carried out. • Challenged the information and assumptions used by management’s valuer to assess completeness and consistency with our understanding. • Recalculated the valuations, testing key inputs including BCIS rates, floor areas, obsolescence and other assumptions used in both DRC and existing use valuations. We also considered the appropriateness of each method applied to determine the assets valuation. • Tested revaluations made during the year to confirm if they were input correctly to the Council’s asset register. • Evaluated the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that the carrying amounts of these assets are not materially different to the current value at 31 March 2025. 	<p>Our audit work is complete and has not identified any issues regarding the valuation of land and buildings.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of land and buildings were appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation.</p>

Significant risks (3)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of net pension liability/asset (£2.882m)</p> <p>The Council's share of the pension fund net liability, as reflected in its Balance Sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The estimation of the pension fund net liability depends on a number of complex adjustments relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates. A small change in inputs can have a significant impact on the estimated pension fund liability.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£2.882m in the Council's Balance Sheet at 31 March 2025, falling by £3.245m from £6.127m at 31 March 2024) and the sensitivity of the estimate to changes in key assumptions. The present value of the defined benefit obligation was £97.7m and the fair value of fund assets was £106.4m.</p> <p>We therefore identified the valuation of the Council's pension fund as a significant risk.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> Updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls. Evaluated the instructions issued by management to their management expert (actuary) for this estimate and the scope of the actuary's work. Assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation. Assessed the accuracy and completeness of the information provided by management to the actuary to estimate the liability. 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. Reviewed the IFRIC 14 assessment carried by management's expert actuary. Undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report. Requested ISA 19 assurance letter from the Kent Pension Fund auditor over controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the administering authority and the fund assets valuation in the pension fund financial statements. 	<p>Our audit work is complete and has not identified any issues regarding the valuation of net pension liability.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of net pension liability were appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation.</p>

Other risks (1)

Risk identified	Audit procedures performed	Conclusions
<p>Presumed risk of fraud in expenditure recognition</p> <p>In line with the Public Audit Forum Practice Note 10, , in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>Having considered the nature of all expenditure streams at the Council, we considered the risk that expenditure may be misstated due to the improper recognition of expenditure and concluded that there is not a significant risk for all expenditure streams. This is due to the low fraud risk in the nature of the underlying transaction, which would require a significant number of transactions to be incorrectly recorded to cause a material misstatement. We determined that the risk of fraud arising from expenditure recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • There is little incentive to manipulate expenditure recognition; • Opportunities to manipulate expenditure recognition are limited; and • The culture and ethical frameworks of local authorities, including that of the Council, meaning that all forms of fraud are seen as unacceptable. <p>Based on our assessment, no specific fraud risk factors have been identified and therefore we do not consider expenditure recognition to be a significant risk for the Council.</p> <p>Though we rebutted the risk of fraud above, we considered that the risk relating to expenditure recognition may be prevalent around manual accruals of expenditure around year-end and the potential volume at year-end increasing the risk of error in expenditure recognition.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Inspected a sample of transactions incurred around the year-end to confirm whether they had been included in the correct accounting period. • Tested a sample of expenditure items and tested to supporting information to gain assurance over accuracy and occurrence. • Inspected a sample of accruals made at year-end for expenditure incurred but not yet invoiced to assess whether the estimation of the accrual was consistent with the value billed after the year. 	<p>Our audit work is complete and has not identified any issues regarding the expenditure recognition.</p>

Other risks (2)

Risk identified

Risk of fraud and error in revenue recognition (rebutted for all streams)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated 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 relating to revenue recognition.

In our risk assessment of all revenue streams for the Council, we considered the risk factors set out in ISA 240 and nature of the revenue streams at the Council. Based on that, we rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams, which would require a significant number of transactions to be incorrectly recorded to cause a material misstatement. This is due to the low fraud risk in the nature of the underlying transactions. We 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 limited; and
- The culture and ethical frameworks of local authorities, including that of the Council, meaning that all forms of fraud are seen as unacceptable.

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

Audit procedures performed

To address this risk, we performed the following:

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

Conclusions

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

Other risks (3)

Risk identified	Audit procedures performed	Conclusions
<p>IFRS 16 Leases implementation</p> <p>IFRS 16 Leases is now mandatory for all local government bodies from 1 April 2024. The standard replaced IAS 17 Leases, and the three interpretations that supported its application (IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases – incentives, and SIC-27 Evaluating the substance of transactions involving the legal form of a lease). Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as right of use (ROU) assets, representing the right to use the underlying leased assets, and a corresponding liability representing its obligation to make lease payments.</p> <p>The Code adapts IFRS 16 and requires that the subsequent measurement of the ROU asset where the underlying asset is an item of property, plant and equipment is measured in accordance with section 4.1 of the Code.</p> <p>We considered the implementation of IFRS 16 as other risks, noting the significant changes to disclosures required under the new standard, while the values per the draft accounts (£215k) involved at the Council are immaterial.</p> <p>We pinpointed the risk over completeness of IFRS 16 disclosures made under the new accounting standard.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Documented our understanding of the processes and controls in place by management to ensure that the Council’s ROU assets and corresponding liabilities are not materially misstated. This included steps implemented by management to identify leases impacted by IFRS 16, ensuring completeness. • Reviewed accounting policies and disclosures in relation to IFRS 16. • Obtained the lease register from management and compared to the prior year to identify any leases omitted. Additionally, reviewed lease payments listing using the full ledger to identify lease payments made and corroborate to a lease agreement to the lease register. • Reviewed the application of judgement and estimation in determining ROU asset valuations and lease liabilities. • Reviewed disclosures made in the accounts in relation to ROU asset values and lease liabilities. 	<p>Our audit work is complete, and we have not identified any issues regarding the IFRS 16 standard adoption.</p>

04 Other findings

Other findings – information technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Integra	ITGC assessment (design, implementation and operating effectiveness)	<div><div></div></div> Green	<div><div></div></div> Green	<div><div></div></div> Green	<div><div></div></div> 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 previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any incidents in the period, and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed. We have raised a control recommendation in relation to related parties' disclosures, please see details in Appendix B of this report.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations, and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been requested from management, which is presented as a separate item for presentation along this report. We have made specific representation request in relation to any known or anticipated equal pay claims liabilities against the Council.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Council's banking and treasury partners. This permission was granted, and the requests were sent. All requests that were sent to counterparties were returned.
Disclosures	Our review found no material omissions in the financial statements. We have reported immaterial disclosure misstatements in Appendix D of this report.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	There were no significant difficulties. Members of the finance 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 Council'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 Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we 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	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies were identified. We have issued an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • 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 a significant weakness. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the Council does not exceed the threshold.</p>
Certification of the closure of the audit	<p>We cannot formally conclude the audit and issue an audit certificate for the Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we receive confirmation from the National Audit Office that the audit of the Whole of Government Accounts (WGA) consolidation pack for the year ended 31 March 2025 is complete and certified by the Comptroller and Auditor General. There is no further work required to be undertaken by us.</p> <p>We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.</p>

06 Value for money arrangements

Value for money arrangements

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

The National Audit Office issued its latest value for money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, the Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30 November each year from 2024-25. Our draft AAR accompanies this audit findings report as a separate Committee item.

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



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial sustainability

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



Governance

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

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

07 Independence considerations

Independence considerations

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

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

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

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council or investments in held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Council, senior management or staff that would exceed the threshold set in the Ethical Standard.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services (1)

The following tables below set out the total fees for audit and non-audit services that we have been engaged to provide or charged from the beginning of the financial year to the date of this report, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The below non-audit services are consistent with the Council's policy on the allotment of non-audit work to your auditor. None of the below services were provided on a contingent fee basis.

For the purposes of our audit, we made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Tonbridge and Malling 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.

Audit-related non-audit services

Service	2023-24 £	2024- 25 £	Threats identified	Safeguards applied
Certification of Housing Benefits Subsidy claim	35,031	40,000	Self-Interest (because this is a recurring fee) Self-review (because Grant Thornton provides audit services) Management threat	<p>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 £40,000 in comparison to the total fee for the audit of £163,828 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.</p> <p>To mitigate against the self review threat and management threat, we have not prepared any elements of MPF720A form which we are reviewing. The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by DWP and will report to DWP, with a copy of our report being provided to the council at the same time.</p> <p>Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable in future years based on the work that we perform. Any changes to the form will be agreed with the council before we conclude our report to DWP. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision.</p>
Total	35,031	40,000		

Fees and non-audit services (2)

We confirm below our final fees charged for the audit.

Audit fees	Proposed fee £	Final fee £
Scale fee for Tonbridge and Malling Borough Council audit	154,418	154,418
Fee variation for testing the first-year application of IFRS 16*	9,410	9,410
Total audit fees (excluding VAT)	163,828	163,828

*Fees are subject to PSAA approval.

A reconciliation of audit fees to the financial statements is set out below:





Reconciliation of fees per the financial statements to total fees above (audit services)	£
Fees per the financial statements for audit services	164,000
Certification of grant claims and returns	30,000
Total audit fees (excluding VAT)	194,000

Appendices

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

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance.	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks.	●	
Confirmation of independence and objectivity.	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence.	●	●
Significant matters in relation to going concern.	●	●
Views about the qualitative aspects of the Council's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures.		●
Significant findings from the audit.		●
Significant matters and issue arising during the audit and written representations that have been sought.		●
Significant difficulties encountered during the audit.		●
Significant deficiencies in internal control identified during the audit.		●
Significant matters arising in connection with related parties.		●

A. Communication of audit matters with those charged with governance (2)

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements.		
Non-compliance with laws and regulations.		
Unadjusted misstatements and material disclosure omissions.		
Expected modifications to the auditor's report, or emphasis of matter.		

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.

B. Action plan (1)

We set out here our recommendations for the Council which we identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we identified during the course of our audit and that we concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
<div><div>●</div><div>Medium</div></div>	<p>Bank reconciliation</p> <p>During our review of cash and cash equivalents, we identified an unreconciled trivial balance in the cash account, which represents the Council's Collection Deposit Book. Furthermore, there has been a cumulative running difference throughout the year that was not investigated or reconciled in a timely manner.</p> <p>Management has attributed the delays in resolving these discrepancies to staff illness and an upgrade to the cash management system.</p> <p>Risk – Although the balances involved are trivial, bank reconciliations are a key control for financial governance. They are vital in ensuring the accuracy of cash and cash equivalents held by the Council. While management identified the cause of the issue and is prioritising streamlining the process, we report this issue as it could have adverse impact in the effective operation of the bank reconciliation key control, which is fundamental in safeguarding the Council’s cash.</p>	<p>We recommend that all reconciling items are investigated and resolved in a timely manner. Management must further ensure that appropriate action is taken to investigate prior balances.</p> <p>Management response</p> <p>Although the unreconciled difference on the cash account is below triviality, officers acknowledge that staff sickness and a recent system upgrade limited the time available to fully investigate and analyse the balance at year end. The Finance Team considers the identification of these unreconciled amounts a high priority. The bank reconciliation process is being reviewed, with the aim of streamlining the procedure and building resilience within the team going forward.</p>

Key

- **High** – Significant effect on control system and/or financial statements
- **Medium** – Limited impact on control system and/or financial statements
- **Low** – Best practice for control systems and financial statements

B. Action plan (2)

Assessment	Issue and risk	Recommendations
<p>●</p> <p>Medium</p>	<p>Related parties disclosure note – declaration of interest</p> <p>We identified a missing declaration of interest for one Councillor. Upon discussion with management, it was established that this was due to long term ill-health. Management had not performed alternative procedures to ensure that all interests of the Councillor were considered for the financial year. Alternative procedures could involve conducting a Companies House search to identify any interests that may require disclosure.</p> <p>Additionally, we identified that that declaration forms do not cover closely related persons.</p> <p>As part of our testing of the disclosure, we were satisfied that the absence of the declaration form did not constitute a material omission in the related party transactions disclosure. Our search did not identify any such transactions requiring disclosure.</p> <p>Risk – There is a risk that management is not aware of relationships with related parties that require disclosure. Members who represent the Council’s interest in borough development may also be able to facilitate transactions in their own interests if sufficient understanding of these interests is not known by the Council.</p>	<p>We recommend that management incorporates alternative procedures for those who have not completed their annual declarations. This will provide greater assurance that related party transactions are not identified or omitted.</p> <p>Management should consider amending the existing declaration form to include guidance that the return covers both the Councillor and members of their immediate family.</p> <p>Management response</p> <p>Returns were received from all but 1 non-executive member of 43 Councillors elected as at the end of the 2024-25 financial year, the non-return was due to severe ill health of the Member concerned. In the event of this happening in future, Officers will perform additional searches to obtain details of potential related party transactions.</p> <p>The Related Party Form will be reviewed for 2025-26 to cover closely related persons and will also include a review of the Members Declaration of Interests as highlighted in the Value for Money Audit Findings Reports.</p>

Key

- **High** – Significant effect on control system and/or financial statements
- **Medium** – Limited impact on control system and/or financial statements
- **Low** – Best practice for control systems and financial statements

C. Follow up of prior year recommendations

We identified the following issues in the audit of the Council’s 2023-24 financial statements, which resulted in 3 recommendations being reported in our 2023-24 Audit Findings Report. Two of the recommendations are now closed, and we set out below the remaining in-progress recommendation.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
Not yet addressed	<p>Fixed asset register (FAR)</p> <p>Deficiency noted in the preparation and maintenance of the Council's FAR, maintained in an Excel workbook with separate tabs for each asset type. This means that there is not one listing of all assets from which sampling, recon, or other checks can be carried out. Additionally, the FAR does not clearly include data needed to determine accounting entries for revaluation movements.</p>	<p>Management update</p> <p>Per management comment, this recommendation was made after using the same format since the inception of capital charges in 1993. That being said, management agreed to review and update these registers, the first being land and buildings which was reviewed in 2022-23 with other FARs to be reviewed in the forthcoming years.</p> <p>Auditor comment</p> <p>Work remains in progress. Recommendation remains open.</p>

D. Audit adjustments (1)

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

Impact of adjusted misstatements

No adjusted misstatements were identified at the date of issuing our report. We will provide an update to management and Audit Committee should any issues be identified from our remaining work.



D. Audit adjustments (2)

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 Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Reason for not adjusting
<p>Note 8 Land and buildings – overstatement</p> <p>We recalculated the external works values used by the external valuer in arriving at the valuation of land and buildings assets valued using the depreciated replacement cost method. For Larkfield Leisure Centre, we identified a variance amounting to an overstatement of £79k. This is an estimation variance rather than a factual error.</p>	Dr Deficit on the revaluation of PPE 79	Cr PPE 79	Dr 79	Immaterial estimation difference
Overall impact of current year unadjusted misstatements	Dr 79	Cr 79	Dr 79	

D. Impact of unadjusted misstatements in the prior year

The table below provides details of misstatements identified during the prior year audit which were not adjusted for within the final set of financial statements for 2023-24, and the resulting impact upon the 2024-25 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2024-25 financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Reason for not adjusting
Indexation of assets not revalued Based on our indexation exercise of assets not revalued, using market data, we concluded that the other land and buildings asset class is £778k overstated.	nil	Dr PPE 778 Cr Unusable reserves 778	nil	Immaterial difference in estimation
Note 8 Land and buildings – overstatement We recalculated the external works values used by the external valuer in arriving at the valuation of land and buildings assets valued using the depreciated replacement cost method. For one asset we identified a variance amounting to an overstatement of £0.077m. This was an estimation variance rather than a factual error.	Nil	Cr PPE 77 Dr Unusable reserves 77	Nil	Immaterial estimation difference
Overall impact of prior year unadjusted misstatements	0	0	0	0

D. Impact of unadjusted misstatements in current and prior years

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

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Conclusion
	£000	£000	£000	
Overall impact of unadjusted misstatement in the current year	Dr 79	Cr 79	Dr 79	Impact not material in current year, no change in net expenditure position in current year.
Overall impact of unadjusted misstatement in the prior year	Cr 0	Dr 0	Cr 0	Impact not material in prior year, no change in net expenditure position in current year.
Net expenditure impact	Dr 79	Cr 79	Dr 79	The impact of prior period and/or current period unadjusted misstatements is not material and does not change the reported position of the Council.

D. Audit adjustments – misclassification and disclosure

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?
Leases	In our review of lease arrangements in the Council, we identified a lease (Union Street) that was not disclosed in the prior period. The value of the understatement in lease disclosures was £86k.	No
PPE Note 8	Our reconciliation of the PPE Note to the accounts and the fixed asset register identified variances within the 'Other movements' and 'Derecognition/disposals' lines. The total variances net off within the PPE Note and there is nil impact on the net book value of the assets.	Yes
Collection Fund notes	Variances identified when reconciling Collection Fund debtors and creditors to supporting transaction listings. The differences were due to timing difference when the lists were extracted as the system is 'live'. The total difference was £0.103m.	No
Pension liability	Following ongoing updates on the Virgin Media Limited vs NTL Pension Trustees case, management had not disclosed any information in the draft financial statements regarding the case and its impact. Management has updated the disclosure to include information about the case and considered impact in the current year as nil.	Yes
Post Balance Sheet Event	On 15 September 2025, management became aware of one event in relation to investment in a fund for which a resolution had been taken to merger, resulting in early withdrawal and subsequent capital losses of £0.092m. Management has disclosed the details of the events in the financial statements.	Yes
General – minor disclosure Issues	A number of minor disclosure amendments have been processed in various areas of the annual report, and the financial statements. These amendments include corrections for typographical errors, minor casting, other information inconsistencies or rounding issues, presentation and referencing. None of these amendments are individually or in aggregate significant enough to warrant separate disclosure. Management agreed to review and make appropriate amendments.	Yes

E. Management letter of representation (1)

Grant Thornton UK LLP
8 Finsbury Circus,
London, EC2M 7EA

Dear Grant Thornton UK LLP

Tonbridge & Malling Borough Council
Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of Tonbridge and Malling Borough Council (“the Authority”) for the for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited for the preparation of the Authority’s financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (“the Code”); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

E. Management letter of representation (2)

- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include Investment properties valuation, property, plant and equipment valuation, pension liability valuation, and heritage assets valuation. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. Except as disclosed in the financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the Authority has been assigned, pledged or mortgaged; and
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Authority and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. Equal pay - we have considered the impact of equal pay claims on our financial statements. We have no knowledge of any material events or circumstances that would require additional disclosures or adjustments to be made to our financial statements related to equal pay.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. There are no prior period errors to bring to your attention.

E. Management letter of representation (3)

- xiv. We have updated our going concern assessment. We continue to believe that the Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:
 - a. the nature of the Authority means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
 - b. the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the Authority's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements
- xv. The Authority has complied with all aspects of ring-fenced grants that could have a material effect on the Authority's financial statements in the event of non-compliance.

Information Provided

- xvi. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- xvii. We have communicated to you all deficiencies in internal control of which management is aware.
- xviii. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xix. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xx. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Authority and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.

E. Management letter of representation (4)

- xxi. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxiii. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxiv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework, and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxvi. The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the Authority's financial statements.

Approval

The approval of this letter of representation was minuted by the Authority's Audit Committee at its meeting on **29 September 2025**.

Yours faithfully

Signed on behalf of the Authority



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