Grant Thornton

Audit Findings for Swindon Borough Council

Year ended 31 March 2026

25 November 2026

Swindon Borough Council

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25 November 2026

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Dear Members of the Audit Committee

Audit Findings for Swindon Borough Council for the year ended 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-.pdf (grantthornton.co.uk).

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

Grace Hawkins

Director
For Grant Thornton UK LLP

Chartered Accountants

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Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Swindon Borough Council (the 'Authority') and the preparation of the group and 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 group and Authority's financial statements:

- give a true and fair view of the financial position of the group and Authority and the group and Authority's 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.

We commenced our post-statements audit in mid-September 2026 and our work is now complete.

Our findings are summarised on pages 10 to 51. Management and audit team identified a number of adjustments to the financial statements, resulting in a £2.4m adjustment to the Authority's Comprehensive Income and Expenditure Statement and balance sheet. Only adjustments above our reporting threshold are included, so the totals will not agree to the overall movement in the financial statements. The adjustments have no effect on the General Fund, as they are capital-related and are reflected in the Capital Adjustment Account through the Movement in Reserves Statement. Details of the audit adjustments are provided on page 24.

In addition to the prior period restatement detailed in Note 15 of the draft accounts, we also identified prior period restatement on the disclosure of senior officer remuneration (Note 9) and operating leases as lessor (Note 29). The restatement is contained within the note disclosure only and no impact on the primary financial statements. The nature of the errors are set out on pages 29 and 31, respectively.

We have also raised recommendations for management, set out on page 39, and reported our follow up of prior year recommendation on page 47.

We have issued an unmodified opinion on 25 November 2026.

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

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Headlines

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 value for money (VFM) work. Our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report. The final version of that report was issued on 25 November 2026. We identified significant weaknesses in the Authority's arrangements and so are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Our findings are set out in the value for money arrangements section of this report (page 52).

Statutory duties (continued)

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 for Swindon 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

Significant matters

The draft financial statements were submitted for audit in line with the agreed national timetable and were supported, in the main, by good quality working papers. We have received good cooperation from finance officers at the Authority. A number of adjustments were identified, both by management following publication of the draft financial statements and by the audit team during the audit.

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Group audit

In accordance with ISA (UK) 600 Revised, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

The table below summarises our final group scoping, as well as the status of work on each component.

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Auditor	Status	Comments
Swindon Borough Council	Yes			Grant Thornton UK	G	Full scope audit performed by Grant Thornton UK LLP. Findings are set out on pages 10 to 51.
Swindon Housing Development Company Ltd	No			Sumer Auditco Limited	G	Our work on analytical procedures at group level has not identified any material issues.
Swindon Common Farm Community Interest Plc	No			Sumer Auditco Limited	G	Our work on analytical procedures at group level has not identified any material issues.
Swindon Chapel Farm Solar Plc	No			Sumer Auditco Limited	G	Our work on analytical procedures at group level has not identified any material issues.
Wichelstowe LLP	No			UHY Hacker Young LLP	G	Our work on analytical procedures at group level has not identified any material issues.

Key

Scope 1	Audit of entire financial information of the component, either by the group audit team or by component auditors (full-scope)
Out of scope	Out of scope components are subject to analytical procedures performed by the Group audit team to group materiality.
G	Planned procedures are substantially complete with no significant issues outstanding.
A	Planned procedures are ongoing/subject to review with no known significant issues.
R	Planned procedures are incomplete and/or significant issues have been identified that require resolution.

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Our approach to materiality

As communicated in our Audit Plan presented to the Audit Committee on 23 June 2026, we determined materiality at the planning stage as £14m for the Authority and £14.7m for the Group based on 2.5% of prior year gross expenditure of the Authority and Group's financial statement, respectively. At year-end, we have reconsidered planning materiality based on the draft financial statements of the Authority and the Group. Materiality has not changed from our planning assessment, as the movement in gross expenditure between the prior year and the draft financial statements is not considered significant. A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

We have determined materiality at £14m and group materiality at £14.7m based on professional judgement in the context of our knowledge of the Authority and the group, including consideration of factors such as control environment, economic environment, concentration of ownership, sector development and reporting requirements for the financial statements.

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

The benchmark and percentage applied reflect the Authority's assessed risk profile and relevant audit guidance for its PSAA audit category (4c). The increase in the major local audit threshold to £875m has led us to apply a higher percentage of gross expenditure in determining materiality than in the prior year.

Performance materiality

We have determined performance materiality at 75% of headline materiality, based on our assessment of the Authority's and group's overall risk profile

Specific materiality

A separate lower materiality of £20,000 was adopted for senior officers' remuneration. This reflects heightened public interest in this area of the accounts.

Reporting threshold

We have reported to you all misstatements identified in excess of £0.7m, in addition to any matters considered to be qualitatively material.

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Our approach to materiality

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

	Group (£)	Authority (£)	Qualitative factors considered
Materiality for the financial statements	£14,700,000	£14,000,000	Materiality has been based on 2.5% of gross operating expenditure. We have considered factors such as control environment, economic environment, concentration of ownership, sector development and reporting requirements for the financial statements.
Performance materiality	£11,000,000	£10,500,000	This is 75% of headline materiality. We have considered factors such as level of deficiencies and errors identified in prior year audits.
Specific materiality for senior officer remuneration	N/A – there is no separate senior officer remuneration within the Group accounts.	£20,000	We have identified senior officer remuneration disclosures where a lower materiality threshold has been applied, reflecting heightened public and political sensitivity in this area.
Reporting threshold	£735,000	£700,000	Based on 5% of headline materiality.

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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 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	G
The revenue cycle includes fraudulent transactions	Rebutted	↔	×	Low	G
The expenditure cycle includes fraudulent transactions	Rebutted	↔	×	Low	G
Valuation of land and buildings including surplus assets *	Significant	↔	×	High	G
Valuation of council dwellings *	Significant	↔	×	High	G
Valuation of pension fund net liability	Significant	↔	×	High	G
Application for Exceptional Financial Support (EFS)	Other	↔	×	Low	G
First time indexation of non-current assets	Other	↔	×	High	G
High needs stability grant/DSG deficit support grant	Other	↔	×	Low	G

*Note that in the Audit Plan, valuation of council dwellings is considered together with land and buildings, however, due to the issues identified in our audit, we have separately reported this. The risk and the procedures performed remained the same.

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

G Not likely to result in material adjustment or change to disclosures within the financial statements
A Potential to result in material adjustment or significant change to disclosures within the financial statements
R Likely to result in material adjustment or significant change to disclosures within the financial statements

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Significant risks

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. This risk relates to the group and Authority, in particular in respect of journals, management estimates and transactions outside the normal course of business	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; • reviewed accounting estimates, judgements and decisions made by management; and • identified and tested unusual significant journals made during the year and the accounts production stage for appropriateness and corroboration.	We have identified as part of our work that users are able to self authorise their own journals. While we noted some mitigating controls of approvals outside the system to reduce the likelihood of inappropriate journal entries, the risk of self-authorisation remains. Further details are set out on page 41. We have considered journals that are posted and approved by the same individual as part of our testing. No issues were identified as part of our testing. Our audit work has not identified any issues in respect of management override of controls. For all journals reviewed, we concluded that they were appropriate and no instances of management override of controls were noted. Estimates and Judgements We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

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Significant risks

Risk identified	Key observations
Presumed risk of fraud in revenue recognition Under ISA (UK) 240, there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.	Our risk assessment was reviewed throughout the audit and our assessment at planning remains consistent. Our testing of revenue cut off has not identified any significant issues to bring to your attention. We do not consider this to be a significant risk for the Authority and standard audit procedures were carried out. We consider our rebuttal of revenue recognition to remain appropriate.
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.	Our risk assessment was reviewed throughout the audit and our assessment at planning remains consistent. Our testing of expenditure cut off has not identified any significant issues to bring to your attention. We do not consider this to be a significant risk for the Authority and standard audit procedures were carried out. We consider our rebuttal of expenditure recognition to remain appropriate.

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Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of land and buildings including surplus assets The Authority revalues its land and buildings on a rolling five-yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and sensitivity of this estimate to changes in key assumptions, Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date. We therefore identified valuation of land and buildings including council dwellings and surplus assets as a significant risk	We have: • documented our understanding management's process and controls for the calculation of the estimate; • evaluated the competence, capabilities and objectivity of management's expert; • evaluated the consistency of the disclosure with the valuation report; • evaluated the basis on which the valuations have been carried out; • evaluated the information and assumptions used by the valuer; • evaluated the accounting entries for the valuation; • evaluated the reasonableness of the assumptions used to form the estimate; and • evaluated the compliance of the valuation methodology in compliance with the new Code requirements.	The Authority formally revalued £6.7m (2%) of its land and buildings and surplus assets as at 31 March 2026. For the remaining £409.3m (98%), which had been revalued within the previous five years, the Authority applied the new requirements of the 2025/26 Code and indexed the carrying amounts. Details of the work we have undertaken on the indexed assets are set out on page 17. Whilst the balance of formally revalued assets is not material, we have tested a sample of these assets to assess whether the valuation estimate is reasonable as at 31 March 2026. Our test of the data and assumptions has not identified material errors. We have gained assurance over the material accuracy and reasonableness of valuation of land and building including surplus asset as at 31 March 2026.

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Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of council dwellings The Authority revalues its council dwellings on an annual basis (i.e., every 31 March) by adopting beacon valuation method and applying indices to those dwellings that are not formally valued. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and sensitivity of this estimate to changes in key assumptions, Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value at the financial statements date. We therefore identified valuation of council dwellings as a significant risk.	We have: • documented our understanding of management's process and controls for the calculation of the estimate; • evaluated the competence, capabilities and objectivity of management's expert; • evaluated the consistency of the disclosure with the valuation report; • evaluated the basis on which the valuations have been carried out; • evaluated the information and assumptions used by the valuer; • evaluated the accounting entries for the valuation; • evaluated the reasonableness of the assumptions used to form the estimate; and • evaluated the compliance of the valuation methodology in compliance with the new Code requirements.	The Authority has revalued its council dwellings as at 31 March 2026 using the beacon valuation method in line with Stock Valuation for Resource Accounting: Guidance for valuers (2016). This approach involves selecting representative beacon properties, determining their market value, and applying these valuations across the wider portfolio. Following the findings and recommendations raised in our prior year audit, the Authority has revisited its approach to valuing council dwellings to ensure that it complies with the Code and the relevant guidance. Following a review of the Authority's approach, the number of beacon categories was reduced from 662 to 227. This enables the internal valuer to physically inspect beacon categories, in line with the guidance. The Authority ensures that every beacon category is formally valued within a five-year period. We have gained assurance over the material accuracy and reasonableness of valuation of council dwellings as at 31 March 2026.

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Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of net pension liability The Authority's share of the pension fund net liability, as reflected in its Balance Sheet as the pension liability, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to the size of the numbers involved in the Authority's Balance Sheet at 31 March 2026 and the sensitivity of the estimate to changes in key assumptions. 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. However, the Authority has had to consider the potential impact of 'IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset'. Because of this we have assessed the recognition and valuation of the pension asset as a significant risk. *(continued on the next page)*	We have: • documented our understanding of management's process and controls; • evaluated the competence, capabilities and objectivity of management's expert; • evaluated the consistency of the disclosure with the actuarial report; • evaluated the reasonableness of the assumptions used to form the estimate by reviewing the report of the consulting actuary (as auditor's expert) and performed additional procedures as suggested within the report; • obtained assurances from the auditor of Wiltshire Pension Fund on the underlying data shared by the fund to the actuary which has been used in the calculation of this estimate; • reviewed the IFRIC 14 assessment carried out by the actuary and evaluated the reasonableness of the assumptions used as part of the assessment; and	In 2022/23, no letter of assurance was received from auditors of Wiltshire Pension Fund. Therefore, we had no assurance 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 2022/23 pension fund financial statements. This resulted in a modified opinion (limitation of scope) in our audits for 2022/23 to 2024/25. This no longer affect the comparative or current year figures and, as a result, we issued an unmodified opinion. Further, for 2025/26, we have received assurance from the auditor of the Wiltshire Pension Fund. Our review of the responses did not identify any matters that affect our audit. The IFRIC 14 calculation represents a potentially material balance within the financial statements, and relatively small changes in key assumptions could result in a material movement in the calculated position. *(continued on the next page)*

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Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of net pension liability (continued) 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. However, the actuarial assumptions used are the responsibility of the entity, based on the advice from the actuary. Small changes in the key assumptions (such as discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates, where our consulting actuary has indicated that a 0.1% change in these two assumptions would have approximately 1.5% effect on the liability/asset. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in the calculation. With regards to these assumptions, we have therefore identified valuation of the Authority's net pension liability as a significant risk.	• considered the impact of the triennial valuation, including whether any emerging information, demographic updates or early indications from the fund give rise to key assumptions for the current year estimate.	The actuary determined an asset ceiling adjustment of £218.8m, resulting in a revised net pension liability of £12.4m. Our procedures and review of this adjustment did not identify any issues. We recommended that management enhance its disclosures on estimation uncertainty in relation to IFRIC 14. No material issues were identified, but minor changes were made to the narrative disclosure to update the liability figures so that they agree to the balance sheet and the note. Additional disclosure was also made on the estimation uncertainty relating to IFRIC 14 and the asset ceiling. Further details are set out on page 33. We have gained assurance over the material accuracy and reasonableness of the net pension liability as at 31 March 2026.

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Other risks

Risk identified	Audit procedures performed	Key observations
Application for Exceptional Support Funding (EFS) The Authority has applied for EFS from the Ministry of Housing, Communities, and Local Government (MHCLG).	We have evaluated the Authority's accounting treatment and ensured that the Capitalisation Direction has been issued in writing by Secretary of State.	The Authority initially received 'agreed in principle' approval for exceptional financial support of £14.7m for 2025/26. However, the Authority only applied £5.1m of this capitalisation direction. Whilst our review did not identify any issues with the Authority's accounting treatment itself, the Authority has yet to receive the capitalisation direction in writing. We did not receive it before we issued our opinion, so we do not have sufficient appropriate audit evidence over the EFS balance, which has therefore been reported as an uncorrected misstatement; see page 37.
First time indexation of non-current assets The code (2025/26) now requires indexation in the intervening years between revaluations. The Authority will be adopting this for the first time and applying indexation to property plant and equipment.	We have: • understood which assets have been subject to indexation; • checked what indices have been used and applied appropriately; • checked the associated accounting entries; and • checked the accounting policies have been updated appropriately.	A change to the Code in 2025/26 requires management to index assets not revalued in the year using a suitable indexation process. Our testing did not identify any issues with the indexation applied by management, including the assumptions and indices used. We have obtained sufficient appropriate audit evidence over the indexation applied to operational land and buildings and surplus assets as at 31 March 2026.

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Other risks

Risk identified	Audit procedures performed	Key observations
High Needs Stability Grant / DSG Deficit Support Grant The Authority is aware of the High Needs Stability Grant / DSG Deficit Support Grant and intends to submit an application. The application will be based on the DSG deficit position as at 31 March 2026. Under the scheme, up to 90% of this deficit may be written off, with the Authority required to fund the remaining 10%. This creates a potential risk that Councils could seek to overstate the reported year-end deficit in order to secure additional funding.	We have reviewed the Dedicated Schools Grant (DSG) balance as at 31 March 2026 and undertaken additional procedures to assess whether it is supported by appropriate evidence. Work completed includes: • discussion with management to understand how high needs expenditure is recorded; • review of transactions and system to reconcile to the disclosure within the financial statements; and • substantive testing of a sample of transactions to ensure these have been appropriately classified in the correct period and category.	Our substantive testing of these transactions is incorporated within our testing of other operating service expenditure, as part of both our interim and year-end sample testing. In total, we tested 28 transactions relating to the Dedicated Schools Grant (DSG). We also undertook additional work to confirm that the sampled transactions are included in the DSG disclosure in the financial statements and are classified in the correct category. Our testing did not identify any issues, and we have concluded that these transactions were supported by sufficient appropriate audit evidence and are correctly presented in the DSG disclosure. Based on the outcome letter the Authority received on 2 October 2026, the indicative High Needs Stability Grant allocation for Swindon is £20.1m, equivalent to 90% of the accrued deficit up to 31 March 2026. The grant is due to be confirmed in writing in due course, with payment expected on 30 November 2026. As the grant had not been confirmed at the balance sheet date, the Authority have added contingent asset disclosure in the financial statements to reflect this possible asset arising from past events.

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Other findings – significant matters

Issue	Commentary
Significant events or transactions that occurred during the year	No matters to communicate.
Business conditions affecting the group, and business plans and strategies that may affect the risks of material misstatement	No matters to communicate.
Concerns about management's consultations with other accountants on accounting or auditing matters	No matters to communicate.
Discussions or correspondence with management in connection with the initial or recurring appointment of the auditor regarding accounting practices, the application of auditing standards, or fees for audit or other services	No matters to communicate.
Significant matters on which there was disagreement with management, except for initial differences of opinion because of incomplete facts or preliminary information that are later resolved by the auditor obtaining additional relevant facts or information	No matters to communicate.
Other matters that are significant to the oversight of the financial reporting process	No matters to communicate.
Prior period adjustments identified	The Authority restated comprehensive income and expenditure statement to reflect the change in classification due to internal realignment of services within reported directorates. This is disclosed under Note 15 of the updated draft accounts. We have also identified prior period adjustments in relation Note 9 Officer's remuneration. and Note 29 Leases. These are presentational amendments only with no impact on the primary financial statements. Further details are set out on pages 29 and 31, respectively. We are satisfied that the restatements are appropriate and accurate.

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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. Further detail of the IT audit scope and findings can be requested from management.

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	
Oracle E-Business	Detailed ITGC assessment (design effectiveness)	●	●	●	●	All significant risks identified
Northgate	Detailed ITGC assessment (design effectiveness)	●	●	●	●	N/A
Civica	Detailed ITGC assessment (design effectiveness)	●	●	●	●	N/A

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

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Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	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, the Local Government and Housing Act 1989, the Local Government Finance Act 1992, the Local Government Finance Act 2012 and the Local Government Act 2003). We are not aware of any significant incidences of non-compliance.
Written representations	Written representation was received from management. Specific representations were added in relation to the uncorrected misstatements identified and on the accuracy and completeness of the prior period adjustments.
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 were returned with positive confirmation.
Disclosures	Our review found no material omissions in the financial statements. Minor changes and additional disclosures were made in the final accounts to ensure it is compliant with the requirements of the Code.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	We have not experienced any significant difficulties during the course of the audit.
Other matters	There are no other matters we wish to bring to your attention.

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Other responsibilities

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.

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Other responsibilities

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. We have not identified any material inconsistencies. We issued 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. Our work has not yet commenced, as we await auditor instructions from the NAO.
Certification of the closure of the audit	We intend to delay the certification and closure of the 2025/26 audit of Swindon Borough Council in the audit report as we await 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 do not currently expect this to have a material effect on the financial statements for the year ended 31 March 2026.

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Audit adjustments

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. Note that the impact on the relevant disclosure notes to the financial statements has not been detailed, either in this section or in the section on disclosure amendments.

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure (surplus/deficit on provision of services) £'000	Impact on general fund £'000
After publishing draft financial statements, management identified that approximately £20m had been incorrectly classified as short-term investment. £10m relates to investment already received at year-end but the receipt was incorrectly recorded against debtor. Another £10m was misclassified and should be cash equivalents at YE. Further, an adjustment of £41k has been made to recognise investment income and to reconcile cash and cash equivalents at the year end. This interest income has no impact on the General Fund but does change total usable reserves.	Credit Financing Investment Income and Expenditure (£41)	Debit Cash and Cash Equivalents £10,041 Debit Short term debtors £10,000 Credit Short-term Investments (£20,000)	(£41)	-

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Audit adjustments

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure (surplus/deficit on provision of services) £'000	Impact on general fund £'000
After publication of the draft financial statements, management identified that the analysis of Housing Revenue Account (HRA) capital expenditure did not fully reconcile to the additions recorded in Council Dwellings. Management therefore processed adjustments to transfer completed assets from Assets Under Construction (AUC) to operational Council Dwellings, recognise omitted component enhancements, and derecognise replaced housing components, together with the associated impairment, depreciation and disposal entries. Management also processed the related statutory accounting adjustments through the Movement in Reserves Statement (MiRS). For presentational purposes, the statutory adjustments within the MiRS have been excluded from the table, as they have no net impact on the balance sheet. These adjustments have no impact on the General Fund, as they are capital-related and are reflected through the Movement in Reserves Statement (MiRS) in the Capital Adjustment Account, the Major Repairs Reserve and the HRA reserves.	Credit (surplus) / deficit on revaluation of PPE assets – under SDPS (£19,245) Debit loss on disposal on non-current assets £19,342 Debit depreciation, amortisation and impairment £36	Debit council dwellings £19,245 Credit council dwellings (£19,360) Credit accumulated depreciation – council dwellings (£72) Debit council dwellings £116 Credit assets under construction (£116) Debit revaluation reserve £54	£133	-

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Audit adjustments

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure (surplus/deficit on provision of services) £'000	Impact on general fund £'000
After publication of the draft financial statements, management identified that some assets that became operational during the year had not been reclassified out of Assets Under Construction (AUC). These assets were transferred from AUC to the appropriate operational asset categories, including Infrastructure Assets, Other Land and Buildings, Surplus Assets, and Vehicles, Plant and Equipment. The associated depreciation, Capital Adjustment Account and Revaluation Reserve entries were also processed to reflect the assets becoming operational and depreciable. For presentational purposes, the statutory adjustments within the MiRS have been excluded from the table, as they have no net impact on the balance sheet. These adjustments have no impact on the General Fund as the depreciation charges are reversed out of General Fund to Capital Adjustment Account.	Debit depreciation, amortisation and impairment £1,209	Debit infrastructure assets £29,831 Debit land and building £2 Credit surplus assets (£2) Credit assets under construction (£29,831) Credit accumulated depreciation (£1,209)	£1,209	-

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Audit adjustments

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure (surplus/deficit on provision of services) £'000	Impact on general fund £'000
Our additions testing identified one sample that should have been classified as Revenue Expenditure Funded from Capital under Statute (REFCUS) and not as Assets Under Construction (AUC) within Property, Plant and Equipment (PPE) additions. Our further review identified three other schemes that require the same adjustment. The effect is to reduce PPE additions and increase REFCUS. For presentational purposes, the statutory adjustments within the MiRS have been excluded from the table, as they have no net impact on the balance sheet. These adjustments have no impact on the General Fund as REFCUS are reversed out of General Fund to Capital Adjustment Account.	Debit REFCUS £912	Credit PPE – assets under construction (£912)	£912	-

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Audit adjustments

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure (surplus/deficit on provision of services) £'000	Impact on general fund £'000
Our testing of long-term debtors identified that the majority of the balance had been received shortly after the year end and should therefore have been classified as short-term.	-	Debit short-term debtors £8,332 Credit long-term debtors (£8,332)	-	-
Our testing of grant income identified that the grant associated with the pooled budget had been duplicated in the consolidation process, resulting in an overstatement of both grant income and other service expenditure.	Debit government grants and contributions £3,318 Credit other service expenses (£3,318)	-	-	-
During the year, the Council undertook a number of changes and reviews of the Housing Revenue Account (HRA). The reconciliation between the HRA figures in the Oracle accounting system and the Open Rent system was finalised midway through the audit, and adjustments were made for the differences identified.	Debit other service expenditure £163	Debit short-term creditors £571 Debit capital adjustment account £163 Credit short-term creditors (£734) Credit HRA Reserves – MIRS (£163)	£163	-
Overall impact	£2,376	£2,376	£2,376	-

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Audit adjustments

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?
Note 7 Tax and grant income	Management identified that £2,705k of Social Care Health Funding and £1,343k of Resettlement funding had been included in Other Grants and reclassified them to separate disclosure categories to enhance presentation. Management also removed £3,117k of duplicate income arising from pooled budget and internal recharge entries, giving a net reduction of £412k in Social Care Health Funding. The £3,117k is reported as part of the adjusted misstatement. We reviewed the revised disclosures and supporting reconciliations and are satisfied that the amendments improve the presentation and accuracy of the grant income disclosure.	✓
Note 9 Officers' remuneration	Our review of the senior officer remuneration disclosure identified that the names of two employees, whose salaries exceed the £150,000 threshold for disclosure of name and position, had not been included. Management has agreed to include these in the final Statement of Accounts.	✓
Note 9 Officers' remuneration	Our review identified that the Director of Public Health and the Monitoring Officer had not been included in the senior officer remuneration disclosure, on the basis that they do not report directly to the Chief Executive. However, these posts meet the definition of a senior officer in the Code guidance notes. The Director of Public Health is a statutory chief officer post, and the Monitoring Officer falls within the category of any person who, for all or most of the duties of the post, is required to report directly to, or is directly accountable to, the authority or one of its committees or sub-committees. In addition, management added the Director of Children's Services to the disclosure. The previous post holder left in May, and the replacement directors had been omitted from the draft disclosure. The additional senior officers (the Director of Public Health and the Monitoring Officer) were also added to the comparative table, resulting in an adjustment above our lower materiality threshold for the senior officer remuneration disclosure. This is therefore treated as a prior period adjustment within the note and has no impact on the primary financial statements.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Note 9 Officers' remuneration	Our review of the senior officer remuneration disclosure identified that compensation for loss of office, received by one senior officer who left during the year, had been included in the remuneration column. This is not in line with the requirements of the CIPFA Code and Code Guidance Notes, so management has agreed to disclose compensation for loss of office in a separate column.	✓
Note 9 Officers' remuneration (employees over £50,000)	Management updated the disclosure of employees earning over £50,000 to include employees of a school whose data was received after the draft financial statements were prepared. The inclusion of other senior officers in the senior officers' remuneration disclosure, as noted above, will also change this table, as those officers will no longer be reported in it.	✓
Note 10 Exit packages	Two of three 2024/25 pension strain accruals, paid in 2025/26, were understated. Management has recognised the additional £131,958 in the 2025/26 exit packages disclosure and, as the Code permits, combined two bands into £20,000 to £259,999 to avoid identifying individuals. We also recommended that management add an appropriate explanation to make clear which exit packages are disclosed in each financial year's statements in line with the Code guidance notes.	✓
Note 11 External audit costs	The external audit costs disclosure did not agree to our audit and non-audit services fees, as it included an estimated £10k for the certification of the Teachers' Pension return. This has been clarified in Note 11 by adding the following narrative: "This includes an estimated £10k of grant claim fees payable in 2025/26."	✓
Note 16 Property, plant and equipment	Note 16 did not explain that the indexed asset value included assets given a zero or de minimis adjustment, so users could misunderstand the extent of indexation in the year. Management has agreed to add narrative to the note to explain this.	✓
Note 17 Investment properties	Management identified that the beginning balance of the investment properties did not tie up to the audited balance as at 2024/25. The following amendments were therefore made: Balance at start of the year: £2,226k to £4,580k Balance at end of the year: £4,753k to £4,400k Note that the balance sheet is correct and only the note disclosure needs updating.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Note 29 Leases (Authority as Lessor)	During our testing, we identified that the operating lease disclosure model had been prepared using 31 March 2025 as the reporting date instead of 31 March 2026, which overstated the future lease income disclosed. The disclosure should be as follows: Not later than one year: £9,700k to£9,423k Later than one year and not later than five: £34,269k to £31,806k Later than five years: £125,608k to £107,736k However, our further testing identified that the current disclosure is not compliant with the requirements of the Code wherein it requires undiscounted lease payments for each of the first five years and a total for the remaining years. The current disclosure shows only the first year, total for two to five years and total for remaining years. Management confirmed that the disclosure will be further amended as follows: The future minimum lease payments receivable under non-cancellable operating leases in future years are: Year one – £9,423k Year two – £8,481k Year three – £8,110k Year four – £7,804k Year five – £7,410k Later than five years - £107,736k The comparative table will also be amended, resulting in a prior period restatement within Note 29 only. This does not have an impact on the primary financial statements.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Note 19 Capital commitments	Paragraph 4.1.4.3(2) of the CIPFA Code requires disclosure of contractual commitments for the acquisition of property plant, and equipment at the reporting date. The Authority's disclosure is based on approved capital programme balances and remaining capital budget, not contractual commitments. Whilst the figures agree to the Capital Monitoring Outturn Report, the disclosure does not fully align with the Code. We do not consider this to be significant enough to change our anticipated audit opinion. Approved capital programme balances are a reasonable proxy for contractual commitments, and the difference is unlikely to influence the economic decisions of users of the financial statements. However, we report this matter because the disclosure remains a departure from the requirements of the Code.	X
Note 30 Private finance initiatives and similar contracts	Our review of the PFI disclosures identified that certain amounts in the draft financial statements did not agree to the reviewed PFI model, as figures had not been linked to the correct financial year. Management has updated the disclosure, which relates to presentation only and has no impact on the PFI liability in the Balance Sheet. The disclosure will be amended as follows: Finance Lease Liabilities (Current) - £4,303k to £4,583k Finance Lease Liabilities (Non-Current) - £39,611k to £35,028k Finance Cost Payable in Future Years - £49,851k to £41,511k Minimum Lease Payments - £93,765k to £81,122k Due to the adjustments above, the disclosure for future payments will also be amended in line with the figures above. Additionally, the in the PFI table showing the movements, the 'Expenditure / Financing Cost' line will be amended from £12,642k to £8,339k.	✓
Note 33 Financial instruments	Our review of the fair values calculated by the Council's third-party treasury specialist identified that £26,084k of non-PWLB short-term liabilities had been incorrectly posted to long-term liabilities. Our recalculation of the fair value of PWLB liabilities also identified a miscalculation of £84,599k, which understated the fair value of PWLB long-term liabilities. Management agreed to amend the financial instruments note to reflect the corrected figures. Other adjustments were made in the note to reflect the changes processed in the primary financial statements.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Note 33 Financial instruments	Income, expense, gains and losses Our review identified that some elements in the table have not been updated as the calculations originally used were picking up the prior year figures. The following amendments were made to the disclosure: Interest expense (financial liabilities at amortised cost) – updated from £13,525k to £13,353k Interest income (financial assets at amortised cost) – updated from (£4,859k) to (£3,832k)	✓
Note 33 Financial instruments	Our review identified that a number of figures in the narrative had been incorrectly calculated. Management confirmed that the figures were incorrect because the working paper used to compile them had picked up the prior year figures. Management has agreed to amend the narrative to the figures as below: Supplementary FV measure of PWLB loans – updated from £338,053k to £342,331k Penalty charge for repayment – updated from £97,905k to £102,182k Exit price including penalty – updated from £494,525 to £498,702k	✓
Note 34 Nature and extent of risks arising from financial instruments - credit risk	Our recalculation of the debtors due period from the aged debtors report identified numerous differences to the amounts posted in the note. Management explained that the report had been generated using incorrect parameters. We also recalculated the fair value and the impact of changes in interest rates using figures from the MUFG fair value report, which identified a number of variances to the figures in the financial statements. Management explained that one variance arose from a casting error, where the wrong columns had been summed. Management agreed to amend the figures to our recalculated amounts, which are supported by the underlying evidence.	✓
Note 40 Assumptions made about the future & other major sources of estimation uncertainty	We have recommended that management enhance the disclosure on the asset ceiling adjustment, so that it sets out the nature of the uncertainty and states that the impact cannot be quantified if actual results differ from the assumptions. The disclosed net pension asset, had the asset ceiling adjustment not been applied, has also been updated from £213m to £206m.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Note 41 Contingent assets and liability	The Authority received an outcome letter on 2 October 2026 confirming an indicative High Needs Stability Grant of £20.1m, which is yet to be confirmed in writing. As the grant had not been confirmed at the balance sheet date, the Authority disclosed it as a contingent asset in the financial statements; see page 18.	✓
Note 48 Housing stock	Following our review of the housing stock movements disclosure, management agreed to amend the closing number of Council Dwellings at 31 March 2026 to agree to the updated HRA Fixed Asset Register.	✓
Note 49 Vacant possession valuation	A difference of £4,470k was identified between the EUV-SH value in the draft financial statements (£1,662,556k) and the HRA fixed asset register (FAR) balance (£1,658,086k). Management explained that the draft financial statements reflect the final HRA Stock Model valuation following the year-end update, whereas the FAR holds the valuation used to prepare the valuation schedules. Property Services confirmed that the stock model within the FAR produces the final valuation used for financial reporting. Management has agreed to amend the financial statements as follows: Vacant possession valuation – to be updated from £1,662,556k to £1,658,086k.	✓
Accounting policies	Our review of the accounting policies identified several policies that were inconsistent with the CIPFA Code, inconsistent with other parts of the financial statements, or misleading in their wording. We also found that the Authority's policies omit a VAT policy included in the CIPFA guidance notes. As input and output VAT is material to the financial statements, we recommended that the Authority include it. Management has confirmed that they will amend the inconsistent accounting policies and the VAT policy will be included in the updated financial statements.	✓
Accounting policies	Our review identified that the accounting policy states a 15-year useful economic life for street furniture, whereas 30 years is used in practice and in the CIPFA bulletin. Management has agreed to correct the policy wording in the updated financial statements.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Narrative report	CIPFA Code paragraph 3.1.1.15 requires the Authority to disclose its consideration of the risk that a Section 114 notice may need to be issued in the near or medium term. Our review of the draft narrative report identified that the Authority had not specifically addressed this risk in the context of its reliance on exceptional financial support (EFS) and the continuing increase in the Dedicated Schools Grant (DSG) deficit. Management explained that the robustness of the Authority's finances is considered each year as part of the budget-setting process. Management proposed adding the following narrative to comply with the Code: "The Section 151 Officer has considered their duties under the Local Government Finance Act 2003 (Section 25) to report on the robustness of estimates and adequacy of reserves as well as their duties under the Local Government Finance Act 1988 to report on unlawful expenditure or a shortfall in resources. They have reported that the 2026/27 budget is deliverable based on Exceptional Financial Support (EFS) being approved, progress with actions by directorates, no new commitments against reserves and contingencies and assurance by Corporate Directors of compliance with controls. Reserves increased during 2025/26, EFS has been provisionally approved for 2026/27 and the Council is engaging with the Ministry of Housing, Communities and Local Government (MHCLG) on the basis that EFS is likely to be required in 2027/28. As such, it is not anticipated that it will be necessary to issue a Section 114 notice in the short or medium term."	✓
Narrative report	Various minor amendments were made to the Narrative Report to align it with the financial statements of Swindon Borough Council.	✓
Annual governance statement (AGS)	Minor additional narrative has been included in the AGS to meet the requirements of the CIPFA Code, and grammatical, spelling and tense corrections have been made.	✓
Cash flow statements (single entity and group) and Notes 35 to 37	Various amendments were made to the cash flow statement, including Notes 35 to 37, to reflect the adjustments processed elsewhere in the financial statements.	✓

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Audit adjustments

Disclosure	Misclassification or change identified	Adjusted?
Comparative figures adjustments – various	Following our review of the draft financial statements, various adjustments were made to the comparative figures so that they agree to the prior year's audited financial statements. These adjustments are not a prior period restatement, as the prior year audited figures were correct but had not been copied correctly into the current year's financial statements. We confirmed that the adjustments have no impact on the primary financial statements.	✓
Group movement in reserves statement (MIRS)	We identified a presentation issue in the Group Movement in Reserves Statement (MiRS). The full £2,312k movement in the Reserves of Group Entities column had been presented within "Adjustments between Group and Authority Accounts". Our review of the supporting consolidation workbook showed that the movement comprises a £2,536k loss attributable to group entities, offset by £224k of intra-group and consolidation adjustments, giving a net movement of £2,312k. The illustrative guidance in the CIPFA Code for group accounts indicates that current year movements of group entities should be reflected in the Surplus/(Deficit) on Provision of Services (SDPS) and Total Comprehensive Income and Expenditure rows, with only consolidation adjustments presented within "Adjustments between Group and Authority Accounts". We therefore recommended that the Group MiRS be amended to present the £2,536k loss attributable to group entities in the SDPS row, and to retain only the £224k consolidation adjustment in the adjustments line. This is a presentation matter only, as the underlying consolidation entries were supported by the consolidation workbook, and the Group MiRS reconciled to both the Group Comprehensive Income and Expenditure Statement (CIES) and the Group Balance Sheet. Management agreed to amend the presentation.	✓
Other adjustments throughout	Other areas and notes of the financial statements have been amended consequentially to reflect the adjustments reported individually in this report. Some minor amendments were also made that are not reported individually, as they fall below our reporting threshold.	✓
Throughout	Following review of accounts by engagement lead and manager and also consistency check carried out, we have noted minor errors and wording amendments. Management has agreed to update the financial statements to reflect these changes.	✓

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Audit adjustments

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 surplus/deficit of the provision of services £'000	Impact on general fund £'000	Managements reason for not adjusting
Our fees and charges testing identified a number of trivial errors. The total projected error is £740,612 overstatement in fees and charges, which is above our trivial threshold but below performance materiality. As this is an immaterial projected error, we have not asked management to adjust for this.	Debit fees and charges £741	Credit cash/debtor (£741)	£741	£741	Immaterial
The Authority applied exceptional financial support (EFS) of £5.1m during the year. However, the support is currently 'agreed in principle' and has not yet been formally issued by MHCLG. Until the direction is received in writing, we are unable to obtain sufficient appropriate audit evidence over the application of EFS. If the direction were not received, it is likely that the Authority would fund the expenditure from an earmarked reserve. The removal of EFS of £5.1m would therefore only change the balance sheet and the presentation in the Movement in Reserves Statement (MiRS) and other relevant disclosures, with a net nil impact on the General Fund.	-	Debit GF Earmarked Reserves £5,114 Credit Capital Receipts Reserve (£5,114)	-	-	Immaterial

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Audit adjustments

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	Managements reason for not adjusting
The Council recognised a year-end creditor accrual for Council Tax on void properties, together with a corresponding debtor. As the properties are owned by the Council, these balances offset each other and do not represent amounts owed to or by an external party. Debtors and creditors are therefore each overstated by £731k, with no impact on net assets.	-	Debit short-term creditors £731 Credit short-term debtors (£731)	-	-	Immaterial
Overall impact of current year unadjusted misstatements	£741	(£741)	£741	£741	Immaterial

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Action plan

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
Medium	We identified a number of adjustments to capital expenditure processed by the Authority. Some assets that were already operational at the year-end had been held in assets under construction rather than transferred to the correct asset category. Capital expenditure had been capitalised even though the Authority will not own or control the completed asset. This resulted in a reclassification to revenue expenditure funded from capital under statute (REFCUS). Without effective controls over capital classification and project monitoring, there is a risk that non-current assets, depreciation, the net cost of services and the capital financing position are materially misstated.	We recommended that management strengthen controls over capital expenditure by assessing ownership, control and recognition criteria for each scheme at approval and completion, and by reviewing assets under construction at least quarterly and at year-end to ensure completed assets are transferred promptly. **Management response** The issue identified resulted from a review error, rather than from there being no review. The assets under construction record will be updated to require a confirmation of project review and therefore flag any review omissions.

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

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Action plan

Assessment	Issue and risk	Recommendations
Medium	Our review identified legacy records in the Fixed Asset Register that are no longer supported by identifiable assets. We also noted that the Council's annual review of assets excluded from the indexation programme did not identify that capital expenditure had increased the carrying values of Lyndhurst Centre and Fleet Square Development to approximately £2,333k and £214k, respectively. Both continued to be treated as de minimis and were omitted from the 2025/26 indexation exercise. Whilst we do not consider there to be a risk of material misstatement given the value of the assets involved, assets may be incorrectly recorded in the Fixed Asset Register or excluded from valuation and indexation. This could lead to inaccurate balances and non-compliance with the Council's valuation policy and the CIPFA Code.	The Council should strengthen its review of the Fixed Asset Register and of assets excluded from the indexation programme to ensure that: • unsupported asset records are identified and removed or consolidated; and • assets with significant capital expenditure since their last valuation are reviewed for inclusion in the valuation or indexation cycle. **Management response** Following conclusion of the audit the final fixed asset register will be updated with confirmed review against the most recent Property register details.
Medium	Within the Capital Commitments disclosure, the Authority have reported their capital programme rather than contractual commitments within the Note. Upon challenge, the Council does not specifically track the contractually committed balances by project and are likely unable to pull this note together. The audit team assessed that this is a departure from the Code although no material misstatement was noted as a result of the finding.	We recommend that management review their processes for monitoring capital commitments and seek to quantify this balance. **Management response** Management recognises and has disclosed that this is a departure from the code. It considers the risk of material misstatement to be low and that quantifying this balance would have a disproportionate time and resource impact.

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Action plan

Assessment	Issue and risk	Recommendations
Medium	Our work has again identified that users are able to authorise their own journals. We considered journals posted and approved by the same person as part of our testing. Whilst our testing did not identify any issues, we consider this a deficiency in the journals process.	We recommend that management review the journal entry controls in place. We have not identified a material misstatement as a result of the deficiency identified. **Management response** The policy in place since 2017, which only allows for self-posting in adjusting periods to enable the timely closure of the accounts at year-end and which has routine monitoring of journal process actions, is routinely reminded to staff.
Medium	Our review of future minimum leases payments for operating leases as a lessor identified that some that the period used as basis for the calculation was not updated. This resulted to an error in the disclosure which management updated. Not regularly updating the lease register could lead to material misstatement within the disclosure.	We recommend that management ensure regular review of the lease register to reflect current lease payments and the period used as the basis for calculation, thereby reducing the risk of material misstatement in the disclosure. **Management response** This was a process error, and the working papers will be updated to flag where data should be updated.
Medium	The Authority currently maintains its Fixed Asset Register (FAR) in Microsoft Excel, which may lack robust data recovery and integrity controls. This could pose a risk to the accuracy and completeness of asset records, and any inability to recover lost data could result in material misstatement in the financial statements. We also experienced delays in reconciling the Housing Revenue Account (HRA) FAR because of the size of the Excel file, which illustrates the practical limitations of the current arrangement.	Where possible, we recommend that management automate its fixed asset register to maintain asset information and value. Alternatively, we recommend that management ensures regular backups of the FAR to a secure location (i.e., cloud storage) and restrict editing rights to authorised personnel and consider using password protection. We also recommend that management reviews the structure of the HRA FAR file to reduce its size and improve usability. **Management response** Standard IT recovery processes will take routine back-ups of files on the network and will be accessible / recoverable to a prior version. Individual file security will be added to archived versions, but a new file is created each year so multiple historic copies are held. Work on reducing the HRA file has already begun.

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Action plan

Assessment	Issue and risk	Recommendations
Medium	The Authority applies a de minimis threshold of £100k for accruing capital expenditure at the year-end. In testing invoices received and post year-end payments, we identified 2 items totalling £79.2k that related to capital expenditure incurred before 31 March 2026 but were not accrued, as each fell below the threshold. Although these items are not individually significant, unaccrued items below the threshold could accumulate to a material amount. There is therefore a risk that material capital expenditure is not accrued at the year-end, leading to understated non-current assets and creditors and an inaccurate Capital Financing Requirement calculation.	We recommended that management review the capital expenditure accrual threshold to ensure it remains appropriate, taking account of the cumulative effect of unaccrued items below the threshold. **Management response** The timing and resource requirement of closing the accounts in a shorter time frame and with lower thresholds limits the accrual approach to accruing based on identification of material costs. With most significant capital schemes being funded from capital grant or contributions there is considered a limited risk to the capital financing requirement.
Medium	One of the samples we tested in relation to payments in advance (PiA) had been incorrectly recorded as a debtor at 31 March 2026. The payment was entered into Oracle before the year end, but it was not made until 7 April 2026 because of delays in the processing of the payment run and in the payment through the bank. We are able to isolate the error and gain assurance that there is no material misstatement, but we deemed this as a control deficiency around the accrual process of the Authority.	We recommend that management reviews its year-end cut-off procedures so that payments are recorded and accounted for correctly in the appropriate balance sheet item. **Management response** A review is already made to identify items known to Treasury activity which would capture material values. It is not practical to assess every payment transaction in Oracle against the bank account at year-end, or every bank item against the ledger position. There would be no revenue impact from a wider review of transactions, as it would only affect balance sheet categorisation.

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Action plan

Assessment	Issue and risk	Recommendations
Medium	Our cash at bank testing identified that the schools' cash balance was understated because one of the Council's maintained schools submitted its information late. This resulted in an understatement of cash and cash equivalents in the draft financial statements. Late or incomplete submissions from maintained schools may mean that school balances are not captured in the Council's financial statements or are captured inaccurately. This increases the risk of misstatement in cash and cash equivalents and in related disclosures.	The Council should set clear year-end deadlines for maintained schools to submit their financial information and monitor compliance with them. Where a school's information is outstanding, the Council should follow it up promptly and consider an estimate or alternative source, such as bank confirmations or the school's bank statements, so that balances are complete at the reporting date. **Management response** Deadlines are set each year for the receipt of maintained schools' data. The annual issue with schools' responses is that schools are closed and have limited staff through the easter period when finance data is required. Estimation of balances will be used where relevant.
Medium	The draft Annual Governance Statement was not available until September 2026 and was not approved in time to be published alongside the draft financial statements by the 30 June deadline.	The Council should establish clear responsibilities, review stages and sufficient capacity to ensure that the Annual Governance Statement is prepared, approved and published alongside the draft financial statements by the statutory deadline. **Management response** The Chief Legal Officer will ensure that resources are allocated to the Annual Governance Statement, and it is prepared and published alongside the draft financial statements. Key dates have been secured in the CMT forward plan and a detailed timetable prepared to ensure timely production, review and publication.

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Action plan

Assessment	Issue and risk	Recommendations
● Low	While obtaining an understanding of Liberata (the service organisation that provides the Authority with services for the Council Tax and NNDR functions) it was identified from our inquiries that the service auditor report is not readily available. The lack of service auditor's report is a control deficiency regarding whether management have appropriate assurance that the systems and controls that the service organisation have put in place are effective.	We recommend that management request a service auditor report from Liberata where available. We have not identified a material misstatement as a result of the deficiency identified. **Management response** Management will reiterate the request for an audit report. This has not previously been available, but confirmation has previously been received on staff access and training to ensure compliance with Department for Work and Pensions expectations for those involved in benefits data.
● Low	Our review of heritage assets identified that the Authority's approach of valuation hasn't changed since 23/24 and placed reliance on the insurance certificate to determine the value at year end.	We recommend that management carry out the valuation with sufficient frequency as best practice to ensure that it reflects the current value at year-end. **Management response** It remains the view that the cost versus benefit of a full valuation for users of the accounts is not beneficial and does not materially affect the balance sheet position/understanding for assets that would be expected to be held only for public display.

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Action plan

Assessment	Issue and risk	Recommendations
● Low	The final HRA valuation disclosed in the SOA is derived through the HRA stock model following application of the 35% social housing adjustment factor. However, the final adjusted EUV-SH valuation is not explicitly presented within the Internal Valuer's valuation report, requiring additional reconciliation between the valuation report, the HRA stock model and the financial statements. The absence of a direct reconciliation reduces the transparency of the audit trail supporting the HRA valuation and increases the risk of misunderstanding or inconsistency between the valuation report and the balances reported in the financial statements.	We recommend that future valuation reports include either the final EUV-SH valuation after application of the social housing adjustment factor; or a clear reconciliation from the gross valuation to the adjusted HRA valuation reported in the SOA. This would strengthen the audit trail between the valuation report, stock model and financial statements and improve the reporting of the year-end valuation process. **Management response** An updated valuation certificate will be requested in future if the timings of completion of the HRA EUV-SH application is after the initial provision of the certificate.
● Low	An officer disclosed hospitality through the related party questionnaire (RPQ), but it was not recorded in the Council's Gifts and Hospitality Register. The controls did not ensure that RPQ declarations were completely and accurately transferred to the register. It appears to be an administrative oversight, and our testing found no evidence of a wider issue. The register may be incomplete, which could reduce transparency over gifts and hospitality. We assess the risk as low, as the officer disclosed the hospitality and no other instances were found.	We recommend that management reconciles RPQ declarations to the Gifts and Hospitality Register each year, so that information on officers' interests and relationships is complete and consistent across both records. This supports the consideration of completeness and accuracy of the related party disclosures in the financial statements. **Management response** Agreed that declarations of gifts or hospitality received in Officer RPQs will be referenced back to the register.

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Action plan

Assessment	Issue and risk	Recommendations
● Low	The Council could not provide a signed agreement for its 2025/26 Better Care Fund arrangement with the NHS Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board (ICB), as signing was not planned until 25 November 2026. We obtained alternative evidence of the arrangement and found no service delivery issues or disputes. However, operating without a signed agreement may create ambiguity over terms, responsibilities and risk sharing. Without a formal agreement, there is uncertainty over each party's rights and obligations if a dispute arises or service requirements change, and management may be unable to demonstrate effective governance of the arrangement. The alternative evidence we obtained mitigates this risk for the financial statements.	We recommend that the Council ensures its Better Care Fund agreement is in place and signed by both parties on a timely basis. **Management response** Agreed.

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Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2024/25 financial statements, which resulted in 13 recommendations being reported in our 2024/25 Audit Findings Report. We have followed up with management the progress of implementing our recommendations and updated position on the actions taken to address the recommendations are detailed below and on the next pages. We will undertake our own assessment of progress as part of our detailed procedures.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	As part of our council dwelling valuations testing, we identified that the Authority is not compliant with the requirements of CIPFA Code and Stock valuation for resource accounting 2016: guidance for valuers. The beacons identified are not valued once every five years as required by CIPFA Code. Non-compliance with the Code creates a risk that council dwelling is material misstated. Note that we are able to perform alternative procedure to gain assurance over the carrying value of council dwelling. We recommended that the Authority and its internal valuers revisit their approach and ensure that it is compliant with the Code and relevant guidance.	The review of the HRA beacons has been undertaken and a planned programme of valuation identified against the new beacon listing. Our review of the Authority's council dwelling valuations confirms that the internal valuer has revisited and revised their approach to ensure it is in line with the Code and relevant guidance.
X	Our assets under construction (AUC) testing identified schemes that have been completed and operational during the year. This should be reclassified to appropriate PPE category once operational, and depreciation (where applicable) is charged accordingly. We recommended that management should ensure timely review of the AUC schemes and ensure that any operational assets are reclassified out of AUC.	Management's review following publication of the draft financial statements identified assets that became operational during the financial year but have not been reclassified to the appropriate asset category. This resulted in material adjustments to the accounts. We have raised this recommendation again; see page 39.

Assessment

✓ Action completed

X Not yet addressed

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	Within the Capital Commitments disclosure, the Authority have reported their capital programme rather than contractual commitments within the Note. Upon challenge, the Authority does not specifically track the contractually committed balances by project and are likely unable to pull this note together. The audit team assessed that this is a departure from the Code although no material misstatement was noted as a result of the finding. We recommended that the Authority and its internal valuers revisit their approach and ensure that it is compliant with the Code and relevant guidance. We recommended that management review their processes for monitoring capital commitments and seek to quantify this balance.	This remains as an issue identified in our testing. This has been again included as part of our audit recommendation in 2025/26; see page 40.
X	As part of the review of Declarations of Interest for Members we identified 1 member and 5 officers for whom declarations had not been obtained by management as at 31/03/2025. As such, we went back to request the missing disclosure or perform alternative procedures to gain assurance that the related parties note disclosure is complete. We recommended that management obtain all Declarations of Interest for Members on a timely basis.	Whilst we have obtained all declarations from members and officers, we have identified another issue wherein not all gifts and hospitality declared has been captured. This has bee again included as part of our audit recommendation in 2025/26; see page 45.
X	We have identified as a part of our work that users are able to self authorise their own journals. We have raised a deficiency, and we have considered journals posted/approved by the same person as part of our testing. We recommended that management review the journal entry controls in place. We have not identified a material misstatement as a result of the deficiency identified.	This remains as an issue identified in our testing. This has been again included as part of our audit recommendation in 2025/26; see page 41.

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	Our review of future minimum leases payments for operating leases as a lessor identified that some of the annual rents are not updated following rent review. This resulted in an error in the disclosure which management updated. Not regularly updating the lease register could lead to material misstatement within the disclosure. We recommended that management ensure regular review of the lease register to reflect current lease payment and ensure material accuracy of the disclosure.	A similar issue has been identified, resulting in adjustments to the disclosure in the financial statements. The period used as the basis of the calculation had not been updated accordingly. We have included this again as a recommendation in our 2025/26 audit; see page 41.
X	The Council currently maintains its Fixed Asset Register (FAR) in Microsoft Excel, which may lack robust data recovery and integrity controls. This could pose a risk to the accuracy and completeness of asset records. Inability to recover any loss of data may result in a material misstatement within the financial statement. Where possible, we recommended that management automate its fixed asset register to maintain asset information and value. Alternatively, we recommend that management ensures regular backups of the FAR to a secure location (i.e., cloud storage) and restrict editing rights to authorised personnel and consider using password protection.	This remains as an issue identified in our testing. This has been again included as part of our audit recommendation in 2025/26; see page 41.
✓	Our testing identified that management has not accrued for VAT element of the invoice. Management represented that this was not known of at the time of accrual. Whilst reasonable, we deemed that management should accrue for VAT when they are already aware of the VAT element during close down process as this could have material impact in the creditor balance. We recommended that management should review their creditor balance and ensure that they have accrued for VAT element to ensure that creditors reflect total consideration payable in line with CIPFA code requirements.	Our creditors testing did not identify any non-accrued VAT on the creditors tested. Our assessment also indicates that a material misstatement is unlikely and, as such, we consider this previous recommendation to be addressed.

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	For our sampled asset in land and building valuation testing, the valuer was unable to provide documented evidence for site and floor plans. In addition, a number of assets don't have any supporting information in relation to the age of the asset. The valuer either used the historic data or information based on their judgment. We have performed alternative procedures to gain assurance over these data and assumptions. We recommended that management or valuer should maintain the supporting documentation/evidence for all assumptions adopted for the revaluation of the OLB assets.	We have not identified a similar issue in our audit. Under the new requirements of the Code for revaluing assets, the Authority formally revalued only a small number of assets, which limited the scope for such an issue.
X	While obtaining an understanding of Liberata (the service organisation that provides the Authority with services for the Council Tax and NNDR functions) it was identified from our inquiries that the service auditor report is not readily available. The lack of service auditor's report is a control deficiency regarding whether management have appropriate assurance that the systems and controls that the service organisation have put in place are effective. We recommended that management request a service auditor report from Liberata where available. We have not identified a material misstatement as a result of the deficiency identified.	This remains as an issue identified in our testing. This has been again included as part of our audit recommendation in 2025/26; see page 44.
✓	Our review of journals identified that IT provided an Oracle user ID to the wrong individual due to a duplicate name and role. This oversight only affected the individual's ability to view her journals, rather than creating a post-employment access issue for the other individual with the same name who had left. We recommended that the Authority's IT team implement a review process prior to granting access, ensuring that the correct user ID and roles are properly assigned.	We have not identified a similar issue during our testing and, as a result, we consider this recommendation to have been addressed.

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	Our auditor's expert review of the terms of engagement and valuation certificate lack certain elements that are required to be included as best practice in line with the guidance. We recommended that the Authority engaged with their valuer and ensure that these elements are sufficiently covered within terms of engagement and valuation certificate.	We have not used an auditor's expert in our work. Our review of the terms of engagement and the valuation certificate did not identify any significant missing elements, and we therefore consider this recommendation addressed.
X	Our review of heritage assets identified that the Authority's approach of valuation hasn't changed since 23/24 and placed reliance on the insurance certificate to determine the value at year end. We recommended that management carry out the valuation with sufficient frequency as best practice to ensure that it reflects the current value at year-end	This remains as an issue identified in our testing. This has been again included as part of our audit recommendation in 2025/26; see page 44.

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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 30th November each year from 2025-26. Our AAR accompanies this audit findings report.

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 identified significant weaknesses in arrangements, and our detailed commentary is set out in the separate AAR.

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Independence considerations

As we are Local Auditors of the Council in the United Kingdom ("UK"), we are required to follow International Standard on Auditing (UK) 260 and the Ethical Standard (December 2024) issued by the UK Financial Reporting Council (the "FRC Ethical Standard" or "The Standard").

All the above referenced standards require that we communicate at least annually with you regarding all relationships between Grant Thornton UK LLP in the UK ('Grant Thornton UK') and other Grant Thornton firms and associated entities ('Grant Thornton') and covered persons (as defined in the FRC Ethical Standard) and the Authority, its senior officers and its affiliates (the 'group') that, in our professional judgement, may reasonably be thought to bear on our integrity, independence and objectivity. In this context, there are no independence matters that we would like to report to you.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. We report the following matters to you: No such breaches have been identified.

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.

Non-audit fees

A schedule of our fees and non-audit services is set out further in this report, including an assessment of any perceived or actual threats to our independence and, where relevant, safeguards applied.

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.

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Independence considerations

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

Matter	Conclusion
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 group or investments in the Authority or group 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 or group.
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 or group, 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.

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Fees and non-audit services

The following tables below and on the following page 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 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.

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 fees	£
Audit of Authority	392,809
Additional work in relation to ISA 600 (revised)	5,000
Additional work in relation to IFRIC 14	3,000
Total	400,809

This covers all services provided by us and our network to the group/Authority, its senior officers and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

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Fees and non-audit services

Audit-related non-audit services

Service	Previous years fee	2024/25 £	2025/26 £	Threats Identified	Safeguards applied
Certification of Housing Benefits Subsidy claim	-	£54,136*	41,400**	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 £41,400 in comparison to the scale fee for the audit of £392,809 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.
Certification of Pooling of Housing Capital Receipts claim	-	£10,000	£10,000	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 £10,000 in comparison to the scale fee for the audit of £392,809 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.
Certificate of Teacher's Pension (2021/22 fee of £7,500, completed during 2025/26 and 2022/23 fee of £10,000 is in progress)	£17,500	-	-	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 £17,500 in comparison to the scale fee for the audit of £392,809 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.
Total	**£17,500**	**£64,136**	**£51,400**		

*Actual fee is higher than agreed due to additional work carried out.

**Estimate

This covers all services provided by us and our network to the group/Authority, its senior officers and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

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Fees and non-audit services

Total audit and non-audit fee for 2025/26

Audit fee:	**£400,809**	Non-audit fee:	£51,400
Add:			
Certification of Housing Benefits Subsidy claim 2025/26 fee	£41,400		
Certification of Pooling of Housing Capital Receipts claim 2025/26 fee	£10,000		
Total	**£452,209**		
Disclosed in Note 11 (External Audit Costs)	£459,000		
Variance	**(£6,791)**		
Additional estimated fee for certification of the Teachers' Pension return	**£10,000**	See note 1 below	
Additional fee in relation to IFRIC 14	**(£3,000)**	See note 2 below	
Final variance	**£209**	Rounding difference	

Note 1: This relates to an estimated 2025/26 fee for the certification of the Teachers' Pension return. The terms have yet to be agreed. We have asked management to disclose that the figure is an estimate.

Note 2: This relates to an additional fee for our work on IFRIC 14. The fee was not included in our audit plan, as it was finalised following discussion with Public Sector Audit Appointments (PSAA). As the amount is trivial, we do not expect management to amend the financial statements.

This covers all services provided by us and our network to the group /Authority, its senior officers and its affiliates, that may reasonably be thought to bear on our integrity, objectivity or independence.

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Additional fee analysis – fee variation for in year work

The following table sets out further information on additional fees in respect of in year work.

	2024/25	2025/26
Use of Auditor's Expert (PPE Valuation)	(£90)	-
Additional work in relation to ISA 600 (revised)	£5,000	£5,000
IFRS 16 review	£10,000	-
Additional procedures performed in relation to Council Dwelling Valuations	£3,500	-
Additional procedures performed in relation to IFRIC 14 (asset ceiling)	-	£3,000
Total	**£18,410**	**£8,000**
Audit Scale Fee	£386,004	£392,809
Total audit fees	**£404,414**	**£400,809**

The above is subject to review by PSAA who will make a final determination.

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Appendices

A. Communication of audit matters with those charged with governance

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 of the firm and senior engagement team members	●	●
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 including support measures when making the going concern assessment	●	●
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	●	●
Key audit partners involved in the audit		●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Methodology used to perform the current year's audit and details of any substantial variation between system and compliance testing from the previous year		●
Quantitative level of materiality determined and qualitative factors considers in its determination		●

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A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
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 and whether that deficiency has been resolved by management		●
Significant matters arising in connection with related parties		●
Other matters that are significant to the oversight of the financial reporting process		●
Confirmation of independence of external experts or other auditors used as part of the audit		●
Valuation methods employed and impact of changes to methods		●
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		●
Confirm all requested explanation and documents have been provided		●
Distribution of tasks amongst auditors where more than one auditor has been appointed		●
Identify work performed by component auditors outside of the GTIL network in relation to consolidated financial statements		●
Scope of consolidation and compliance with financial reporting framework		●
Expected modifications to the auditor's report, or emphasis of matter		●

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A. Communication of audit matters with those charged with governance

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 senior officers 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.

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