

Audit Findings (ISA 260) Report for Epsom and Ewell Borough Council

Year ended 31 March 2025

January 2026

Epsom and Ewell Borough Council

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Dear Members of the Audit and Scrutiny Committee

Audit Findings for Epsom and Ewell Borough Council for the 31 March 2025

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

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Chartered Accountants

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We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at [transparency-report-2024-.pdf \(grantthornton.co.uk\)](https://grantthornton.co.uk/transparency-report-2024-.pdf).

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

Ade O Oyerinde

Director
For Grant Thornton UK LLP

Chartered Accountants

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1 Headlines and status of the audit

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Epsom and Ewell Borough Council (the 'Authority') and the preparation of the Group and Authority's financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

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

- the 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), Narrative Report, is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work started in September and is substantially complete. Our findings are summarised on pages 15 to 29. We have identified one misclassification which management adjusted for and had no impact to your Group Comprehensive Income and Expenditure Statement. We also identified three unadjusted misstatement which were not material individually or in aggregate. We made one recommendations and followed up on prior year's recommendations. Further details are set out on pages 35 to 42.

Subject to the satisfactory conclusion of the outstanding matters listed below, there are no matters of which we are aware that would require modification of our audit opinion. The outstanding matters include:

- receipt and review samples for housing benefit expenditure – 9 samples; right-of-use assets and lease liabilities (IFRS 16) – 6 samples; operating lease – 4 samples; additions – 1 sample;
- receipt and review working papers to estimation uncertainty disclosure; accounts consistency checker; going concern cashflow forecast;
- audit completion of LT and ST debtors; allowance for credit loss; collection fund; audit fee; financial instruments; related parties; litigation and claims;
- receipt and review of pension queries;
- final audit file reviews by Engagement Manager and Engagement Lead
- receipt and review of final financial statements and letter of representation.

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

Our anticipated financial statements audit report opinion will be unmodified subject to satisfactory resolution of the outstanding items above.

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:

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

We have completed our VFM work, which is summarised on page 4, and our detailed commentary is set out in the separate Auditor’s Annual Report, which is presented alongside this report. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

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

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

We have completed the majority of work required under the Code. However, we cannot formally conclude the audit and issue an audit certificate in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until:

- where there is outstanding work to be performed in relation to consolidation returns;
- where there is outstanding work to be performed in relation to audit work; and
- the NAO confirms that the group audit for Whole of Government Accounts has been certified and that no further work is required by local government auditors to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code

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

Significant matters

All information and explanations requested from management was provided except as detailed in Section 1 of the report. During the course of the audit, our audit team faced challenges around receipt of information. The information for Property, plant and equipment and Investment properties were provided with significant delays. The outstanding matters have been detailed on page 6. As a result of these delays, we were unable to finish the audit work by the end of December 2025.

Headlines

National context – audit backlog

Government proposals around the backstop

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

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

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

Headlines

Implementation of IFRS 16

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

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

Introduction

IFRS 16 updates the definition of a lease to:

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

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

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

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

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

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

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

Impact on the Authority

As part of the 24/25 accounts preparation, the Authority had to consider the following:

- whether the standard had a financial material impact upon the statements
- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that required updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Management have undertaken an IFRS 16 assessment in 2024/25 and concluded the impact is not material for the Council for the right of use assets. We set out our audit progress within ‘Other risks’ on page 22.

2 Group audit

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	Key Audit Partner / Responsible Individual	Status	Comments
Epsom and Ewell Borough Council	Yes			Grant Thornton UK	Ade O Oyerinde (RI)	●	Audit work on the Council is substantially complete subject to the outstanding items listed on page 6. We set out our audit findings on pages 23 to 29 of this report.
Epsom and Ewell Property Investment Company (EEPIC)	Yes			Grant Thornton UK	Ade O Oyerinde (RI)	●	As set out in our Audit Plan, we focused our work on material balances which included the following: <ul style="list-style-type: none"> investment properties cash at bank rental revenue gain/(loss) on revaluation of investment properties
Key							Our work is complete. There are no issues to bring to the attention of those charged with governance.

Audit of entire financial information of the component, either by the group audit team or by component auditors (full-scope)

Specific audit procedures designed by the group auditor (specific scope)

Specific audit procedures designed by a component auditor (specific scope)

Out of scope components are subject to analytical procedures performed by the Group audit team to group materiality.

● Planned procedures are substantially complete with no significant issues outstanding.

● Planned procedures are ongoing and are subject to review with no known significant issues.

● Planned procedures are incomplete and/or significant issues have been identified that require resolution.

3 Materiality

Our approach to materiality

As communicated in our Audit Plan in April 2025, we determined materiality at the planning stage as £1.3m for the Group and £1.24m for the Council. The headline materiality is based on 2.5% of prior year gross expenditure for the Group and Council respectively. At year-end, we have reconsidered planning materiality based on the draft financial statements. Based on the updated figures, materiality for the Group and all components has not changed significantly. Accordingly, we have decided to retain the planning materiality previously set.

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

Basis for our determination of materiality

- We have determined materiality at £1.3m for Group and £1.24m for Council based on professional judgement in the context of our knowledge of the Group and Authority.
- We have used 2.5% of gross expenditure as the basis for determining materiality.

Performance materiality

- We have determined performance materiality at £0.98m for the Group and £0.93m for the council. This is based on 75% of headline materiality.

Component Performance materiality

- Where audit work on components is being performed using component performance materiality, this has been set at £0.54m with the component materiality used reflecting the relative risk and size of that component to the group.

Reporting threshold

- We will report to you all misstatements identified in excess of £65k, in addition to any matters considered to be qualitatively material.

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

	Group (£)	Authority (£)
Materiality for the financial statements	1,300,000	1,235,000
Performance materiality	975,000	926,000
Reporting threshold	65,000	65,000

4 Overview of significant and other risks identified

Overview of audit risks

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

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

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

Risk 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	↔	✓	High	●
Valuation of Properties (Land and Building and Investment Properties)	Significant	↔	✗	High	●
Valuation of Pension fund net liability	Significant	↔	✗	High	●
The revenue cycle includes fraudulent transactions	Significant	↔	✓	Low	●
The expenditure cycle includes fraudulent transactions	Significant	↔	✓	Low	●
Implementation of IFRS 16	Other	↔	✗	Low	●

↑ Assessed risk increase since Audit Plan

↔ Assessed risk consistent with Audit Plan

↓ Assessed risk decrease since Audit Plan

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

Significant risks

Risk identified	Audit procedures performed	Key observations
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p>	<p>We have:</p> <ul style="list-style-type: none">evaluated the design effectiveness of management controls over journals;analysed the journals listing and determine the criteria for selecting high risk unusual journals;tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; andevaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>We tested a total of 23 journals.</p>	<p>Our audit work is complete. There are no issues to bring to the attention of those charged with governance.</p>

Significant risks

Risk identified	Audit procedures performed	Key observations
<p>Valuation of Properties (Land and Building and Investment Properties)</p> <p>The value of Groups Land and building assets amounts to £79.4m as at 31 March 2025 (Council's £79.4m).</p> <p>Group's Investment properties are valued at £113m as at 31 March 2025 (Council's £63.6m).</p> <p>The Council revalues high value Other Land and buildings on an annual basis and the remainder of assets on a rolling five-yearly basis. The Council as required by the Code has all Investment properties revalued on an annual basis.</p> <p>The valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>We therefore identified valuation Property assets including Investment Properties and Other Land and buildings, particularly revaluations and impairments, as a significant risk.</p> <p>The significant risk relates to the complexity of the valuation and is pinpointed to the key inputs and assumptions underlying the valuations including land values, build cost indices, gross internal areas, obsolescence, rental values, vacancy rates and yields.</p>	<p>We have:</p> <ul style="list-style-type: none">evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;evaluated the competence, capabilities and objectivity of the valuation expert;written to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirement of the Code are met and discuss this basis where there are any departures from the Code;challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding;completed analytical procedures on the valuation report, with reference to external market data, to identify those assets at greater risk of material misstatement.assessed how management have challenged the valuations produced by the professional valuer to assure themselves that these represent the materially correct current value;tested revaluations made during the year to see if they are input correctly into the Authority's asset register; andevaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.	<p>Our review is complete. Our review identified the following:</p> <ul style="list-style-type: none">testing on Investment property sample identified discrepancies in the current rental amount and lease term used by your expert when compared to the supporting records held by Council. This resulted in net impact difference of £149k in valuation. Management has decided not to post the adjustment, considering that the net impact is immaterial. We have therefore included this in our unadjusted misstatement. <p>Other than the matter described above, our work on property valuations have not identified any other material issues.</p>

Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of net pension liability	<p>We have</p> <ul style="list-style-type: none">updated our understanding of the processes and controls put in place by management to ensure that the pension fund net liability is not materially misstated and evaluate the design of the associated controls;assessed the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation;assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liabilities;tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuary;reviewed the council and the actuary's assessment of IFRIC 14 and tested its reasonableness in relation to if any adjustments are requiredundertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; andobtained assurances from the auditor of Surrey CC pension fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the Fund and the fund assets valuation in the Fund's financial statements.	<p>Our work on pension liabilities is substantially complete.</p> <p>We identified differences between pension contributions and benefits payable per the accounts and equivalent figures in your IAS 19 actuary report.</p> <p>We raised the queries with both Council's officers and your actuary. This work is in progress at the time of writing.</p> <p>Additionally, the Surrey Pension Fund auditors identified a £26.542m undervaluation of level 3 investments. The Council's share of this difference is approximately £531k. Management did not adjust the accounts as the amount is immaterial.</p> <p>Other than the matter described above, our work to date has not identified any material issue relating to Pension valuations.</p>

Significant risks

Risk identified

The revenue cycle includes fraudulent transactions

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. We have considered all revenue streams of the Council, and we have rebutted this risk for all revenue streams.

For revenue streams that are derived from Council Tax, Business Rates and Grants we have rebutted this risk on the basis that they are income streams primarily derived from grant and formula-based income from central government and taxpayers and that opportunities to manipulate the recognition of these income streams is very limited.

For other revenue streams, we have identified from our experiences as your auditor and through our understanding of your business processes around revenue recognition that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition;
- opportunities to manipulate revenue recognition are very limited;
- the culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable.

We do not consider this to be a significant risk for the Group and Council

Audit procedures performed

We have

- evaluated the Council's accounting policy for recognition of income from investment properties, Housing benefit subsidy, Interest income, Government Grants and fees and other charges for appropriateness;
- gained an understanding of the Council's system for accounting for income from commercial income, sales and other charges, and evaluate the design of the associated controls;
- agreed on a sample basis, amounts recognised as income from investment rents, fees and other charges and cost in the financial statements to supporting documents;
- tested the completeness of revenue within the 24/25 financial statements; and
- tested the associated trade receivables or debtors pertaining to investment rents and other sales and charges.

Key observations

Our audit work is complete. There are no issues to bring to the attention of those charged with governance.

Significant risks

Risk identified

The expenditure cycle includes fraudulent transactions

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.

We have completed a risk assessment of all expenditure streams for the Group. We have considered each material expenditure area, and the control environment. We have concluded that there is no significant risk as:

- the control environment around expenditure recognition (understood through our documented risk assessment and understanding of your business processes) is considered to be strong; and
- we have not found significant issues, errors or fraud in expenditure recognition in the prior year audits.

Audit procedures performed

We have

- evaluated the Council's accounting policy for recognition of expenditure on goods, services, and contracts for appropriateness;
- gained an understanding of the Council's system for accounting for expenditure, including purchase orders, invoices, and payment processes, and evaluated the design of the associated controls;
- agreed on a sample basis, amounts recognised as expenditure in the financial statements to supporting documents such as supplier invoices and contracts;
- tested the completeness of expenditure within the 24/25 financial statements; and
- tested the associated trade payables or creditors relating to goods, services, and contractual payments.

Key observations

Our audit work is substantially complete. There are no issues to bring to the attention of those charged with governance

Other risks

Risk identified

First year Implementation of IFRS 16

The CIFPA Code of practice on Local Government Accounting requires authorities to apply the new leasing standard IFRS 16 from 1 April 2024.

Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as a right of use asset and a liability to make the lease payments.

The Council's 2024/25 draft accounts disclose a right of use asset balance of £0.65m and Lease liabilities of £1.76m.

There is a risk that the Council's processes do not capture all the arrangements that convey the right to use an asset, resulting in a failure to correctly account for the new leasing standard IFRS16.

Audit procedures performed

We have

- evaluated the Council's processes to identify all arrangements conveying the use of an asset to assess the impact of IFRS16 on the 2024/25 financial statements;
- checked that the impact on assets, liabilities, reserves and income and expenditure has been appropriately recorded within the financial statements;
- assessed the completeness of the disclosures made in the 2024/25 financial statements with reference to the 2024/25 CIFPA Code of practice on Local Government Accounting; and
- on a sample basis, agreed the amounts recognized for lease liabilities and right-of-use assets in the financial statements to underlying supporting documentation, such as lease agreements, payment schedules, and management calculations.

Key observations

Our audit work is currently in-progress and is subject to receipt of outstanding information from management as set out on page 6.

At the time of drafting report, we have not identified any issues to bring to the attention of those charged with governance.

5 Other findings

Other areas impacting the audit

This section provides commentary on new issues and risks which were identified during the course of the audit that were not previously communicated in the Audit Plan.

Significant matters

All information and explanations requested from management was provided except as detailed in Section 1 of the report. During the course of the audit, our audit team faced challenges around receipt of information for property valuations. The information for samples were provided with significant delays. The outstanding matters have been detailed on page 6. As a result of these delays, we were unable to finish the audit work by the end of December 2025.

Other findings – key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of land and buildings £79.4m at 31 March 2025	<p>Other land and buildings that were revalued in 2024/25 are part of the Council's asset base and are required to be valued at Depreciation replacement method (DRC) and existing use in value (EUV). The Council has engaged Wilks Head and Eve to complete the valuation of properties for the year ended as at 31 March 2025 on a five-yearly cyclical basis. About 19% of total land and buildings were revalued during 2024/25. The valuation of properties valued by the valuer has resulted in a net increase of £4.7 million for other land and buildings.</p> <p>Management has considered the current year value of non-valued properties, and the potential valuation change on the assets revalued as at 31 December 2024 (valuation date), considering industry average indices and rental income to determine whether there has been a material change in the total value of these properties. No adjustments were posted by the management for assets revalued during the year between the valuation date 31 December 2024 and the year end 31 March 2025.</p>	<p>Our work is complete on valuations of land and buildings. The Council has engaged Wilks Head and Eve (WHE) for the valuation of other land and buildings. We have considered and completed the following in the course of our audit:</p> <ul style="list-style-type: none">assessment of management's expert;impact of changes on the valuation method;consistency of estimate against Montagu Evans report;reasonableness of movement in estimates;adequacy of disclosure of estimate in the financial statements;for assets valued during the year, we have recalculated the valuation figures using the inputs taken the value; andfor assets not revalued during the year, we have recalculated the indexation to 31 March 2025 applied by the management using BCIS rate during the year and no material issues were noted. <p>Our work has not identified any issues regarding the accounting estimate.</p>	 Green

Assessment:

- [Red] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Amber] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Green] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of investment property £112.9m at 31 March 2025 for the Group	The Group's investment property portfolio has a value of £112.9 million (£63.6 million for the Council) as at 31 March 2025. All investment properties have been valued at fair value in 2024/25. The valuation of properties valued by the valuer has resulted in a net decrease of £2.3 million for investment properties. The Council has engaged Wilks Head and Eve to complete the valuation of properties for the year ended as at 31 March 2025. Management has considered the year-end value for potential valuation change in the assets revalued at 31 December 2024, considering industry average indices and rental income to determine whether there has been a material change in the total value of these properties. No adjustments were posted by the management for assets revalued during the year between the valuation date 31 December 2024 and the year end 31 March 2025.	<p>Our work on investment properties is complete. The Council has engaged Wilks, Head and Eve for the valuation of investment properties. We have considered and completed the following in the course of our audit:</p> <ul style="list-style-type: none">• assessment of management's expert;• impact of any changes on the valuation method;• consistency of estimate against Montagu Evans report;• reasonableness of movement in estimates;• adequacy of disclosure of estimate in the financial statements; and• evaluated classification of investment properties. <p>Our work has not identified any issues regarding the accounting estimate.</p>	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of net Pension Liability £6.3m at 31 March 2025	<p>The Council's IAS 19 Actuarial Valuation as at 31 March 2025 is £6.7m liability (PY £2.3m net asset) after the asset ceiling adjustment. The Council participates in the Local Government Pension Scheme (Surrey Pension Fund)</p> <p>Estimation of the net asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries is engaged to provide the fund managers with expert advice about the assumptions to be applied.</p> <p>The Council uses Hyman Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in March 2022. The next actuarial valuation currently in progress with results due early next year and effective from April 2026.</p> <p>Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.</p>	<p>The Council has engaged Hyman Robertson for the valuation of Pension liabilities. We have:</p> <ul style="list-style-type: none"> completed an assessment of management's expert with no issues noted. The actuary is independent and objective; completed an assessment of the approach taken by the actuary and concluded that an appropriate methodology is applied; used PwC as auditor's expert to assess the actuary's approach and assumptions made 	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Valuation of net pension liability (continued)		<ul style="list-style-type: none">reviewed the completeness and accuracy of the underlying information used to determine the estimatecompleted a reasonableness of the Council's share of LPS pension assets.completed a review of the reasonableness of increase/decrease in estimateadequacy of disclosure of estimate in the financial statements.	At the time of writing this report, our pension liabilities work was on-going and is subject to management's response to the queries raised.

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.

In our indicative audit plan, we included I-Trent as scoped in for our ITGC assessment however, following completion of our risk assessment, we determined that this is not a relevant IT application, therefore, no ITGC control assessment is required.

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	
Civica Financials	ITGC assessment (design and implementation effectiveness only)	●	●	●	●	None identified

Assessment:

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for assessment

6 Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	<ul style="list-style-type: none">• We have previously discussed the risk of fraud with the Audit and Scrutiny Committee. We have not been made aware of any other incidents in the period, and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	<ul style="list-style-type: none">• We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	<ul style="list-style-type: none">• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Confirmation requests from third parties	<ul style="list-style-type: none">• We requested from management permission to send confirmation requests to the Council's banking and investment counterparties. This permission was granted and the requests were sent. All the confirmations have been received.
Audit evidence and explanations	<ul style="list-style-type: none">• Yes, all information has been provided other than the outstanding information detailed on Page 6 of the report.
Significant difficulties	<ul style="list-style-type: none">• During our review property valuations, we identified discrepancies between the data provided to the valuer (WHE) and the supporting evidence provided by EEBC to the auditor. The issue occurred due to the departure of the previous internal surveyor, who provided the required information to the valuer but did not retain a copy of it. This led to delay in the completion of the work on Other land and buildings valuation and Investment properties valuation.• The new internal surveyor, supported by property and finance colleagues, was able to provide evidence and explanations for the rest of the areas as required subject to the outstanding items set out on page 6.
Disclosures	<ul style="list-style-type: none">• Our work to date has identified few disclosures misstatements, these have been discussed in "Audit adjustment" slide at page 36.
Written representations	<ul style="list-style-type: none">• We will seek a letter of representation from management before issuing an audit opinion. As work is still in progress, we are not yet able to confirm if any specific nonstandard representations will be required.

Other responsibilities

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none">• 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. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none">• 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. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none">• a material uncertainty related to going concern has not been identified; and• management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none">• if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit,• if we have applied any of our statutory powers or duties.• where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>Note that work is not required as the Authority does not exceed the threshold. We will complete the Assurance Statement after the conclusion of the audit and share with the NAO.</p>
Certification of the closure of the audit	<p>We intend to delay the certification of the closure of the 2024/25 audit of Epsom and Ewell Borough Council in the audit report until National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2025.</p>

7 Audit adjustments

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

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

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
			£'000	£'000
Reclassification of Expenditure Management had incorrectly classified employee benefit expenses within other service expenses.	Dr. Employee benefit expenses – 167 Cr. Other service expenses – (167)	N/a	N/a	N/a
Overall impact	0	0	0	0

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 15 – Property, Plant and Equipment	While performing review of capital commitment disclosure, we note the amount for Replacement of CRM per your records should have been £211k rather than £261k disclosed in the draft statements.	✓
Note 15 – Property, Plant and Equipment	According to CIFPA Code 4.2 related to lease, the Right-of-use assets should be disclosed separately from other assets in the Balance Sheet. Management reviewed the disclosure and amended "Vehicle Plant and Equipment" and "Other land and buildings" in accordance with the Code.	✓
Note 21 - Creditors	Testing of creditors disclosure identified a misclassification amounting to £70k wrongly disclosed within "Other Entities and Individuals" rather than "Other Local Authorities". This is a disclosure adjustment within creditors and have no impact on the overall creditor balance.	✓
Note 34 – Related Party transactions	We note from related party testing disclosures that were not compliant with the Code. Management reviewed the disclosure and amended to be compliant with the Code.	✓
Throughout	Typographical errors identified throughout the financial statements including accounting policies and disclosures have been updated. These have not been listed individually as they were not material individually or in aggregate.	✓

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

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
	£'000	£'000	£'000	£'000
Annual Holiday Accruals Management did not account for leave accruals at year-end as the amount involved is considered immaterial.	Dr Employee Benefit expenses -114	Cr Accruals - (114)	Increase in total net expenditure - 114	Reduction in general fund - 114
Overstatement on the Pension fund Liability The Surrey Pension Fund auditors identified a £26.542m undervaluation of level 3 investments in the investment reported in the financial statement and the value reported as per the fund manager's confirmation. The calculated difference allocated to the Council is £531k. Management opted not to adjust the accounts as it is not material.	N/a	Dr. Pension fund Liability - 531 Cr. Pension reserves - (531)	N/a	N/a – Impacts Unusable Pension reserves

Audit adjustments

Impact of unadjusted misstatements (continued)

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet £'000	Impact on total net expenditure		Impact on general fund £'000
	£'000		£'000	£'000	
Understatement on Investment Properties Testing on Investment property sample identified discrepancies in the current rental amount and lease term used by your expert when compared to the supporting records held by Council. Management has decided not to post the adjustment, considering that the net impact is trivial.	Cr. Movement in Investment Properties (149)	Dr. Investment Properties – 149	Decrease in total net expenditure -(149)	N/a – Impacts capital adjustment account	
Overall impact of current year unadjusted misstatements	(35)	35	(35)	114	

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	<p>Source Data Delivery to the Valuer (Property, plant and equipment and Investment properties)</p> <p>We identified discrepancies in the source data used by the Council's valuation expert compared to the supporting evidence maintained by the Council.</p> <p>Inaccurate or incomplete data supplied to valuers increases the risk of property valuations being misstated. Differences were noted in floor areas, rental amounts and lease terms used by the valuer versus those outlined in Council records, resulting in a valuation variance.</p>	<p>We recommend management ensure that all key data provided to your valuers such as floor areas, rental amounts, lease terms are accurate, complete and up to date. The evidence should be routinely retained.</p> <p>Management response</p> <p>Work is underway to ensure that all documentation required to support the figures supplied to the Council's external valuers is up to date and retained for future reference. This work will be complete before the audit of the 2025/26 accounts begins.</p>

Key

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

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in 3 recommendations being reported in our 2023/24 Audit Findings Report. We have followed up on the implementation of the recommendations as follows:

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	<p>Journal entries approval process</p> <p>During our assessment of the journal process, we identified that some of the journals during the year were posted by the Chief Financial Officer (S151), consistent with the previous year's practice, and were approved by a junior team member. Additionally, due to the size of the finance team, there were several instances where journal entries posted by a senior member of the finance team were approved by a junior team member. Although we have not identified any issue from our test of the journal entries sample selected, it is important to note that this practice may compromise the effectiveness of controls over journal entries due to the limited supervisory capacity in the approval process. This could increase the risk of errors, unauthorized or fraudulent entries, and undetected misstatements. Moreover, it may lead to insufficient review and oversight, potentially impacting the accuracy of financial reporting.</p>	<p>Management Response</p> <p>Within the new corporate structure, the Section 151 officer is now also the Director of Corporate Services. This wider remit will mean that the Section 151 officer will not have time to personally post journals and will limit his remit to reviewing these journals.</p> <p>Auditor view</p> <p>As part of our work on management override of controls, we did not identify any journals posted by the Section 151 officer or Director of Corporate services. Therefore, we are satisfied with the action.</p>

Assessment

- ✓ Action completed
- ✗ Not yet addressed

Follow up of prior year recommendations

We identified the following issues in the audit of the Authority's 2023/24 financial statements, which resulted in 3 recommendations being reported in our 2023/24 Audit Findings Report. We have followed up on the implementation of the recommendations as follows:

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p>Completeness of related parties</p> <p>During our audit of the related parties' disclosure, we perform independent check for related parties of the councillors using a Companies House Search to identify any related parties not included in the management's related party register. We found that one related party for one Councillor was missing from the register. As part of ensuring the completeness of related parties, management should have a control that should detect such omissions.</p>	<p>Management Response</p> <p>The legal duty for ensuring that elected Members declare their interests and keep that up to date throughout their term lies upon each elected Member. This is clear within the wording of the Member Code of Conduct adopt by the Council, which in turn adopted the LGA Model Code. They are reminded of this when they are provided training as part of their induction shortly after their election and this is repeated after each 4-year term. The recommendation is disproportionate to the identified risk and where no material consequences have been evidenced. The Council does not consider the additional resources required to adopt the recommendation to be either essential or proportionate, particularly as Council budgets and resources are under significant pressure.</p> <p>Auditor view</p> <p>At the time of drafting the report, our work on related parties is in-progress.</p>

Assessment

- ✓ Action completed
- ✗ Not yet addressed

Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p>Investment properties formal valuation</p> <p>During our audit, we found that seven investment properties were not formally revalued in FY 2025. Upon pro-rating the opening value to the overall percentage movement in the value of re-valued investment properties, we did not identify any material adjustment in terms of these properties' valuation. In our opinion, all investment properties as at the year-end should be revalued every year in accordance with the CIPFA Code.</p>	<p>Management Response</p> <p>While management recognises the provision within the CIPFA Code, the properties in question are relatively small and this does not result in a material misstatement to the accounts. In light of the fact that these properties are not material, the Council does not consider the cost of the yearly valuation essential, particularly as Council budgets are under significant pressure, and will seek to review the valuation of these properties over a longer time period.</p> <p>Auditor view</p> <p>We have considered management's position and agree that, based on our materiality assessment, the omission of annual valuations for these properties does not result in a material misstatement. The total amount of investment properties amounts to £50k which is below our triviality. However, the CIPFA Code requires management to perform an annual review to confirm that carrying amounts remain materially accurate. Management should review the classification of the assets to determine whether they meet the criteria for investment properties or should be reclassified under a different asset category.</p>

Assessment

✓ Action completed

X Not yet addressed

8 Value for Money arrangements

Value for Money arrangements

Approach to Value for Money work for the year ended 31 March 2025

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



Improving economy, efficiency and effectiveness

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



Financial sustainability

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



Governance

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

In undertaking this work we have not identified any significant weaknesses in arrangements. We made one improvement recommendation and reiterated three prior year improvement recommendations.

9 Independence considerations

Independence considerations

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

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

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Authority or group 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 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 and 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.

Fees and non-audit services

The following tables below sets out the total fees for audit and non-audit services that we have been engaged to provide or charged from the beginning of the financial year to current date, 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 group's and 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.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Epsom and Ewell Borough Council. The table summarises all non-audit services which were identified and shows reconciliation with statement of accounts. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees that is detailed below;

Reconciliation of audit fees note	Audit Fees (£000)
Fee per draft accounts	337
Audit findings report:	
• Audit fee for financial year 2024/25	170
• Additional audit fee for financial year 2023/24	20
Reconciling items:	
• Housing benefit subsidy claim certification 2022/23	45
• Housing benefit subsidy claim certification 2023/24	45
• Housing benefit subsidy claim certification 2024/25	57
Total	337
Difference	-

Audit fees	£
Audit of Authority	£169,922
Additional work related to IFRS 16 **	£8,500
Additional audit costs due to delay in receipt of information **	£4,750
Total	£183,172

The above fees are exclusive of VAT and out of pocket expenses.

** The additional fee is subject to approval from PSAA.

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

Fees and non-audit services

Audit-related non-audit services

Service	Fees	Threats Identified	Safeguards applied
Certification of Housing Benefits Grant return	<p>For the 2022-23 audit the Core Fee was £45,450, with additional fees identified, due to additional testing as required by the DWP instructions. The 2022-23 work was certified on 7 April 2025 and total fee billed amounts to £88k.</p> <p>The 2023-24 audit is in-progress with core fee amounting to £45,460 Based on the 2023-24 fee, and CPI rate, we would anticipate the fee to be comparable to the above for 2024-25.</p> <p>However, this will be dependent on whether additional testing is identified as being required in those years.</p>	<p>Self-Interest (because this is a recurring fee)</p> <p>Self-review (because Grant Thornton provides audit services)</p>	<p>The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is small in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.</p> <p>To mitigate against the self-review threat, the timing of certification work is done after the audit has completed. Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable and PHR in future years. Any changes to the form will be agreed with the council before we conclude our report to any reporting body. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision.</p> <p>The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by the reporting body.</p>

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	●	●
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	●	●
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	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures	●	
Significant findings from the audit	●	
Significant matters and issue arising during the audit and written representations that have been sought	●	
Significant difficulties encountered during the audit	●	
Significant deficiencies in internal control identified during the audit	●	
Significant matters arising in connection with related parties	●	

A. Communication of audit matters with those charged with governance

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

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

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

Respective responsibilities

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

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

Distribution of this Audit Findings report

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

B. Our team and communications

Grant Thornton core team

Ade Oyerinde

Engagement Lead/
Key Audit Partner

- Key contact for senior management and Audit and Scrutiny Committee
- Overall quality assurance

Usman Rasheed

Audit Manager

- Audit planning
- Resource management
- Performance management reporting

Justine Thorpe

Value for Money Manager

- Planning the Value for Money audit
- Drafting and agreeing the Annual Audit report with management.

Matthew G Cronin

Audit Assistant Manager

- Audit team management
- Day-to-day point of contact
- Audit fieldwork

Pool of specialists including IT and financial modelling

Service delivery

Formal
communications

- Annual client service review

Audit reporting

- The Audit Plan
- Audit Progress and Sector Update Reports
- The Audit Findings Report
- Auditor's Annual Report

Audit progress

- Audit planning meetings
- Audit clearance meetings
- Communication of issues log

Technical support

- Technical updates

Informal
communications

- Open channel for discussion

- Communication of audit issues as they arise

- Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

C. Logistics

The audit timeline





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