

Independent auditor's report to the members of Swale Borough Council

In our auditor's report issued on 27 February 2025, we explained that we could not formally conclude the audit and issue an audit certificate for Swale Borough Council ('the Authority') for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- completed the work necessary in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office (NAO) had concluded their work in respect of WGA for the year ended 31 March 2024. The NAO has now concluded their work in respect of WGA for the year ended 31 March 2024 and confirmed that audit certificates that are open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2024 issued on 27 February 2025, we reported that, except for the effects of the matter described in the basis for qualified opinion section of our report, in our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its 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 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for qualified opinion

During the current year, the Authority identified £2.085 million of Property, Plant and Equipment (PPE) which it did not own, as the capital works were completed on behalf of Kent County Council. The underlying capital works took place in prior periods and management disposed of the asset in the current year. This expenditure should have been accounted for as Revenue Expenditure Funded From Capital Under Statute (REFCUS) in accordance with section 4.6 of the CIPFA Code and expensed in the year in which the works were undertaken, instead of being accounted for as PPE. To correct the current year's financial statements a prior period adjustment is required, including a restated Balance Sheet as at 1 April 2022. Management have chosen not to adjust the financial statements for the prior period error. The other primary statements impacted are the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement and the Cash Flow Statement and several notes to the financial statements. In addition, were any adjustment to the associated amounts to be required, the narrative report would also need to be amended.

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 2024.

In our auditor's report for the year ended 31 March 2024 issued on 27 February 2025 we reported that:

- we have nothing to report in respect of whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

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 undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. 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.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Swale Borough Council for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

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.

Matthew Dean

Matthew Dean, Key Audit Partner

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

London

18 August 2025