

Preliminary Forensic Review of Kent County Council Draft Statement of Accounts 2025/26

Prepared for consideration by a member of KCC's Audit and Governance Committee

17 September 2026

This report does not allege fraud, unlawful expenditure or that money is missing.

It is a document-based review of KCC's draft 2025/26 accounts before completion of the external audit. Its purpose is to identify internal inconsistencies, unclear reconciliations, stale references and matters where an officer or Grant Thornton explanation is required before the final accounts are approved.

1. Scope, method and standard of proof

Local-authority accounts are not company accounts. This review has therefore been carried out using the structure and logic of English local-government accounting: the CIPFA/LASAAC Code, statutory adjustments between accounting and funding, usable and unusable reserves, the Dedicated Schools Grant (DSG), group consolidation and the separate Kent Pension Fund accounts.

A difference between two figures is not labelled an error merely because the figures look different. A point is described as a confirmed internal inconsistency only where the draft itself uses incompatible figures, dates, classifications or cross-references. Where there may be a valid technical accounting explanation, the report says so and frames the point as a reconciliation or audit-evidence question.

KCC states that the Independent Auditor's Report will be provided by Grant Thornton UK LLP after completion of the annual audit. The matters below should therefore be read as matters for correction or explanation during that process, not as conclusions about the final audited accounts.

Page references throughout this report are to the page numbers printed in KCC's Draft Statement of Accounts 2025/26, not the PDF viewer page count.

2. A plain-English guide to the terms used

CIES: The Comprehensive Income and Expenditure Statement is the council-accounting equivalent of the main annual income-and-expenditure statement. It records the accounting cost of services, not simply the amount charged to council tax.

Cash Flow Statement: This starts from the accounting surplus or deficit and adjusts for non-cash items and investing/financing movements to explain changes in cash.

Financial instruments: These are contracts such as loans, investments, bank balances and some debtors/creditors. The same underlying balance can sometimes be presented differently for cash-flow purposes and financial-instrument classification, so a mapping between notes is important.

Group Accounts: These combine KCC with material controlled companies and account for material joint ventures/associates under the relevant group-accounting rules.

Usable and unusable reserves: A large reserve figure is not the same as cash available to spend. Some reserves can fund services; others are accounting/statutory adjustment accounts and cannot simply be spent.

Kent Pension Fund: KCC administers the Fund, but its assets and liabilities are accounted for separately from KCC's own finances. A Pension Fund disclosure issue is therefore not automatically an issue with KCC's General Fund.

3. Important controls that appear to work

The Council's single-entity Comprehensive Income and Expenditure Statement reports a £79.968m surplus on the provision of services, and the single-entity Cash Flow Statement starts from the same £79.968m figure. This is an important control: there is no mismatch between those two primary KCC statements.

Where to find it: CIES p.21; Cash Flow Statement p.26.

The Capital Financing Requirement also reconciles. It moves from £1.295904bn to £1.277635bn, a reduction of £18.269m. Note 19 identifies the £67.485m statutory provision for financing capital investment and the other movements used in the reconciliation.

Where to find it: Note 19, pp.77–78; related reserve adjustment p.51.

KCC has recognised the principal 2025/26 change to the CIPFA/LASAAC asset-valuation regime. Its narrative explains the five-year/rolling professional revaluation cycle supported by indexation in intervening years, and Note 17 contains the valuation/indexation disclosures. A later point in this report asks for clarification of one sentence in that disclosure; it does not allege that KCC failed to adopt the new regime.

Where to find it: narrative p.6; Note 17, pp.60–68.

4. Findings and matters requiring explanation

1. £34.090m is not missing — but it is classified differently in the financial-instruments note and the Balance Sheet

The Balance Sheet shows £3.313m of short-term investments and £34.090m of positive cash and cash equivalents at 31 March 2026. Note 29 identifies that £34.090m as same-day-access call accounts. It also shows a negative £64.730m bank-current-account balance, producing net cash of negative £30.640m.

Note 39 does not omit the £34.090m from its overall financial-asset totals. Instead, the arithmetic shows that it has been included within the line headed “Investments”. Note 39 shows £37.403m of short-term investments. The Balance Sheet shows only £3.313m of short-term investments. The difference is exactly £34.090m:

$£37.403m - £3.313m = £34.090m.$

The same mapping occurs in the Group Accounts. The Group Balance Sheet shows £3.313m of short-term investments and £51.552m of positive cash. Group Note G8 shows £37.403m of short-term investments and only £17.462m of cash. Both presentations total £54.865m, because £34.090m has moved from the cash heading to the investments heading in G8.

This is therefore not a “missing cash” issue. The question is whether KCC intentionally classifies the same-day-access call accounts as investments for the financial-instruments disclosure while classifying them as cash and cash equivalents in the Balance Sheet, and, if so, why the note does not explain that mapping. KCC's own financial-instruments policy lists cash and bank/deposit accounts among financial assets, so a clear reconciliation would help members understand the presentation.

Where to find it: Balance Sheet p.25; Note 29 p.101; Note 39 pp.116–117; Group Balance Sheet p.135; Group Note G6 p.139; Group Note G8 p.141.

Assessment: the amount is accounted for in the totals. This is a classification/reconciliation question, not evidence of omitted or missing cash.

2. The 31 March 2025 cash comparative differs by £468,000

Note 29 gives the 31 March 2025 bank-current-account balance as negative £40.297m and call accounts as £142.511m, producing net cash of £102.214m.

The primary Balance Sheet instead shows positive cash and cash equivalents of £142.979m and negative cash of £40.297m, producing £102.682m net cash. The Cash Flow Statement also uses £102.682m as the 2024/25 closing/brought-forward figure. Group Note G6 uses the same £142.979m call-account comparative.

The difference between £142.979m and £142.511m is £468,000. Three parts of the draft point to £142.979m, while Note 29 points to £142.511m. The correct comparative should therefore be confirmed and the outlier corrected or reconciled.

Where to find it: Balance Sheet p.25; Cash Flow Statement p.26; Note 29 p.101; Group Note G6 p.139.

Assessment: clear comparative discrepancy requiring correction or a specific reconciliation.

3. The detailed schools-reserves table shows zero movement despite a £1.477m change

Note 23 first reports schools reserves falling from £58.490m to £57.013m, a movement of £1.477m.

The detailed table on the following page shows committed school reserves changing from £19.252m to £13.577m, uncommitted reserves changing from £38.912m to £42.997m, and community-focused reserves changing from £325,000 to £439,000. Despite those different opening and closing balances, every “Movement in year” cell is shown as zero and the total movement is also shown as zero.

The component changes net to about £1.477m after rounding, so the headline table and closing balance are understandable. The detailed movement column, however, cannot be correct as printed.

Where to find it: Note 23 usable reserves p.89; detailed Schools Reserves table p.90.

Assessment: clear table/presentation error.

4. The Group Balance Sheet contains systematically wrong note references

The contents page identifies the Group notes as G4 Debtors, G5 Creditors, G6 Cash & Cash Equivalents, G7 Reserves, G8 Financial Instruments and G9 Group Operating Cash Flow.

The Group Balance Sheet on page 135 then points the reader to different notes: long- and short-term debtors are marked G5 rather than G4; cash is marked G7 rather than G6; creditors are marked G6 rather than G5; and investments/borrowing are marked G9 even though G9 is the Group operating cash-flow note.

These errors do not change net assets, but they prevent a reader from following the audited trail cleanly and indicate that the final Group Balance Sheet note numbering was not fully cross-checked.

Where to find it: Contents pp.2–3; Group Balance Sheet p.135; Group Notes G4–G9 pp.139–142.

Assessment: confirmed document-control/cross-reference errors.

5. Interventions Alliance Local Partnership is described as both a 100% subsidiary and a 50:50 joint venture

The Group boundary table states that “Interventions Alliance Local Partnership” is a 100% subsidiary and is consolidated. On the following page, the narrative says “Intervention Alliance Local Partnerships is a joint venture owned equally by CSKL and Interventions Alliance” and that it was incorporated in March 2026.

Those are different accounting relationships. KCC's stated Group policy consolidates subsidiaries line by line, while joint ventures are dealt with using the equity method. The draft therefore needs to state which relationship is correct and what treatment was actually applied.

Because the entity was incorporated in March 2026, the financial effect may be immaterial in this first period. That does not remove the need for the classification and accounting treatment to be consistent.

Where to find it: Basis of Identification of the Group Boundary p.128; Basis of Preparation/Commercial Entities p.129.

Assessment: clear contradictory disclosure; the actual accounting treatment should be confirmed.

6. Group Note G8 aggregates the £1.002m associate/joint-venture balance into its investment total

The Group Balance Sheet separately reports £1.002m as “Investments in associates and joint ventures” and £287.328m as “Long-term investments”.

Group Note G8 reports long-term investments of £197.541m at fair value through profit or loss plus £90.789m at amortised cost, totalling £288.330m. That total is not arithmetically unexplained:

£287.328m + £1.002m = £288.330m.

The question is one of accounting classification and disclosure. KCC says joint ventures are accounted for using the equity method, while G8 is headed “Financial Instruments”. Officers and the auditor should therefore explain why the separately disclosed £1.002m associate/joint-venture carrying amount is included within G8’s financial-instrument investment total, and identify the relevant accounting basis.

This report does not assume the treatment is wrong; the arithmetic shows where the £1.002m has gone and asks whether its classification within G8 is appropriate.

Where to find it: Group accounting policy p.129; Group Balance Sheet p.135; Group Note G8 p.141.

Assessment: the figures reconcile arithmetically, but the accounting classification requires explanation.

7. The PPE/indexation assurance uses a 31 March 2025 current-value comparator — this needs clarification, not an assumption of error

KCC correctly explains the new 2025/26 PPE regime and says assets not revalued or indexed in 2025/26 were considered and analysed. It then says that their carrying amount at 31 March 2026 is “not materially different to their current value as at 31 March 2025”.

Read in isolation, that is an unusual assurance for accounts ending 31 March 2026 because it compares a 2026 carrying amount with a 2025 current value. However, CIPFA’s published indexation FAQs explain an important transitional point: under the previous Code, balances at 31 March 2025 can be treated as materially up to date, and the first 31 March 2026 indexation calculation is compared with the 31 March 2025 index.

That means the reference to 31 March 2025 should not simply be labelled a typo. The Committee should instead ask KCC and Grant Thornton to explain exactly what population of assets this sentence covers, why those assets were neither revalued nor indexed in 2025/26, and how the stated comparison demonstrates compliance with the 2025/26 Code.

Where to find it: narrative explanation of the 2025/26 accounting change p.6; Note 17 valuation/indexation disclosure p.68.

Assessment: clarification/audit-evidence point. The published wording is not, by itself, sufficient evidence of an accounting error.

8. The Dedicated Schools Grant note carries old or mixed regulatory references

The Dedicated Schools Grant balance itself is not challenged by this report. KCC’s DSG Adjustment Account closes at £130.463m and the detailed movements can be followed through the accounts.

The issue is the legal description on page 104. KCC says the schools budget is defined in the “School Finance and Early Years (England) (No 2) Regulations 2022” and then says the accounts have been produced in accordance with the “Schools and Early Years Finance (England) Regulations 2020”.

For 2025/26, the Department for Education’s conditions of grant state that the schools budget and its management/reporting are governed by the School and Early Years Finance (England) Regulations 2025. The separate-reserve accounting treatment for a DSG deficit comes from the local-authority capital-finance/accounting regulations introduced in 2020 and extended for the relevant accounts.

The draft therefore appears to combine older schools-finance references with the separate accounting regulations. That is a legal/disclosure wording issue, not evidence that the £130.463m DSG balance is arithmetically wrong.

Where to find it: Note 24 DSG Adjustment Account pp.91 and 97; Note 36 Dedicated Schools Grant p.104.

Assessment: regulatory wording should be checked and updated; the £130.463m balance itself is not challenged on this evidence.

9. The approximately £9.03m pooled-investment adjustment needs an eligibility check under the changed 2025/26 law

The detailed Pooled Investment Adjustment Account shows a £9.032m downward revaluation in 2025/26, taking the account from £2.588m to negative £6.444m. The summary table shows the movement rounded to £9.033m.

The statutory override changed from 1 April 2025. The 2025 amendment regulations continue the override until 31 March 2029 only for relevant pooled investments made before 1 April 2024. The explanatory memorandum states that pooled-fund investments made on or after 1 April 2024 must be accounted for under IFRS 9 from 1 April 2025.

KCC's published note does not identify the acquisition dates of the pooled investments making up the 2025/26 movement. The accounts therefore do not provide enough information to determine eligibility either way.

This is not an allegation that KCC used the override incorrectly. It is an audit-evidence question: members should be able to see the investment-by-investment schedule that supports use of the statutory override.

Where to find it: Note 24 summary p.91; detailed Pooled Investment Adjustment Account p.96.

Assessment: important 2025/26 compliance check; no breach can be concluded from the published accounts alone.

10. The narrative attributes the £1.5313bn final budget to the wrong decision/date

Page 10 says: "In February 2025 the Council approved the net revenue budget for 2025/26, totalling £1,531.3m."

Later in the same accounts, KCC gives the fuller chronology. It says Full Council approved £1.5309bn on 13 February 2025. It then explains that business-rate and late grant changes were reported to Cabinet on 4 March 2025 and increased the final net revenue budget to £1.5313bn.

The difference is £400,000. More importantly for governance, KCC's own detailed narrative says the £1.5313bn figure was reached after the March changes rather than being the figure approved by Full Council in February.

Where to find it: Financial Report p.10; Budget narrative pp.14–15.

Assessment: clear narrative/governance chronology inconsistency.

11. The Kent Pension Fund investment "reconciliation" is incomplete by £84.947m as printed

The Kent Pension Fund is accounted for separately from KCC's own finances. Its Net Assets Statement reports net investment assets of £9.420093bn at 31 March 2026.

Note 15a is headed "Reconciliation of movements in investments and derivatives". Its total row starts with £8.448364bn, then shows £2.347376bn of purchases, £2.265605bn of sales/proceeds and £805.011m of market-value change. Using the movements printed gives:

$£8.448364bn + £2.347376bn - £2.265605bn + £0.805011bn = £9.335146bn.$

The closing figure printed in the same row is £9.420093bn, a difference of £84.947m.

The likely explanation is visible in the "Other investment balances" section: balances such as investment cash, margin cash and investment income due change between the opening and closing dates, but their movement columns are not fully populated. For example, the investment-cash row moves from £306.353m to £229.414m, but the movements printed on that row calculate to £150.105m, leaving £79.309m of the movement unexplained on the face of that row.

This is not evidence of £84.947m missing from the Pension Fund. The closing £9.420093bn agrees with the Net Assets Statement. The issue is that a table described as a reconciliation cannot be reproduced from the movements it prints and therefore needs an additional bridge or complete movement figures.

Where to find it: Kent Pension Fund Net Assets Statement p.146; Note 15 investments pp.158–159.

Assessment: strong presentation/reconciliation issue; not evidence of missing assets.

12. £714.804m of Pension Fund direct property is described as both Level 2 and Level 3

Fair-value levels tell readers how much observable market evidence underpins a valuation. Level 2 relies mainly on observable market inputs; Level 3 involves significant unobservable inputs and greater judgement.

The Pension Fund's valuation-method table classifies direct property as Level 3. The year-end fair-value hierarchy also places £714.804m of direct property in Level 3.

But the explanatory text between those disclosures says that Level 2 investments include “direct property investments”. The three statements cannot all be correct. The detailed valuation-method table and the year-end hierarchy both point to Level 3, so the intervening Level 2 narrative appears stale, but the auditor should confirm the intended classification.

Where to find it: Kent Pension Fund Note 17, valuation-method table p.167; Level 2/Level 3 narrative p.169; year-end hierarchy p.170.

Assessment: clear contradictory disclosure; likely stale narrative text.

13. The Pension Fund McCloud disclosure is years out of date

The 2025/26 Pension Fund accounts say that legislation to implement the McCloud remedy “is now being drafted”, that updated regulations were to be consulted on in 2023 and that the earliest effective date was expected to be October 2023.

That wording is no longer current. The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 were made on 5 September 2023 and came into force on 1 October 2023.

A 2025/26 Statement of Accounts should therefore not describe those regulations as still being drafted or awaiting a 2023 consultation. The surrounding actuarial calculations may still be valid; the point identified here is that the legal narrative is stale.

Where to find it: Kent Pension Fund Note 20, p.181.

Assessment: confirmed stale disclosure.

14. Group Note G7 uses 2025/26 dates in the 2024/25 comparative column

Group Note G7 presents side-by-side columns headed 2024/25 and 2025/26. In the 2024/25 column the table nevertheless labels the opening balance “Balance at 1 April 2025” and the closing balance “Balance at 31 March 2026”.

Those dates belong to 2025/26. The 2024/25 comparative column should relate to 1 April 2024 to 31 March 2025. This is visible in the published page itself and is a straightforward labelling error.

Where to find it: Group Note G7, p.140.

Assessment: clear comparative-date error.

15. Additional cross-reference/finalisation errors

The draft contains further incorrect note references. In the PFI note, KCC says that the value of PFI assets is in Note 16. The contents show that Note 16 is Grant Income; Property, Plant and Equipment is Note 17. Elsewhere, the usable-reserves table tells the reader that earmarked reserves are in Note 24, but Note 24 is Unusable Reserves and earmarked reserves are Note 25.

Individually these are small drafting issues. Their significance is cumulative: they sit alongside the Group Balance Sheet note-number errors, the schools-reserve movement table, the Group G7 date errors and stale Pension Fund text. The Committee is entitled to ask what final quality-control process will be applied before the accounts are approved.

Where to find it: PFI Note 20 p.79; Contents/Note 16 p.58 and Note 17 p.60; usable-reserves table p.89; Note 25 p.97.

Assessment: confirmed document-finalisation errors.

5. External accounting and legal references checked

CIPFA's Guidance Notes for the 2025/26 Code identify the principal non-investment-asset changes as professional PPE revaluation once every five years or on a five-year rolling basis, supported by indexation in intervening years, and historical-cost measurement for intangible assets. CIPFA's published indexation FAQs also explain the transitional use of the 31 March 2025 index/balances when applying indexation for the first time at 31 March 2026.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2025 (SI 2025/422) and their explanatory memorandum continue the pooled-investment override to 31 March 2029 for relevant investments made before 1 April 2024; post-1 April 2024 pooled-fund investments fall under normal IFRS 9 treatment from 1 April 2025.

The Department for Education's DSG conditions of grant for 2025/26 state that the schools budget is defined under the School and Early Years Finance (England) Regulations 2025 and explain that the separate accounting treatment for DSG deficits remains in force for 2025/26.

The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023 (SI 2023/972) were made on 5 September 2023 and came into force on 1 October 2023.

6. Questions for KCC officers

1. Can officers identify which of the matters in this report had already been found before publication of the draft accounts and provide the proposed correction or explanation for each one?
2. Please provide a simple reconciliation showing why the £34.090m same-day call-account balance is presented as cash and cash equivalents in the Balance Sheet/Note 29 but is included within "Investments" in Note 39 and Group Note G8. Is that classification intentional, and what accounting policy supports it?
3. Which 31 March 2025 call-account comparative is correct: £142.511m in Note 29 or £142.979m in the Balance Sheet, Cash Flow Statement and Group Note G6? What caused the £468,000 difference?
4. Why does the detailed schools-reserves table show zero movement in every line when the opening and closing balances change and Note 23 reports an overall £1.477m movement?
5. Will all incorrect Group Balance Sheet note references be corrected, and has a full cross-reference check now been performed across the entire Statement of Accounts?
6. Is Interventions Alliance Local Partnership a 100% subsidiary or a 50:50 joint venture? What accounting/consolidation treatment was actually applied at 31 March 2026?
7. Please explain the accounting basis for including the separately disclosed £1.002m associate/joint-venture carrying amount within the £288.330m long-term investment total in Group Note G8.
8. Please explain the sentence on page 68 comparing 31 March 2026 carrying amounts with current values at 31 March 2025. Which assets does it cover, why were they neither revalued nor indexed in 2025/26, and how does the treatment comply with the 2025/26 Code?
9. Please provide an investment-by-investment schedule for the approximately £9.03m 2025/26 Pooled Investment Adjustment Account movement, showing acquisition date, carrying value, fair-value movement and the basis on which each investment qualifies for the continuing statutory override.
10. Will Note 36 be updated so that the DSG legal framework correctly distinguishes the 2025 schools-finance regulations from the separate capital-finance/accounting regulations governing the DSG Adjustment Account?
11. Why does page 10 say that Full Council approved £1.5313bn in February 2025 when pages 14–15 say Full Council approved £1.5309bn and the figure became £1.5313bn only after March changes?
12. Please provide a complete bridge for Pension Fund Note 15a from £8.448364bn opening net investment assets to £9.420093bn closing net investment assets, including the movements in cash, margin cash, investment income due and any other balances not shown in the printed movement columns.

13. Is direct property Level 2 or Level 3 for the Pension Fund? Will the contradictory narrative on page 169 be corrected?
14. Why does the 2025/26 Pension Fund still describe the McCloud regulations as being drafted and awaiting a 2023 consultation, and what process is used to ensure legal disclosures are current before publication?
15. Will the comparative dates in Group Note G7 and the other incorrect note references identified in this report be corrected before the accounts are presented for approval?
16. What documented quality-assurance checklist was completed before publication of the draft accounts, who signed it off, and will the Committee receive a schedule of all corrections made between draft and final accounts?

7. Questions for Grant Thornton

1. Has Grant Thornton independently identified each of the issues or reconciliation questions set out in this report, and which are currently recorded on the audit issues/misstatements log?
2. Does Grant Thornton agree with the inferred £34.090m reclassification between Balance Sheet cash and Note 39/G8 investments? If so, does the disclosure need an explicit reconciliation to avoid the appearance of omitted cash?
3. Which 31 March 2025 cash comparative has Grant Thornton audited as correct, and how will the £468,000 discrepancy be resolved?
4. Does Grant Thornton regard the schools-reserves zero-movement table as a drafting error, and will correction be required before the audit opinion is signed?
5. Has Grant Thornton confirmed the correct accounting classification and consolidation treatment of Interventions Alliance Local Partnership?
6. What is the accounting basis for including the £1.002m associate/joint-venture carrying amount within Group Note G8's financial-instrument investment total?
7. Has Grant Thornton tested KCC's implementation of the 2025/26 PPE/indexation changes, including the assets referred to on page 68 that were not revalued or indexed, and does it consider the 31 March 2025 current-value wording appropriate?
8. Has Grant Thornton tested the acquisition dates of the pooled investments protected by the statutory override and confirmed that the approximately £9.03m movement relates only to investments eligible under the 2025 regulations?
9. Does Grant Thornton agree that the DSG legal references on page 104 should be updated, while leaving the £130.463m DSG Adjustment Account balance unaffected unless separate audit evidence indicates otherwise?
10. Will Grant Thornton require a fully reconciling presentation of Pension Fund Note 15a before signing its Pension Fund opinion?
11. Does Grant Thornton agree that direct property should be consistently classified in the Pension Fund fair-value hierarchy and that the McCloud disclosure should be updated?
12. Taken collectively, do the repeated cross-reference, comparative-date and stale-text issues indicate a weakness in the financial-statement close/quality-control process that should be reported to the Audit and Governance Committee?
13. Will the Committee receive a schedule distinguishing corrected audit misstatements, uncorrected misstatements, disclosure amendments and purely presentational corrections before it is asked to approve the final accounts?
14. Do any of the matters identified, individually or collectively, have any consequence for the proposed audit opinion or for Grant Thornton's conclusions on KCC's financial-reporting controls?

8. Overall conclusion

The draft 2025/26 accounts are not, on this review, evidence of missing money or a wholesale failure of KCC's accounting. Several important controls work: the main CIES and Cash Flow Statement use the same £79.968m result, the Capital Financing Requirement reconciles, and KCC has incorporated the principal 2025/26 PPE/indexation change.

A particularly important correction to any superficial reading of the financial-instruments note is that the £34.090m positive call-account balance is not absent from the totals: the arithmetic shows it has been classified within investments in Note 39/G8 while it is presented as cash in the Balance Sheet. That requires explanation, but it is not missing cash.

The strongest confirmed internal inconsistencies are the £468,000 prior-year cash comparative, the schools-reserve movement table, the Group Balance Sheet note references, the contradictory description of Interventions Alliance, the February/March budget chronology, the Pension Fund Level 2/Level 3 property disclosure, the stale McCloud text and the incorrect comparative dates in Group Note G7. Other points — including the £1.002m Group investment classification, the page 68 PPE wording, the pooled-investment override and the £84.947m Pension Fund reconciliation gap as printed — require technical explanation or underlying audit evidence rather than an assumption of error.

The appropriate Committee response is therefore to require a documented reconciliation for each material point, confirmation of every correction made to the final accounts, and a clear explanation from Grant Thornton of which matters were identified by the audit and whether any remain uncorrected when the audit opinion is issued.

Sources

- KCC, Draft Statement of Accounts 2025/26 (all account page references in this report are to the printed page numbers).
- CIPFA/LASAAC, Code of Practice on Local Authority Accounting in the United Kingdom: Guidance Notes for 2025/26 Accounts; and CIPFA Indexation FAQs/Bulletin 22.
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2025, SI 2025/422, and explanatory memorandum.
- Department for Education, Dedicated Schools Grant: Conditions of Grant 2025 to 2026.
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020, SI 2020/1212, as extended.
- The Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023, SI 2023/972.