Audit Findings for London Borough of Brent

Year ended 31 March 2026

September 2026

London Borough of Brent
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11 September 2026

Dear Members of the Audit & Standards Committee

Audit Findings for London Borough of Brent for the year ended 31 March 2026

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

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

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

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at Transparency-Report-2025 (grantthornton.co.uk).

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

Sophia Brown

Director
For Grant Thornton UK LLP

Contents

Headlines (1)

This page and the following summarises the key findings and other matters arising from the statutory audit of London Borough of Brent (the 'Authority') and the preparation of the Group and Authority's financial statements for the year ended 31 March 2026 for the attention of those charged with governance.

Financial statements

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

- give a true and fair view of the financial position of the Group and Authority and the Group and Authority's income and expenditure for the year.
- 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 and Pension Fund financial statements), is materially consistent with the financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed during July-September as planned. Our findings are summarised on pages 15 to 24. We identified several disclosure and misclassification adjustments to the financial statements; however, none of these adjustments affect the Authority's Comprehensive Income and Expenditure Statement or the level of its usable reserves. Details of audit adjustments are detailed from page 28.

We have raised recommendations for management, set out from page 38, and reported our follow up of prior year recommendations from page 45.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion, subject to the following outstanding matters:

- Property, Plant and Equipment (PPE):
  - Management to provide a detailed paper explaining the potential post-balance sheet event.
  - Additional disclosures relating to indexation are required.

(*continued overleaf*)

Headlines (2)

Outstanding matters continued:

- Borrowings – Awaiting receipt of the external bank confirmation from Danske Bank and management's supporting calculations for borrowing interest costs.
- Accounting policies – Updated accounting policy extracts are required from management to confirm that amendments arising from audit findings are accurately incorporated.
- Pensions – Receipt of the IAS 19 assurance letter from the pension fund auditor.
- Finalisation of post balance sheet events work.
- Receipt of management's representation letter.
- Review of the final set of financial statements.

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

Our anticipated financial statements audit report opinion will be unmodified. We anticipate issuing the auditor's report shortly after the Audit & Standards Committee meeting on 23 September 2026.

Value for money (VFM) arrangements

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

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

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

We have completed our VFM work. Detailed commentary is set out in the separate Auditor's Annual Report, presented alongside this report. We identified two risks of significant weaknesses in the Authority's arrangements and so are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Our findings are set out in the value for money arrangements section of this report page 54.

Headlines (3)

Statutory duties

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

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

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

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

- confirmation has been received from the NAO that the group audit (Whole of Government Accounts) has been certified by the Comptroller and Audit General, and therefore no further work is required to be undertaken in order to discharge the auditor's duties in relation to consolidation returns under paragraph 2.11 of the Code.
- an outstanding objection in relation to Council tax income recovered via enforcement action.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Headlines (4)

Significant matters

Whilst no significant matters were identified during the audit, it is worth noting the following:

Management presented draft financial statements, including the group accounts, by the statutory deadline of 30 June 2026. The overall quality of the accounts submitted was reasonable and represented a marked improvement on previous years when challenges were encountered in relation to property, plant and equipment (PPE) valuations and the overall standard of the financial statements was below expectations. We acknowledge the considerable effort made by management to improve the quality and timeliness of the accounts preparation process.

There was significant improvement in the quality of the working papers supporting PPE balances; an area which was the source of substantial audit delays in prior years. The introduction of indexation of PPE balances in the 2025-26 Code required additional audit work and engagement with both management and its valuer to assess the appropriateness of the methodology and assumptions applied. As the scale of the work required was not known when setting the original audit scale fee, we set out the additional work undertaken in this area on pages 15 and 16.

Additional audit work was required in the following areas:

- Cash – The audit of cash balances was delayed because the March 2026 bank reconciliations did not include all bank accounts reflected in the trial balance, requiring additional reconciliation work and follow-up. Furthermore, several audit queries remained outstanding for extended periods, including a query relating to the cash-in-transit balance first raised in July and remained unresolved until the beginning of September. Delays in responding to other cash-related queries, together with the variable quality of information provided, increased the time required to complete audit testing.
- Financial instruments – Inconsistencies were identified between the balance sheet and the financial instruments note. Obtaining responses was challenging, as responsibility for resolving audit queries was not clearly defined. This resulted in prolonged correspondence and delays in resolving issues until a single coordinator was assigned to manage responses and facilitate completion of the audit work.
- Debtors and Creditors – Testing was delayed due to incomplete and inaccurate responses to audit requests. Initial evidence submissions frequently lacked adequate third-party supporting documentation, some responses addressed only part of the information requested, and, in several instances, evidence was provided for transactions other than those selected for testing. These issues required multiple follow-up and resubmission before sufficient and appropriate audit evidence could be obtained, resulting in additional audit effort and delaying completion of the work.
- Prior Period Adjustment – Additional audit work was also required in relation to a prior period adjustment concerning senior officers' remuneration. This matter necessitated further audit procedures beyond those originally planned. Further details are provided on page 23.

None of the matters outlined above were factored into the original audit fee assumption and require additional audit fees, details of which are set out on page 72.

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 at planning	Scope at final	Auditor	Key Audit Partner / Responsible Individual	Status	Comments
London Borough of Brent	Yes	Scope 1	Scope 1	Grant Thornton UK	Sophia Brown	● Green	Audit is in progress – an unmodified audit option is anticipated.
First Wave Housing Ltd	No	Scope 3	Scope 3	Grant Thornton UK	Stephen Dean	● Green	Audit complete - unmodified audit opinion issued.
I4B Holdings Ltd	No	Scope 3	Scope 3	Grant Thornton UK	Stephen Dean	● Green	Audit complete - unmodified audit opinion issued.
LGA Digital Services	No	Out of Scope	Out of scope	N/A	Not audited	N/A	
Barham Park Trust	No	Out of scope	Out of Scope	N/A	Not audited	N/A	

Key

Scope 1	Audit of entire financial information of the component, either by the group audit team or by component auditors (full-scope)
Scope 2	Specific audit procedures designed by the group auditor (specific scope)
Scope 3	Specific audit procedures designed by a component auditor (specific scope)
Out of scope	Out of scope components are subject to analytical procedures performed by the Group audit team to group materiality.
● Green	Planned procedures are substantially complete with no significant issues outstanding.
● Amber	Planned procedures are ongoing/subject to review with no known significant issues.
● Red	Planned procedures are incomplete and/or significant issues have been identified that require resolution.

Involvement in the work of component auditors

Scope	Component auditors involved	Summary of involvement	Changes compared to planned involvement
Scope 3	Grant Thornton UK	We will not involve or rely on the work of component auditors, given the limited area in subsidiaries requiring testing. Instead, we will conduct testing for significant accounts and transactions at the group-level.	None
Out of scope	N/A	We will not involve or rely on the work of component auditors, given the limited area in subsidiaries requiring testing. Instead, we will conduct testing for significant accounts and transactions at the group-level.	None

Our approach to materiality (1)

As communicated in our Audit Plan issued in April 2026, we determined materiality at the planning stage as £23.208 million and group materiality as £24.430 million based on 2% of prior year gross expenditure. At year-end, we reconsidered planning materiality based on the draft consolidated financial statements but retained the values set at the planning stage. A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

We determined materiality at £23.208m for the single entity and materiality of £24.430m for the Group, based on professional judgement in the context of our knowledge of the Authority and the Group, including consideration of factors such as the perspective of the users of the financial statements. The Authority prepares an expenditure-based budget for the financial year with the primary objective being the provision of services to the local community, therefore gross expenditure is deemed the most appropriate benchmark. This benchmark was also used in the prior year.

We used 2% of gross expenditure as the basis for determining materiality. This is in line with the Grant Thornton guidance for financial statements materiality. We deem this to be appropriate for the Group and the Authority as there were no significant matters coming to our attention suggesting a lower benchmark percentage was appropriate. This threshold was also used in the prior year.

Specific materiality

We consider senior officer remuneration and termination benefits as sensitive disclosures and of public interest. We therefore set a lower materiality figure of £20,000 to ensure adequate procedures are performed and identified misstatements of lower amounts are reported to those charged with governance.

Component performance materiality

Our audit work on components' significant accounts/transactions is directed using component performance materiality. This is set at £15.086m for the Authority and £7.542m for First Wave Housing Ltd and I4B Holdings Ltd. The level applied directs our detailed testing and reflects the relative size and risk of each component within the Group.

Reporting threshold

We havel reported to you all misstatements identified in excess of £1.221m for the Group and £1.160m for the Authority, in addition to any matters considered to be qualitatively material.

Our approach to materiality (2)

	Group £	Authority £	Qualitative factors considered
Materiality for the financial statements	24,430,000	23,208,500	We considered materiality from the perspective of the primary users of the financial statements. As the Authority prepares an expenditure-based budget and its principal objective is the delivery of services to the local community, we determined that gross expenditure is the most appropriate benchmark. This benchmark was also applied in the prior year. We applied a materiality threshold of 2% of gross expenditure, which is consistent with Grant Thornton's methodology and guidance for determining financial statement materiality in the public sector. We consider this approach to be appropriate for both the Authority and the Group. We have not identified any significant qualitative or quantitative factors that would warrant the application of a lower or percentage.
Materiality for specific transactions, balances or disclosures - Senior officers' remuneration and exit packages	20,000	20,000	We consider senior officer remuneration and termination benefits as sensitive disclosures and of public interest. We therefore set a lower materiality figure to ensure adequate procedures are performed and identified misstatements of lower amounts are reported to those charged with governance. No changes on threshold since the planning stage.
Reporting threshold	1,221,000	1,160,000	This balance is set at 5% of materiality for the financial statements.

Overview of significant and other risks identified

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

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

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

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	Green
Valuation of land & buildings	Significant	↔	×	High	Green
Valuation of council dwellings	Significant	↔	×	High	Green
Valuation of net pension fund liability/asset	Significant	↔	×	High	Green
Risk of fraud in revenue recognition (rebutted)	Other	↔	×	Low	Green
Presumed risk of fraud in expenditure recognition (rebutted)	Other	↔	×	Low	Green

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

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

Significant risks (1)

Risk identified	Audit procedures performed
Management override of controls Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities. The Authority faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how they report performance. We therefore identified management override of control, in particular journals, management estimates, and transactions outside the course of business as a significant risk for both the Group and Authority, which was one of the most significant assessed risks of material misstatement.	To address this risk, we have: • Evaluated the design and implementation of management controls over journals. • Analysed the journals listing and determined the risk-based criteria for selecting high risk unusual journals • Tested the identified high-risk journal entries made during the year and the accounts production stage for appropriateness and corroboration to supporting evidence. • Gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness. • Evaluated the rationale for changes in accounting policies, estimates or significant unusual transactions. **Findings** Our audit work for both the Authority and Group is complete, and we have not identified any issues relating to management override of controls. **Conclusions** We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

Significant risks (2)

Risk identified	Audit procedures performed
Valuation of land & buildings The Authority values its operational land & buildings on a rolling five-yearly valuation cycle in accordance with the CIPFA Code. In intervening years, current value is updated using appropriate indexation, unless a desktop valuation is required due to absence of a suitable index. In line with the CIPFA Code, the Authority determines the current value using the depreciated replacement cost or existing use value methods. In applying this method, key assumptions are made by the appointed valuer to arrive at a value of a modern equivalent asset, meeting the capacity and location requirements of the services being provided by the replaced asset. We therefore identified valuation of land & buildings as a significant risk, particularly key assumptions and inputs applied by the valuer at the financial statements date to determine the current value of the assets.	To address the risk, we have: • Evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to management's valuation expert and the scope of their work. • Evaluated the competence, capabilities and objectivity of management's valuation expert. • Evaluated the consistency of the disclosure with the valuation report. • Evaluated the basis on which the valuations were carried out. Evaluated and challenged the information and assumptions used by the valuer. • Evaluated the reasonableness of the assumptions used to form the estimate. • Assessed the appropriateness of the indices provided by the valuer and reperformed management's indexation calculations. • Evaluated the accounting entries for the valuation. • Tested, on a sample basis, revaluations made during the year to ensure they were input correctly into the Authority's asset register and financial statement. • Engaged our auditor's valuation expert, Lambert Smith Hampton, to review: – the valuation instructions and their compliance with relevant CIPFA, IFRS and RICS requirements; and – the valuation methodologies adopted, key assumptions applied and other relevant valuation matters. **Findings** Our work is complete. We identified one issue relating to the reclassification of two assets (combined carrying value of £19.2m) from land & buildings to surplus assets – see audit adjustments – Misclassification and disclosure changes section (page 29) for detail. (*Continued overleaf*)

Significant risks (3)

Risk identified	Audit procedures performed
Valuation of land & buildings – continued	Management engaged valuer WHE to provide appropriate indices for its asset portfolio. At 31 March 2026, assets with a carrying value of £914.8m were subject to indexation. Two issues were identified from work performed on indexation: • The use of incomplete indices resulted in land & buildings being overstated by £7.3m (refer to audit adjustments section page 33). While this is not material in 2025-26, similar errors could accumulate over successive years of indexation and become material. A control finding is raised in relation to this issue (see action plan page 39). • Assets with a carrying value of £15.3m were not supported by a suitable index. The CIPFA Code requires assets without a suitable index to be subject to a desktop valuation in year three of the five-year valuation cycle. Of the £15.3m, £10.4m related to assets that were in at least year three of the valuation cycle at 31 March 2026 and therefore should be subject to a desktop valuation review in 2025-26. However, no such review was performed, resulting in departure from Code requirements (see Action Plan section, page 38, for further detail). The remaining £4.9m relates to assets in years one or two of the valuation cycle and not yet required to undergo a desktop valuation review. **Conclusions** We are satisfied that management's judgements are appropriate and have been applied using a consistent methodology. Having assessed management's judgements and estimates both individually and in aggregate, we are satisfied that there is no material misstatement arising from management bias within the valuation of land & buildings estimate.

Significant risks (4)

Risk identified	Audit procedures performed
Valuation of council dwellings The Authority measures its council housing stock in accordance with the Ministry of Housing, Communities and Local Government's Stock Valuation for Resource Accounting guidance. It requires the use of the Beacon methodology whereby detailed valuations are performed on representative property types and applied to similar properties in the portfolio. A full revaluation of the housing stock was carried out 2021-22. In intervening years, carrying values are updated using indices provided by management's expert valuer WHE. During 2025-26 WHE valued £61.5m of housing assets, which represents 100% of newly constructed dwellings in 2025/26. The valuation of council housing assets represents a key accounting estimate which is sensitive to changes in assumptions and market conditions We therefore identified the valuation of council dwellings as a significant risk, particularly the key assumptions and inputs applied by the valuer at financial statements date to determine the current value of the assets.	To address the risk, we have: • Evaluated management's processes for developing and assumptions for the calculation of the estimate, the instructions issued to management's valuation expert and the scope of their work. • Evaluated the competence, capabilities, and objectivity of management's valuation expert. • Evaluated the consistency of the disclosure with the valuation report. • Evaluated the basis on which the valuations were carried out. Evaluated and challenged the information and assumptions used by valuer. • Tested a sample of Beacon properties in respect of council dwellings, to consider whether the valuation assumptions are appropriate and representative of other Beacon properties within the Beacon group. • Evaluated the assumptions made by management for any assets not revalued during the year and how management satisfied themselves that these are not materially different to current value. • Assessed the appropriateness of the indices provided by the valuer and re-performed management's indexation calculations. • Engaged our auditor's valuation expert, Lambert Smith Hampton, to review: – the valuation instructions and their compliance with relevant CIPFA, IFRS and RICS requirements; and – the valuation methodologies adopted, key assumptions applied and other relevant valuation matters. (*Continued* overleaf)

Significant risks (5)

Risk identified	Audit procedures performed
Valuation of council dwellings – continued	**Findings** Our work in this area is complete. Testing confirmed that the valuation of council dwellings is materially correct. We have noted no material adjustments or findings in relation to the valuation of council dwellings. We identified one non-material issue relating to indexation of council dwellings. The use of incomplete indices resulted in council dwellings being understated by £6.5m (recorded as an unadjusted error, see page 33). While this is not material in 2025-26, similar errors could accumulate over successive years of indexation and become material. A control finding is raised in relation to this issue (see action plan page 39). **Conclusions** We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias within the valuation of council dwellings estimate.

Significant risks (6)

Risk identified	Audit procedures performed
Valuation of pension fund net liability The Authority's share of the pension fund net liability, reflected in its Balance Sheet as the net defined benefit liability, represents a significant estimate in the financial statements. The net position comprises a gross pension liability of £1,191.1m, offset by gross pension assets of £1,258.7m and adjusted by £188.9m in respect of the impact of the asset ceiling under IFRIC 14. The net liability, determined at Authority level, is subject to significant actuarial judgement and estimation uncertainty, and is therefore the element giving rise to the significant risk. The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code. We therefore concluded that the methods and models used do not in themselves give rise to a significant risk of material misstatement. We do not deem the IFRIC 14 assessment to be a significant risk, as the approach is established and no prior issues have been noted. The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.	To address the risk, we have: • Updated our understanding of the processes and evaluated the controls put in place by management to ensure the Authority's pension fund net liability was not materially misstated. • Evaluated the instructions issued to the actuarial expert regarding the scope of work. • Assessed the competence, capabilities and objectivity of management's expert actuary. • Assessed the accuracy and completeness of the information provided by management to the actuary to complete the pension fund valuation. • Tested the consistency of the pension fund asset and liability disclosures in the financial statements with the actuarial report. • Undertook procedures to confirm the reasonableness of the actuarial assumptions used to form the estimate. • Obtained assurances from the auditor of Brent Pension Fund as to the controls surrounding the validity and accuracy of membership data, contributions data and benefits data provided to the actuary by the pension fund, and the valuation of fund assets reported in the pension fund financial statements. • Ensure the pension asset recorded in the financial statements meets the requirements of IFRIC 14. **Findings** Our audit work is substantially completed subject to receiving the IAS 19 assurance letter from the pension fund auditor. We noted one disclosure misstatement due to the omission of the Virgin Media case, which management has agreed to update in the final accounts – this is recorded this as a disclosure omission on, see page 29. (*Continued* overleaf)

Significant risks (7)

Risk identified	Audit procedures performed
Valuation of pension fund net liability – continued	Findings – continued Management had considered the impact of IFRIC 14 prior to the audit through a dedicated asset ceiling assessment prepared by its actuary, Hymans Robertson, alongside the IAS 19 valuation. The IAS 19 results showed a fair value of plan assets of £1.258.7m and funded obligations of £1,164.3m, resulting in an underlying funded surplus (net asset) of £94.4m before any IFRIC 14 adjustment. However, the actuarial asset ceiling assessment concluded that the economic benefit available to the Authority was £nil, giving rise to an asset ceiling adjustment of £188.9m. In addition, the Authority had unfunded obligations of £26.8m. As a result, the underlying surplus of £94.4m could not be recognised in full. The application of IFRIC 14 limited the amount of pension asset that could be recognised, with the reported position moving from an underlying surplus of £94.4m to a balance sheet net pension liability of £121.3m at 31 March 2026. Conclusions We are satisfied that the judgments and estimates made by management regarding the valuation of the net pension liability were appropriate. We found no material misstatement arising from management bias in respect of these judgments and estimates.

Other risks (1)

Risk identified	Audit procedures performed
Risk of fraud in revenue recognition (rebutted for all streams) Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption may be rebutted if the auditor concludes there is no risk of material misstatement due to fraud relating to revenue recognition. In our risk assessment of all revenue streams for the Authority and Group, we considered the risk factors set out in ISA 240 and nature of the revenue streams at the Authority and Group. Based on the assessment, we have determined that the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams can be rebutted because: • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities means that all forms of fraud are seen as unacceptable, indicating a satisfactory control environment exists in the Authority to mitigate the risks of fraud. We do not consider this to be a significant risk for the Authority or the Group; therefore, standard audit procedures were performed. We kept this rebuttal under review throughout the audit to ensure that our judgement remained appropriate.	We have: • Confirmed our understanding of the revenue business process and identified any relevant controls. • Evaluated the Authority's accounting policy for recognition of income for appropriateness and compliance with the Code. • Agreed, on a sample basis, relevant income and year-end debtors or income accruals to invoices and cash payment or other supporting evidence. • Carried out testing on sample basis of invoices issued in the period prior to and following 31 March 2026 to determine whether income has recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties. **Findings and conclusions** Our audit work is complete, and we did not identify any errors or control points issues that would lead us to change our conclusion from the planning stage; that the risk of fraud arising from revenue recognition can be rebutted.

Other risks (2)

Risk identified	Audit procedures performed
Presumed risk of fraud in expenditure recognition Practice note 10: Audit of financial statements of Public Sector Bodies in the United Kingdom (PN10) states that the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatement due to fraud related to revenue recognition for public sector bodies. There is a risk the Authority may manipulate expenditure to that budgeted by under-accruing non-pay expense incurred during the period or not record expenses accurately to improve financial results. In line with the Public Audit Forum Practice Note 10, having considered the risk in relation to fraud in expenditure recognition and the nature of the Authority's expenditure streams, we determine that the risk of fraud arising from expenditure can be rebutted because: • There is little incentive to manipulate expenditure recognition; • Opportunities to manipulate expenditure are very limited; and • The culture and ethical framework of local authorities, including the London Borough of Brent, mean that all forms of fraud are seen as unacceptable. However, we have identified that due to the level of estimation involved in manual accruals of expenditure, and the potential volume of large accruals at year-end, there is an increased risk of error in the completeness of expenditure recognition.	We have: • Evaluated the Group/Authority's accounting policy for recognition of expenditure for appropriateness and compliance with the Code 2025-26. • Updated our understanding of the Group/Authority's system for accounting for expenditure and evaluated the design and implementation of associated relevant controls. • Inspected transactions incurred around the end of the financial year to assess whether they were included in the correct accounting period. • Inspected a sample of accruals made at year-end for expenditure but not yet invoiced to assess whether the valuation of the accrual was consistent with the value billed after the year-end. • Investigated manual journals posted as part of the year-end accounts preparation that reduce expenditure to assess whether there is appropriate supporting evidence for the reduction in expenditure. **Findings and conclusions** Our audit work is complete and has not identified any errors or control points issues that would lead us to change our conclusion from the planning stage; that the presumed risk of fraud in expenditure recognition can be rebutted We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

Other findings

Issue	Commentary	
Prior period adjustments identified – Senior officer remuneration In the draft financial statements for the current year, management correctly disclosed Headteachers' remuneration in Note 29 Senior Officer Remuneration. However, the comparative disclosure (total value £461,000) for 2024-25 was omitted. In accordance with the Audit Regulations 2015, Schedule 1, Section 3, the salaries of Headteachers earning more than £150,000 must be disclosed. The omission exceeds the materiality threshold for remuneration disclosures of £20,000 and is therefore considered material for disclosure purposes. Consequently, in accordance with IAS 8, the revision to the financial statements has been reported as a prior period adjustment (PPA). There is no impact on the primary financial statements, as this relates solely to a disclosure omission and only affects the Senior officer remuneration disclosure.	**Summary of work performed and audit findings** The audit team challenged management regarding the reason for the omission and management prepared a consultation paper for audit's review to assess the accounting treatment and confirm that the omission constituted a PPA. The audit team reviewed supporting evidence provided by management to verify the completeness and accuracy of the amended comparative disclosure and reviewed the revised Note 29 disclosure to confirm compliance with the 2025-26 CIPFA Code of Practice (Section 3.4.5.1) and the Accounts and Audit Regulations 2015, Schedule 1, Section 3, which require the disclosure of headteachers' remuneration where individual salaries exceed £150,000.	**Auditor view** We have reviewed the amendments proposed by management and are satisfied that the revised disclosures appropriately address the PPA identified. Based on the procedures performed, we are satisfied that the amended disclosure is materially accurate and complies with the relevant financial reporting and disclosure requirements. **Management response** The final set of accounts will be updated to reflect the correct disclosure.

Other findings – information technology

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

IT application	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
		Security management	Change Management	Batch Scheduling	
Oracle Fusion **Level of assessment performed** - ITGC assessment (design, implementation and operating effectiveness)	● Amber	● Amber	● Green	● Green	**Management override of controls** Three control deficiencies were identified from IT audit procedures: • Delayed user access removal following position changes • Delays in user access revocation following leaver events • Excessive system administrative permissions assigned to business users Detailed findings and management actions relating to these deficiencies are set out in the Action Plan section pages 42-44. We considered the risks arising from these control deficiencies as part of our journal entry testing procedures. Based on the work performed, we confirmed that the deficiencies identified did not result in any instances of inappropriate journal activity. We concluded that the deficiencies did not give rise to an increased risk of management override of controls affecting the financial statements.

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

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit & Standards 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	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	The principal laws and regulations with which the local authority complies include, amongst others, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003. We are not aware of any significant incidences of non-compliance in the current year.
Written representations	A letter of representation has been requested from management, which is presented as a separate item for presentation along this report. There were no specific representations requested from management, subject to satisfactory conclusion of outstanding matters on pages 5 and of this report.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banking and treasury partners. This permission was granted and the requests were sent. At the date of this report, there is an outstanding confirmation for the Authority's borrowing from Danske Bank with an outstanding loan balance of £5 million. Should the confirmation not be received, we will undertake alternative audit procedures.
Disclosures	Our review found no material omissions in the financial statements. We identified immaterial disclosure adjustments, details of which can be found on pages 29-32 of this report.
Significant difficulties	We did not encounter significant challenges during the audit.

Other responsibilities (1)

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • The use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities. • For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Authority and the environment in which it operates • the Authority's financial reporting framework • The Authority's system of internal control for identifying events or conditions relevant to going concern • management's going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified; and • management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities (2)

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies were identified. We plan to issue an unmodified opinion in this respect.
Matters on which we report by exception	We are required to report on matters by exception in a number of areas: • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit • if we have applied any of our statutory powers or duties • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness. We have nothing to report on these matters except we identified significant weaknesses in respect of the Authority's arrangements to secure value for money (refer to page 54).
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. As the Authority does not exceed the specified group reporting threshold of £2 billion, detailed work is not required. In line with National Audit Office (NAO) guidance, audit certificates are required to remain open pending confirmation that the WGA group audit has been certified by the Comptroller and Auditor General, including where no issues exceed reporting thresholds. Accordingly, we cannot formally conclude the audit and issue an audit certificate until this confirmation is received. We are satisfied that this does not have a material effect on the financial statements for the year ended 31 March 2026.
Certification of the closure of the audit	We cannot formally conclude the audit and issue an audit certificate for the Authority for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until: • we receive confirmation from the National Audit Office that the audit of the WGA consolidation pack for the year ended 31 March 2026 is complete and certified by the Comptroller and Auditor General; and • we conclude the outstanding objection. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Audit adjustments (1)

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

Impact of adjusted misstatements

At the date of this report, no adjusted misstatements have been identified, except for disclosure and classification errors. We will communicate any additional matters arising from the completion of the remaining audit work to management and the Audit and Standards Committee as appropriate.

Audit adjustments (2)

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.

No.	Disclosure	Misclassification or change identified	Adjusted?
1	Note 1a PPE– Incorrect classification of assets between other land & buildings and surplus assets	Two assets within land & buildings (Technology House and Bridge Park Regeneration) with a combined carrying value of £19.2m valued at fair value by management's external valuer, Wilks Head & Eve, as they are not currently in operational use. The assets should therefore be classified as Surplus Assets.	✓
2	Note 1a PPE – Land & buildings (assets with nil net book value)	There are £87.4m of land & building assets in the fixed asset register which have a nil net book value at 31 March 2026. Management confirmed these assets are no longer in use, which the auditors have confirmed for a representative sample of assets, and the gross carrying amount and accumulated depreciation figures in Note 1a are therefore overstated. This is a disclosure error and does not impact the figures in the Balance Sheet.	✓
3	Notes 32-37 – Pensions	Disclosure relating to the Virgin Media case was omitted from the pension disclosures. Whilst the Pension Schemes Act 2026 introduced a mechanism enabling affected pension schemes to obtain retrospective actuarial confirmation for certain historic amendments made between 6 April 1997 and 5 April 2016, schemes are still required to assess whether they are impacted and, where relevant, undertake the retrospective validation process. Given the continuing uncertainty regarding the potential impact on pension liabilities and the expectation that entities disclose the status of their assessment and any associated risks, management agreed include disclosure of the Virgin Media case within the financial statements.	✓
4	Statement of accounting policies	A number of immaterial issues were identified within the accounting policies disclosures. Where appropriate, these will be; removed or updated to avoid obscuring material information within the financial statements.	✓

Audit adjustments (3)

Misclassification and disclosure changes – continued

No.	Disclosure	Misclassification or change identified	Adjusted?
5	Note 28 – PFI	The service charge balance disclosed within Note 28 for the Housing PFI scheme was not consistent with the underlying Housing PFI model. Specifically, the service charge disclosure did not include all relevant components that were incorporated in the calculation of the related PFI liability and interest balances. As a result, the disclosure was incomplete and not presented on a basis consistent with the corresponding PFI balances reported in the financial statements.	✓
6	Note 39 – Note to Movement in Reserves Statement (MIRS)	Unusable reserves are not fully disclosed in the financial statements. While total movements are reported through the MIRS, and other comprehensive income, the balances of key reserves such as the Capital Adjustment Account and Revaluation Reserve are not separately shown. To improve transparency, Note 39 should include opening balances, annual movements and closing balances for each material unusable reserve, providing a full reconciliation of reserve movements during the year.	✓
7	Note 24 – Financial Instruments Categories; Note 25 – Material Soft Loans made by the Council; Note 7 – Short-term creditors; Note 33 – Defined benefit pension schemes; Note 38 – Fair value of employers' assets (bid value); Note 34 – Reconciliation of assets and liabilities in relation to post-employment benefits	We identified several disclosure inconsistencies requiring amendment before finalisation of the Statement of Accounts. Specifically: • Note 24 – Financial instruments categories is inconsistent with Note 25 – Material soft loans made by the Council and Note 7 – Short-term creditors. • Note 34 – Reconciliation of assets and liabilities in relation to post-employment benefits was not consistent with Note 33 – Defined benefit pension schemes and Note 38 – Fair value of employers' assets (bid value) regarding balance alignment.	✓

Audit adjustments (4)

Misclassification and disclosure changes – continued

No.	Disclosure	Misclassification or change identified	Adjusted?
8	**Note 29 – Senior officer remuneration** prior period adjustment	Prior year comparative disclosure for headteachers earning more than £150,000 was omitted – refer to page 23 for detail.	✓
10	**Note 19 – Grant Income Applied to the CIES**	Several presentation issues were identified relating to changes in grant classifications between years. • A comparative balance of £13.5m relating to the Better Care Fund was included within Other Grants in the draft accounts due to changes in grant objectives. • The Market Sustainability and Fair Cost of Care Fund and Market Sustainability and Improvement Fund were disclosed separately despite relating to the same funding stream. • The Adult Education and Universal Free School Meal grant has been reclassified to Other Grants, requiring a corresponding amendment to the comparative disclosure. These matters relate solely to the presentation of grant disclosures and have no impact on the primary financial statements.	✓
11	**Note 24 – Financial instruments**	Note 24 was not consistent with the corresponding balances reported in Note 2 Short-term debtors, resulting in a potential disclosure misstatement of approximately £29m. This is a disclosure issue only.	✓

Audit adjustments (5)

Misclassification and disclosure changes – continued

No.	Disclosure	Misclassification or change identified	Adjusted?
12	HRA – Note 1 and Note 3	Management should add comparative at same level of details for Note 1 and Note 3 HRA for disclosure consistency.	✓
13	Note 29 – Senior officer remuneration	The disclosure in the remuneration table includes more information than is necessary for the associated salary totals. In accordance with the reporting requirements for the £50,000 to £149,999 salary range, only the employee's job role should be presented, and personal names should not be included. The same amendment should be made in the 2024-25 table.	✓
14	Housing Revenue Account (HRA)	The HRA financial statements comprise two distinct components, the Income and Expenditure Statement and the Movement on the HRA Statement, both are referenced in the audit opinion and therefore require clear presentation. In the draft accounts, the Income and Expenditure Statement is presented with a clear bold heading, with the related content spanning three tables. However, the Movement on the HRA Statement is not presented in the same prominence to identify it as a separate statutory statement. This is a disclosure and presentation matter only, with no impact on the reported financial figures.	✓
15	Indexation – Note 1 and accounting policies	Management is required to make the following disclosure changes with respect to indexation of land & buildings: • Strengthen the accounting policies relating to indexation to improve transparency and users' understanding of the financial statements. • Given the material value of assets subject to indexation, include additional disclosure of the impact of the indexation exercise. • Update the Sources of Estimation Uncertainty disclosure to include the estimation uncertainty arising from the application of indexation in determining property valuations.	✓

Audit adjustments (6)

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

Detail	Comprehensive Income and Expenditure Statement £m	Balance Sheet £m	Impact on surplus/deficit of the provision of services £m	Impact on general fund £m	Management's reason for not adjusting
1. Land & buildings					Immaterial therefore not deemed significant to correct
Three indices provided by the valuer used either incomplete data or failed to incorporate a location factor adjustment. The variance arising from consideration of alternative indices is an overstatement of £7.3m.					
Dr Revaluation gain to provision of services	7.3		7.3	Nil	
Cr PPE (Land & buildings)		(7.3)			
2. Council dwellings					Immaterial therefore not deemed significant to correct
Up-to-date Land Registry data, used to index council dwellings not subject to full valuation, gives a % change of -3.3% compared to -4% per the HRA valuer's market report. The variance arising from the difference is an understatement of £6.5m.					
Dr PPE (Council dwellings)		6.5	(6.5)	Nil	
Cr Revaluation loss to provision of services	(6.5)				
Overall impact of unadjusted misstatements	0.8	(0.8)	0.8	Nil	

Impact of unadjusted misstatements in the prior year (1)

The table below provides details of misstatements identified during the prior year audit which were not adjusted for within the final set of financial statements for 2024-25, and the resulting impact upon the 2025-26 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2025-26 financial statements. The Audit & Standards Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £m	Balance Sheet £m	Impact on surplus/deficit of the provision of services £m	Impact on general fund £m	Reason for not adjusting
1. Pension liability					
The pension fund auditor's testing of level 3 investments identified the following discrepancies between the fund managers' confirmations and the figures recorded in the financial statements: 1. LCIV Infrastructure Fund and LCIV Private Debt Fund understated by £3.5m; 2. Alinda Infrastructure Parallel Fund III understated by £0.236m; and 3. Capital Dynamics Generation VII Fund overstated by £0.025m. Total understatement of £3.7m in the Authority's pension assets.		3.7	(3.7)	Nil	Error is estimated and not material
Dr. Pension Fund liability	(3.7)				
Cr. Actuarial gains on pension assets and liabilities					

Impact of unadjusted misstatements in the prior year (2)

Detail	Comprehensive Income and Expenditure Statement £m	Balance Sheet £m	Impact on surplus/deficit of the provision of services £m	Impact on general fund £m	Reason for not adjusting
2. Short-term creditors					
Testing identified two failed creditor transactions; one relating to an over-accrual already paid prior to year-end; and the other relating to a duplicate purchase order. These errors resulted in a total projected overstatement of £1.2m.					Immaterial therefore, not deemed significant to correct
Dr. Short-term creditors £1.2m	Nil	1.2	Nil	Nil	
Cr. PPE additions £1.2m		(1.2)			
3. PPE disposals testing					
Testing identified two failed disposals assets: one relating to lack of supporting evidence; and an IT system disposed that remains in use.					Immaterial therefore, not deemed significant to correct
Dr. PPE £3.6m	Nil	3.6	Nil	Nil	
Cr. Accumulated depreciation £3.6m		(3.6)			

Impact of unadjusted misstatements in the prior year (3)

Detail	Comprehensive Income and Expenditure Statement £m	Balance Sheet £m	Impact on surplus/deficit of the provision of services £m	Impact on general fund £m	Reason for not adjusting
4. Long-term investments					
A misstatement has arisen in respect of the I4B equity investment, as management used the I4B draft accounts to estimate the fair value movement. However, during the I4B audit a £2.9m adjustment was made to net assets, revising the equity investment balance.					Immaterial therefore, not deemed significant to correct
Dr. Expenditure	2.9				
Cr. Long-term investments		(2.9)			
Dr. Capital Adjustment Account (unusable reserves)				2.9	
Cr. MIRS – General Fund			2.9	(2.9)	
5. Other land & building (OLB) valuation					
1. Location factor: The valuer applied an incorrect location factor to 12 depreciated replacement cost valuations, resulting in a £1m overstatement.					On an individual asset basis, the error is trivial. On an aggregate basis the error is nearly trivial.
2. Affordable Homes: A formula error in one valuation failed to account for the reduced amounts applicable to affordable homes, £0.3m overstatement.					Therefore, not deemed significant to correct.
Dr. Revaluation Reserve	Nil	1.3	Nil	Nil	
Cr. PPE OLB		(1.3)			

Impact of unadjusted misstatements in the prior year (4)

Detail	Comprehensive Income and Expenditure Statement £m	Balance Sheet £m	Impact on surplus/deficit of the provision of services £m	Impact on general fund £m	Reason for not adjusting
6. Measurement of Peppercorn Leases					Immaterial
Per our completeness inquiries to management, we noted that donated assets acquired at a peppercorn value where not measured at fair value per CIPFA Code Para 4.2.2.48. This resulted in an unadjusted misstatement of £1.9m. See journal below: Dr Assets £1.9m Cr CIES Donated Assets Income £1.9m DR MIRS GF £1.9m Cr CAA £1.9m	(1.9)	1.9 (1.9)	1.9	Nil	
Impact of prior year unadjusted misstatements on the current year's financial statements	(2.7)	0.8	1.1	0	0
Cumulative impact of prior year and current year unadjusted misstatements on 2025-26 financial statements	(1.9)	0	(1.9)	0	0

Action plan – financial statements audit (1)

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

Assessment	Issue and risk	Recommendation
● Medium	1. Assets not subjected to desktop valuation or indexation Assets with a net book value of approximately £10.4m were in at least year three of the Authority's five-year valuation cycle. For these assets, the valuer was unable to identify an appropriate index, and the assets should have been subject to a desktop valuation in 2025-26. However, no desktop valuations were performed. This is not compliant with the 2025-26 CIPFA Code of Practice, which requires assets not subject to a full revaluation to be reviewed in intervening years through either indexation or a desktop valuation to ensure that carrying values remain materially accurate. There is a risk that the carrying amounts of these assets have not been reviewed with sufficient frequency to provide assurance that they do not differ materially from their current value at the reporting date. While the value of the affected assets is not material in the current year, continued non-compliance could, over time, result in a material difference between carrying amounts and current values, particularly if a growing proportion of the asset base is not subject to an appropriate interim valuation review.	Management should maintain a record of assets for which no suitable index is available and monitor their position within the valuation cycle to ensure that assets reaching year 3 of the cycle are subject to a desktop valuation in accordance with CIPFA Code requirements. **Management response** The council will revalue any properties with no index every three years.

Key

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

Action plan – financial statements audit (2)

Assessment	Issue and risk	Recommendation
● Medium	2. Use of indices that did not cover the full financial year Management's indexation exercise was performed using indices that did not cover the full financial year. There is a risk that asset values have not been updated appropriately to reflect movements in value over the entire reporting period, potentially resulting in a material misstatement in the current year. Any such misstatement may also be carried forward and compounded in future years if not identified and corrected.	Management should consider whether alternative indices are available that more accurately reflect movements in asset values over the full financial year. **Management response** The Property team will review the indices used by the valuer, and see if they can identify more appropriate ones
● Medium	3. Assets with nil net book value Approximately £87m of land & building assets with nil net book values (NBV) remain recorded in the fixed asset register (FAR) and are included within Note 1a of the financial statements. As these assets are no longer in use and do not meet the criteria for recognition as operational assets, which the auditors have assurance over through testing a sample of assets, management have agreed to remove them from the FAR and update Note 1a in the accounts to reflect this. The inclusion of these assets creates a risk that the disclosures in Note 1a are overstated and do not accurately reflect the Authority's current asset base.	Management should undertake periodic reviews of the FAR to identify nil NBV assets and ensure that any assets no longer in operational use are removed on a timely basis, thereby reducing the risk of misstatement within Note 1a disclosure. **Management response** As these assets have nil NBV they have no impact on the balance sheet. This will be reviewed annually.

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

Action plan – financial statements audit (3)

Assessment	Issue and risk	Recommendation
● Medium	**4. Exit package over £100k approved without governance approval** We identified one exit package of approximately £245,000 within the £200,001 to £250,000 disclosure band which management was unable to provide evidence of the required approval for this severance payment. As part of our audit procedures, we tested the occurrence and accuracy of this payment and obtained supporting documentation, including the approvals, signed termination letter, payslip and evidence from the pensions team, which provided assurance over the validity and calculation of the payment. Under MHCLG and DLUHC guidance on Special Severance Payments (SSPs), such payments should be subject to enhanced scrutiny, robust governance arrangements and appropriate approval prior to being agreed. Payments of £100k or more are expected to receive additional oversight and approvals. Failure to obtain the required approval for a significant severance payment increases the risk of non-compliance with MHCLG and DLUHC guidance and weakens governance over the use of public funds. This may result in significant severance payments being agreed without appropriate scrutiny, challenge, or consideration of value for money, increasing the risk of inappropriate or unauthorised expenditure and potential reputational damage to the Authority.	Management should ensure that all SSPs are supported by a documented business case and receive the appropriate approval in line with statutory guidance and the Authority's governance requirements before any commitment is made. Evidence of approval should be retained to demonstrate compliance with the required governance process. **Management response** This recommendation is accepted. To prevent a recurrence of this breach, the Council has strengthened its redundancy governance arrangements by updating the Managing Change Policy and associated guidance to clearly set out the requirements for approval of such exit packages. The Redundancy Business Case and Approval Form has been revised and now requires sign-off by both the Director of HR & OD and the Corporate Director of Finance & Resources, with an additional review by a Senior HR Business Partner to verify pension estimates and total exit costs. The HR and Pensions teams have also enhanced redundancy costing processes to ensure pension strain costs are clearly identified, and further training will be provided to HR officers and senior managers involved in restructures to improve understanding of pension-related costs and constitutional approval requirements.

Action plan – financial statements audit (4)

Assessment	Issue and risk	Recommendation
● Low	5. Inconsistencies in financial instrument note There was insufficient evidence of management review of financial instrument disclosures to confirm that balances and disclosures were consistent with related amounts presented elsewhere in the Statement of Accounts. As a result, inconsistencies were identified between the Financial Instruments note and other relevant disclosures. There is a risk that financial instrument disclosures may be misstated due to inadequate review procedures designed to ensure consistency between the Financial Instruments note and related disclosures within the Statement of Accounts.	Management should implement a formal review process whereby the Financial Instruments note is cross-checked and reconciled to all relevant notes within the financial statements prior to finalisation. **Management response** This is accepted and a formal review process will be implemented in preparation for the 2026/27 accounts
● Low	6. Closed and inactive bank account Two bank accounts confirmed by the bank as closed continued to be recorded within the Authority's accounting records with negligible balances. Of these, one account was closed during the 2025-26 financial year, while the other was closed in December 2022. In addition, the Authority maintains an inactive bank account that has not been used since December 2024 which holds a trivial balance. The continued inclusion of closed and inactive bank accounts within accounting records indicates weaknesses in the timely review and maintenance of the bank account register and cash management processes. The failure to promptly remove closed accounts and close dormant bank accounts may result in inaccurate reporting of cash and bank balances within the financial statements. It may also increase the risk that bank reconciliations are not performed completely and accurately, leading to unidentified reconciling items, errors, or omissions remaining within the accounting records. Furthermore, maintaining unnecessary or dormant bank accounts increases the risk of inappropriate or unauthorised transactions occurring without timely detection due to reduced monitoring and oversight.	Management should ensure that closed bank accounts are promptly removed from accounting records and that inactive accounts are reviewed regularly and closed where no longer required. Periodic review of the bank account register should be performed to ensure cash and bank records remain accurate and up to date. **Management response** This recommendation is accepted.

Action plan – IT audit (1)

Assessment	Issue and risk	Recommendation
● Medium	**1. Excessive system administrative permissions assigned to business users** Eight business users, primarily within the HR and Payroll teams, had been assigned the Human Capital Management (HCM) Application Administrator role. This role provides elevated system administrative capabilities, including the ability to configure HCM modules, manage security profiles, create and amend roles and privileges, and grant or revoke user access within the system. On further inquiry with management, it was understood that the 'HCM Application Administrator role' was a custom role that was limited to the HCM module and did not impact the financials module. This was considered to mitigate the risk. Assigning HCM Application Administrator access to business users in HR and Payroll introduces the risk of excessive and inappropriate system privileges, as these users may be able to configure system controls, manage user access, and modify security settings in addition to performing business processing activities. This increases the risk of segregation of duties conflicts, unauthorised system changes, and circumvention of established access governance controls.	Management should review all users assigned the HCM Application Administrator role to confirm that access is appropriate, justified, and aligned with job responsibilities. Where administrative-level access is not required, roles should be removed or replaced with least-privileged functional roles. Any exceptional administrative access required for business or change-related activities should be formally requested, approved, time-bound, and subject to periodic review to ensure continued appropriateness. **Management response** A review was carried out and the only users currently with this role are the Payroll team who need this to carry out operational duties. The Payroll team is not expected to manage or change integrations or configuration related to workflows; however, they would be able to view these details to help troubleshoot issues which may be system related and subsequently raise a support call to address any issues with the support team. A Roles and Privileges review is carried out every quarter to ensure that this remains accurate.

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

Action plan – IT audit (2)

Assessment	Issue and risk	Recommendation
● Medium	**2. Delayed user access removal following position change** For a sampled user who changed roles in the audit period, it was identified that although the role that was no longer relevant was ultimately removed in Oracle Cloud, however the access removal request was not raised in a timely manner. Specifically, the Hornbill ticket to remove financial roles was submitted several days after the effective position change date. This indicated a delay between identification of a role change and execution of the corresponding access update. Where system access is not promptly updated following a change in user role, there is a risk that individuals may retain inappropriate access, potentially enabling unauthorised or erroneous transactions. Additionally, such accounts could be exploited by other users to bypass internal controls.	It is recommended that management should enhance the Daily Position Change Check process to ensure that all permissions inconsistent with the user's new role are fully and promptly removed. This should include reviewing the current process to confirm that it captures all relevant permissions for removal and that the revocation is consistently executed and documented for each identified case. **Management response** A review will be carried out to update the process, to compare positions and roles against the previous day's positions and roles, updating the roles as and when identified that assigned roles are no longer required. This will be logged as a Hornbill ticket, with the roles removed noted on the relevant tracker. This will be carried out daily and will commence as of 5 May 2026.

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

Action plan – IT audit (3)

Assessment	Issue and risk	Recommendation
Medium	**3. Delay in user access revocation following leaver events** We identified an instance where system access for a leaver was not revoked in a timely manner. Access removal was processed more than three days after the individual's last working day, resulting in an extended period during which access remained active beyond employment termination. While access was ultimately revoked and no evidence of post-termination system activity was identified, the access revocation was not performed on a timely basis. Failure to promptly revoke system access following a user's departure increases the risk that former users may retain unauthorised access to systems and information.	Management should reinforce leaver access management controls to ensure that access revocation is initiated and completed promptly in line with a user's departure date. This may include clarifying responsibilities for initiating leaver notifications, establishing defined timelines for access removal, and introducing monitoring or oversight controls to identify and address delayed access termination. **Management response** A review of the leavers process and required communication/notifications will be undertaken to encourage managers to submit terminations promptly to avoid late submissions. This will be in place by 30 June and will be carried out each quarter. Currently, on a monthly basis all Heads of Service receive a list of notifications for late submissions in their areas, allowing them to address this directly with their managers.
Low	**4. Self-assigned access without formal request and approval** Two instances were identified where system roles were self-assigned by users without a formally documented access request and approval. In one case, access was assigned to support an approved configuration change, and in another, access was inadvertently granted during testing activities. While no financial impact or audit impact was noted, these instances demonstrate non-adherence to established access request and approval procedures. Self-assignment of access without formal approval increases the risk of unauthorised or excessive access, particularly if such practices extend to financially sensitive roles or production environments.	Management should reinforce the requirement that all system access, including temporary, change-related, or testing access, must be formally requested and approved prior to assignment. Guidance should be reiterated to users and administrators regarding compliance with user access management procedures, supported by periodic monitoring to identify exceptions. **Management response** We will be introducing a new process to ensure that all assignment of roles follows an approval process which will be documented and tracked via Hornbill. The majority of these will be introduced immediately, with the project-related roles process to be reviewed and implemented by 1 August 2026, after discussing the changes with the relevant team.

Follow up of prior year recommendations (1)

We identified the following issues in our 2024-25 audit of the Authority's financial statements, which resulted in 20 recommendations (17 from the financial statements audit and 3 from the IT audit) being reported in our 2024-25 Audit Findings Report. Management has implemented 12 of our financial statements audit recommendations with 5 recommendations in progress, and one of the IT audit recommendations with 2 recommendations in progress.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Not yet addressed	Reconciliation between OVR310 and HB subsidy workbook We noted one customer and client receipts key sample with the difference of £48,607 between the OVR310 report and the NEC final HB workbook. Management explained that this discrepancy is due to timing differences between the subsidy year closing and the financial year-end, which are not perfectly aligned. The OVR310 report is run based on the financial year.	Management response Work is underway in 2026-27 to investigate the discrepancies, cleanse the data, improve reporting from NEC and establish and document new reconciliation processes, with a target completion date of 31 March 2027.
Not yet addressed	Delayed responses to legal inquires When we requested responses from law firms regarding litigations and claims involving the Authority, we encountered significant delays. Several firms were unwilling to answer audit-related questions. Additionally, response times were very slow, which caused delays to the audit process and required extensive follow up from the audit team.	Management response We have communicated the need to respond to audit queries in a timely fashion and have escalated this on behalf of the auditors during the engagement.
Not yet addressed	Schools' expenditure reconciliation In testing schools' expenditure, we identified a trivial difference of £0.551m between the accounts and the transaction listing. This variance was due to an omission from the listing relating to a school that converted to academy status in September 2024. There is no formal reconciliation between the between listings provided for audit and the accounts.	Management response There were no academy conversions in the 2025-26 FY.

Follow up of prior year recommendations (2)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Not yet addressed	Journals checklist Management's journal processes require a journals checklist to be included as part of supporting journal evidence. We identified instances where the checklist was not included. In discussion with management, we understood that the quality control process is intended to include a review of journal entries and their supporting documentation, including the checklist. Where evidence is insufficient, the journal poster will be held accountable. Management confirmed that this control is not currently being performed. We reviewed the contents of the journal checklist and consider it an important element of the Authority's internal processes. However, we do not believe its absence significantly increases the risk of fraud or material misstatement in the financial Statements.	Management response A revised checklist was circulated in 2025-26 - the review of the Required Financial Practice Note remains in progress.
Not yet addressed	Completeness of change in circumstances reports / retrospective payroll change reporting In sampling from the payroll changes in circumstances (CICs) listings, we noted that the 2024-25 reports have CICs with effective start dates dating back to 2021, hence showing changes occurring in previous financial years. Management informs that managers often submit payroll requests for changes retrospectively, contributing to incomplete listings for each financial year. We challenged management, who confirmed that the report is only used for audit purposes and therefore does not impact the accounts.	Management response A transaction console report has been created to capture approval details including who transactions are sitting with and the date the transaction was approved. This is in the final stages of testing and should be in production by 31 October 2026.

Follow up of prior year recommendations (3)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	Journal poster and approver 9 out of 20 journals tested were found to be posted by an individual outside of their remit. Furthermore, managers who approved these journals in the system had prepared the journals and instructed the individual to post them, before subsequently approving them in the system. For the 9 journals identified, we confirmed that an additional level of approval was obtained outside the Oracle system. This creates a significant segregation of duties issue within the journal process and raises concerns about potential management override. We flag this as a significant control deficiency as we cannot confirm whether the additional approval was consistently applied across all cases.	Management response The Chief Accountants' team delivered training during year-end preparation meetings explaining the importance of segregation of duties.
Action completed	IFRS16 – Leases Our testing of lessee arrangements identified several minor errors that indicate management's processes for preparing the lease note require improvement. Although individually immaterial, these issues resulted in significant additional audit work and highlight weaknesses in oversight, exacerbated by staff turnover, which increases risk of material errors in future years. The following issues were identified: • Leases incorrectly included in both lessor and lessee schedules; and incomplete listings provided. • Lease note required significant revision to ensure accuracy and compliance. • Multiple conflicting versions of the lessor note shared with audit. • Leases were marked 'unspecified' where contracts could not be located and no payments were made. • Overstatement of rent expense led to an incorrect minimum revenue provision charge. • Incorrect or incomplete application of PWLB rates; and use of implicit interest rates instead of PWLB rates. • Incorrect assumption that all new leases commenced on 1 April.	Management response Management responsibility for leases changed ahead of 2025-26 year-end, and a full review of the lease records and processes took place as part of the handover between teams. A thorough review of the leases data took place with relevant input from services to ensure accuracy, and that all records held agreed. Working papers were shared with the Head of Finance ahead of journals processing. Staff involved in the lease accounting for 25/26 ensured they were familiar with IFRS 16 and attended relevant available training.

Follow up of prior year recommendations (4)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	Inconsistencies throughout the statement of accounts We identified variances between the prior year signed financial statements and the prior year comparatives included in the 2024-25 draft financial statements. There were also inconsistencies between related notes that should align. Management attributed these differences to rounding; however, variances ranged from £0.3m to £0.5m (typically, we only consider rounding differences of approximately £0.1m). Such inconsistencies may cause confusion for readers of the financial statements.	Management response Our accounts model now integrates the consistency checker.
Action completed	Journal user listing The journal user listing was inaccurate, with incorrect start and termination dates. Some users marked as terminated were still active. This issue also aligns with IT Audit's findings, which highlighted the risk that management does not currently monitor who is logging into the Oracle system.	Management response The report for Journal Users has now been updated to only include active workers and exclude pending workers (which was the case in the audit finding). Management can report at any time who has logged into Oracle and at present we monitor this on a quarterly basis to check those users who have not logged in over 90 days that their access is made inactive after contacting their managers to check if they may be on long-term absence.
Action completed	Capital grants received in advance Due to time pressures, management did not complete work on capital grants received in advance and it was not included within the draft financial statements. The capital grants received in advance figure is immaterial. We have performed additional work to gain assurance that the omission does not cause material misstatement of the accounts.	Management response Capital grants received in advance were identified during both the year end Capital Grants Reconciliation and Capital Grant Unapplied / Receipt In Advance Determination, and accrual journals were processed. These grants have been included in Note 19- Capital Grants & Contributions Income.

Follow up of prior year recommendations (5)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	Capital accruals In our creditors and expenditure completeness testing, 3 errors were identified arising from management not completing their year-end review of capital accruals. The absence of these reviews results in incorrect recording of expenditure and increases the risk of material misstatement in the financial statements.	Management response A mandatory review of PO accruals >£100k was implemented as part of the year-end timetable. It was communicated to Finance and the service teams within the budget holder guidance. A brief outline of the process conducted is as follows: - Is accrual valid or not and the reasoning behind this. - Evidence of accrual - Is accrual incorrect, implement corrective actions. The manual capital accruals go through the normal process of posting to the ledger whereby approval is required, thus maintaining segregation of duties.
Action completed	Intangible assets not amortised Management identified that five assets with finite useful lives were not amortised during the year due to the incorrect useful life set up in the system. We re-performed management's workings to confirm this finding and did not identify other instances. These assets currently have a net book value of £1.1m which is a trivial overstatement of the balance sheet for 2024-25. While the impact is immaterial for the current year, if not addressed by management, there is a risk that this issue could become material in future periods.	Management response Useful lives for intangibles were reviewed line by line starting with the highest value intangibles - only two assets remain without useful lives however their values are not significant. These will be updated for next year.

Follow up of prior year recommendations (6)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	'Last revalued' record omitted from Asset Manager In our PPE valuations work we are required to assess the level of uncertainty within the assets not revalued during the year. Asset Manager does not have a dedicated 'Last revalued' date functionality, which makes this exercise difficult. A 'Last effective' date column exists which can be used as a proxy for when an asset is last revalued, but it is not 100% accurate – the date may be updated or changed for reasons not as a result of a revaluation. We gained assurance that the assets not revalued in 2024-25 are materially incorrect, however in order to arrive at this assessment, additional audit work was required.	Management response "Last revalued" is a field available in Asset Manager. Management will consider using this functionality for all assets revalued in 2025-26 going forwards, however given how many assets the Authority has, it is not practical to retroactively add last revalued dates to all assets.
Not yet addressed	Depreciation policy In testing asset disposals, we identified a trivial error of £0.245m relating to an IT system disposed during the year but is still in use. This issue arose due to the Authority's depreciation policy, which fully depreciates assets even when they remain in use. This issue could extend to other assets that have been fully depreciated but remain operational.	Management response Discussions have been held to establish this process - this can now be closed.
Action completed	Rent review memorandum In testing lessor leases, we noted that rent uplifts were applied but management was unable to provide rent review memorandums or other written confirmation evidencing review and authorisation. In our view this is a control deficiency in the documentation and retention of rent reviews, increasing the risk of unauthorised or incorrect rent changes.	Management response All rent reviews now have a delegated authority report. There is now a process guide in place for the property team.

Follow up of prior year recommendations (7)

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	**Misclassification of action reason for work hour changes** The changes in circumstances reports include entries under the 'Action reason' column marked as 'Change in work hours'. However, entries do not always reflect an actual change in total weekly working hours or FTE. Management confirmed that managers often select the incorrect action reason when submitting changes, or errors occur when payroll staff record and process these changes. Management clarified that the report is used solely for audit purposes and does not impact the accounts.	**Management response** Oracle Guide Learning for the Change of Contract process has been introduced at the beginning of March 2026, the effectiveness of this will now need to be monitored to see if this helps managers select the correct action types/reasons over the coming months.
Not yet addressed	**Appropriate recognition of exit packages** IAS 19 requires recognition of exit packages at the earlier of: • The employee accepting the offer; and • The date the offer was made. In testing of the current year exit package listings, we detected individuals that were incorrectly included in Note 31 as their offers of redundancy were made (date of redundancy letter) after the 2024-25 financial year. This issue caused significant delays on the completion of the remuneration disclosure testing due to: a) The listings not containing the relevant information to determine appropriate classification; and b) Redundancy letter.	**Management response** Management confirmed they will incorporate this and communicate with HR to ensure they have the relevant redundancy letters readily available to improve the efficiency in the 2025-26 audit.

Follow up of prior year recommendations – IT audit (1)

Assessment	IT audit issue and risk previously communicated	Update on actions taken to address the issue(s)
Not yet addressed	1. Excessive system administrative permissions assigned to business users During IT Audit's review of Oracle Fusion it was noted that certain business users, primarily from the HR and Payroll teams, were assigned system roles that included permissions for 'Manage menu customisations' and 'Functional setup manager'. Management was unable to confirm whether the users required all of the assigned permissions for their job responsibilities, as these permissions appear to include system administrative access and may provide elevated privileges beyond what is necessary for their business functions. The risk here is where system administrative permissions are assigned to business users without clear justification, there is a risk of unauthorised or unintended changes being made to system configurations. This may compromise system integrity, weaken segregation of duties, and increase the likelihood of errors or misuse of privileged access.	Management response Version 1 have identified Finance roles with excessive access, Brent are in the process of configuring the identified roles to remove the excessive privileges, this should be completed by 31st October 2026.
Not yet addressed	2. Unnecessary system permissions not revoked promptly following user position change During IT Audit's review, it was identified that a user who had transitioned from a financial to a non-financial role retained certain financial system permissions beyond the effective date of the role change. Management clarified that although some financial system roles were not removed, the permissions could not be used to make changes to system data without other roles that had already been revoked. Where system access is not promptly updated following a change in user role, there is a risk that individuals may retain inappropriate access, potentially enabling unauthorised or erroneous transactions. Additionally, such accounts could be exploited by other users to bypass internal controls.	Management response There is a currently a process for checking position changes on a daily basis, where unnecessary roles will be removed. The example identified was a manual check that was missed. Additional training has been completed and process notes have been reviewed to ensure that the process is followed consistently going forward.

Follow up of prior year recommendations – IT audit (2)

Assessment	IT audit issue and risk previously communicated	Update on actions taken to address the issue(s)
Action completed	3. Limited user access logging and monitoring During IT Audit's review, it was noted that system logging for user access and activity was limited. Specifically, the logs to capture user login history and record significant actions performed within the system were not enabled. Furthermore, there was no formal process in place for the routine monitoring of user activities, particularly for high-risk users. This hinders the timely identification of suspicious behaviour or unauthorised access and delayed appropriate remedial action. Without formal and regular reviews of system access and activity logs, inappropriate or anomalous user behaviour may go undetected. This increases the risk of unauthorised changes to configurations or data, particularly by privileged users, and may delay investigation and corrective action in the event of a security incident.	Management response Reports are available showing user login history and these are reviewed regularly to ensure users with administrative roles are only accessing the system in line with their job roles. A change request has been raised with Version 1 to review current audit logging in Oracle Cloud as well as the feasibility of reporting on key modifications in the system, we are awaiting confirmation before taking this further, as audit logging work for specific financially critical areas has been previously completed.

Value for money arrangements

Approach to Value for Money work for the year ended 31 March 2026

The National Audit Office issued its latest Value for Money guidance to auditors in March 2026. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30th November each year from 2025-26. Our 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.

Governance

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

Financial sustainability

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

Improving economy, efficiency and effectiveness

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

In undertaking this work we identified two significant weaknesses in arrangements. One significant weakness has been identified within financial sustainability and one in improving economy, efficiency and effectiveness. Full details are included in our 2025-26 Auditor's Annual Report, presented to Audit & Standards Committee alongside this report.

Independence considerations (1)

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, we disclose the following to you:

Matter	Threats	Safeguards	Conclusion
For 2025-26 Sophia Brown, key audit partner for the London Borough of Brent, is in her sixth year of engagement with the Authority (this includes time prior to Sophia becoming the London Borough of Brent engagement lead from 2023-24). We disclosed Sophia's period of engagement with PSAA and the firm's Ethics function. Sophia's appointment has been extended for a further two years (covering the 2025–26 and 2026–27 audit cycles). As well as obtaining PSAA and Grant Thornton's Ethics approval for the 2-year extension, the safeguards described here will be applied and are considered sufficient to mitigate any familiarity threat arising from Sophia's association with the Authority.	Familiarity	• Involvement of an Engagement Quality Control Reviewer for 2025-26 and 2026-27. • Involvement of GT Quality Support Review (QST) in the planning processes to provide independent review. Both safeguards are to be applied to give oversight and independent review to mitigate the threat of familiarity.	We conclude that our independence is not compromised due to the safeguards applied.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Independence considerations (2)

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/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.

Following this consideration, we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Fees and non-audit services (1)

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 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 Authority's policy on the allotment of non-audit work to your auditor.

None of the below services were provided on a contingent fee basis.

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

For the purposes of our audit, we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to London Borough of Brent. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees in that the level of the fee for non-audit services is not significant in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP's turnover overall. Further, there is no contingent element to this fee.

Proposed audit fees	
Audit of London Borough of Brent	*£560,500
Audit of I4B Holdings Ltd	£53,972
Audit of First Wave Housing Ltd	£50,676
Audit of Brent Pension Fund	£104,507
Total	**£768,179**

*There is a proposed additional fee of £20,000 on page 60 for the audit of the Authority which is not included in the above table

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

Fees and non-audit services (2)

Audit-related non-audit services

Service	2024-25 £	2025-26 £	Threats identified	Safeguards applied
Certification of Housing Benefits Subsidy claim	47,300	30,288 (variable)	Self-Interest because this is a recurring fee	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £30,288 (variable) in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Pooling of Housing Capital Receipts claim	10,000	10,000	Self-Interest because this is a recurring fee	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,000 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Teachers' Pension Return	12,500	12,500	Self-Interest because this is a recurring fee	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £12,500 in comparison to the total fee for the audit of £560,500 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
Total	69,800	52,788		

Fees and non-audit services (3)

Total audit and non-audit fee

Audit fee for the Authority (excluding proposed additional fee on page 57)	**Non-audit fee**
£560,500	£ 52,788

The total fee above is **£613,288**.

The above fees are exclusive of VAT and out of pocket expenses.
The fees reconcile to the financial statements as follows:

- Fees per Note 17 financial statements £605,500
- Variable income for Certification of Housing Benefits Subsidy claim £7,788
- Total fees per above **£613,288.**

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

Additional fee analysis – fee variation for in year work

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

	2024-25	Proposed 2025-26	Final 2025-26
Detail of additional procedure carried out for each of the sections below are documented under significant matters on page 8.			
PPE work in relation to indexation		£10,000	
Financial instruments		£4,000	
Debtor and Creditor testing		£3,000	
Cash		£2,000	
Prior period adjustment for Senior officer remuneration		£1,000	
Total additional fee	£81,000	£20,000	
Audit scale fee	£545,235	560,500	
Total audit fee	£626,235	£580,500	

The above is subject to review by PSAA for final determination.

Appendices

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

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence.	●	●
Significant matters in relation to going concern	●	●
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 (2)

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

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

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

Respective responsibilities

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

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

Distribution of this Audit Findings report

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

B. DRAFT audit opinion (1)

Independent auditor's report to the members of London Borough of Brent

Report on the audit of the financial statements

Opinion on financial statements

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

In our opinion, the financial statements:

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

Basis for opinion

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

B. DRAFT audit opinion (2)

Conclusions relating to going concern

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

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

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

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

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

B. DRAFT audit opinion (3)

Other information

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

B. DRAFT audit opinion (4)

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Authority and the Corporate Director Finance and Resources

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

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

B. DRAFT audit opinion (5)

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, the Local Government Act 1972, the Local Government and Housing Act 1989, and Local Government Finance Act 1988 (as amended by 1992 and 2012 Acts).
- We enquired of management and the Audit and Standards Committee, concerning the group and Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the Audit and Standards Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

B. DRAFT audit opinion (6)

- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. We determined that the principal fraud risk was in relation to:

- Management override of controls, specifically posting inappropriate journals to manipulate results for the year ended

- Our audit procedures to address the principal fraud risks included:

- evaluation of the design effectiveness of controls over journals;

- analysing the journals listing and determining the risk-based criteria for selecting high risk unusual journals;

- testing the identified high risk journal entries made during the year and the accounts production stage for appropriateness and corroboration of supporting evidence;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it or recognise non-compliance.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

B. DRAFT audit opinion (7)

- The engagement partner’s assessment of the appropriateness of the collective competence and capabilities of the Group and Authority audit team members included consideration of their:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector in which the Group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and Group including:
- the provisions of the applicable legislation
- guidance issued by CIPFA/LASAAC and SOLACE
- the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority and Group’s operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority and Group's control environment, including the policies and procedures implemented by the Authority and Group to ensure compliance with the requirements of the financial reporting framework.

- For components at which audit procedures were performed, we requested component auditors report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the Group financial statements.

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

B. DRAFT audit opinion (8)

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

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

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

We have nothing to report, except that we identified two significant weaknesses in the London Borough of Brent's arrangements for the year ended 31 March 2026:

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B. DRAFT audit opinion (9)

Significant weaknesses in arrangements identified:	Recommendations:
Financial sustainability **1. Significant weakness identified in relation to delivery of savings** Success of the delivery of the savings identified is unknown, and further savings are required in the medium-term to address a £20m Medium Term Financial Strategy (MTFS) budget gap. This is a continuing significant weakness	**Key recommendation** Following changes to how savings are identified, through the Embrace Change Transformation Programme, management needs to both, focus on successful delivery of these savings, and work at pace to consistently apply these changes to identify the savings required to address the £20m medium-term gap in the MTFS. This will provide a continuous pipeline of sufficient recurrent savings and income generation schemes to achieve financial sustainability in the medium-term.
Improving economy, efficiency and effectiveness **2. Significant weakness identified in relation to the quality of the Council's housing stock** The Regulator of Social Housing (RSH) awarded the Authority a 'C3 grading' in May 2025 for serious failings in meeting quality and safety consumer standards of its housing stock, following the self-referral made to the RSH by the Authority. Failure to deliver required improvements in response to the C3 judgement could lead to increased regulatory intervention and heightened scrutiny. This is a continuing significant weakness	**Key recommendation** Management must continue to drive forward improvement activity through delivery of the Housing and Tenant Satisfaction Improvement Programme against the C3 regulatory judgement, with a sustained focus on strengthening compliance for fire, water and asbestos safety. Progress against improvement must continue to be reported regularly to Cabinet to ensure sufficient oversight and assurance that necessary service improvements are delivered in readiness for the next inspection.

B. DRAFT audit opinion (10)

Responsibilities of the Authority

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

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

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

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

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

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

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B. DRAFT audit opinion (11)

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

We cannot formally conclude the audit and issue an audit certificate for London Borough of Brent for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed both the work necessary in relation to the Authority's consolidation returns and we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2026 and until we have completed our consideration of an objection brought to our attention by a local authority elector under section 27 of the Local Audit and Accountability Act 2014. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

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

[Signature**]**

Sophia Brown, Key Audit Partner

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

London

23 September 2026

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