

Audit Findings (ISA 260) Report for Wealden District Council

Year ended 31 March 2025

January 2026

Wealden District Council

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12 January 2026

Dear Members of the Audit and Governance Committee

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Audit Findings for Wealden District Council for the 31 March 2025

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

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 statement of accounts that have been prepared by management with the oversight of those charged with governance. The audit of the statement of accounts does not relieve management or those charged with governance of their responsibilities for the preparation of the statement of accounts.

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

Chartered Accountants

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

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

Ade O Oyerinde

Director
For Grant Thornton UK LLP

Chartered Accountants

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Headlines and status of the audit

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Wealden District Council (the 'Authority') and the preparation of the group and Authority's statement of accounts for the year ended 31 March 2025 for the attention of those charged with governance.

Statement of Accounts

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 statement of accounts give a true and fair view of the financial position of the group and Authority and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited statement of accounts (including the Annual Governance Statement (AGS), Narrative Report), is materially consistent with the statement of accounts and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

In our Audit Plan we set out and agreed to undertake our fieldwork between July and mid-September based on the expectation that both the draft accounts and supporting working papers would be available by the statutory deadline of 30 June 2025. The draft statement of accounts were not published until 5 August this was due to the Authority engaging a new valuer and delays in the receipt of the IFRS 16 information. The audit was originally scheduled from July to mid-September but only began upon receipt of the draft accounts and supporting working papers in August. It was paused at the end of September and resumed in January 2026. Despite these delays, the quality of audit evidence has been strong, with no significant errors or amendments identified. Further details are set out on page 33.

Our findings are summarised on pages 16 to 42. We have not identified any adjustments to the statement of accounts that have resulted in adjustment to the Authority's Comprehensive Income and Expenditure Statement or the level of the usable reserves. Minor disclosure amendments have been made as a result of our review and these are set out on page 40. We have also raised three low priority recommendations which we have discussed and agreed with management.

Our work is complete, and there are no matters of which we are aware that would require modification of our audit opinion.

Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of Wealden District Council (the 'Authority') and the preparation of the group and Authority's statement of accounts for the year ended 31 March 2025 for the attention of those charged with governance.

Statement of Accounts (continued)

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

Our statement of accounts audit report opinion dated 29 January 2026 was unmodified.

Headlines

Value for money (VFM) arrangements

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

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

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

We have completed our VFM work, which is summarised on page 42, and our detailed commentary is set out in the separate Auditor’s Annual Report which was presented at the Audit and Governance Committee meeting of 17 September 2025. We are satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Headlines

Statutory duties

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

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

We have completed most 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 confirmation has been received from the NAO that the group audit (Department of Health & Social Care for NHS and Whole of Government Accounts for non-NHS) has been certified by the Comptroller and Auditor General (C&AG) 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.

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

Significant matters

The late submission of the draft accounts and supporting working papers resulted in a delay in finalising the audit, as outlined in the Audit Plan.

Headlines

National context – audit backlog

Government proposals around the backstop

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

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

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

Headlines

Implementation of IFRS 16

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

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

Introduction

IFRS 16 updates the definition of a lease to:

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

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

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

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

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

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

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

Impact on the Authority

Our work on assessing the impact on the Authority is complete. The Council’s IFRS 16 disclosure is set out in Note 33 of the financial statements with the value of right of use assets of £3.21m as at 31 March 2025. Our work included the following:

- reviewing your accounting policies and disclosures;
- reviewing your application of judgment and estimation;
- reviewing your systems to capture the process and maintain new lease data and for ongoing maintenance;
- reviewing your accounting for what were operating leases; and
- reviewing your identification of peppercorn rentals and recognising these as leases under IFRS 16 was appropriate.

Our review concluded your disclosure was not materially misstated.

Group audit

Group audit

Component	Risk of material misstatement to the group	Scope – planning	Scope – final	Auditor	Key Audit Partner / Responsible Individual	Status	Comments
Wealden District Council	Yes			Grant Thornton UK	Ade Oyerinde	●	Our work is complete. We set out our audit findings on pages 16 to 42 of this report.
Sussex Weald Homes	No			Grant Thornton UK	Ade Oyerinde	●	As set out in our Audit Plan, we focused our work on material balances which included the following: • Inventory balances were recorded accurately and have the correct valuation and allocation • Recorded cash and cash equivalents were accurate. • Revenue were recorded accurately and occurred • Costs of Sales were recorded accurately and occurred Our targeted audit procedures did not identify any material issues affecting your group disclosures. However, we noted some immaterial adjustments and disclosures which have been amended. These are set out on pages 36 to 41.

Key

Audit of entire financial information of the component by the group audit team.

Specified audit procedures to risk of material misstatement of the group statement of accounts.

Planned procedures are substantially complete with no significant issues outstanding.

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

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

Materiality

Our approach to materiality

As communicated in our Audit Plan dated 10 March 2025, we determined materiality at the planning stage as £2.3m for the Group and £2.1m for the Council based on 2.5% of prior year gross expenditure. At year-end, we have reconsidered planning materiality based on the prior year 2023/24 signed statement of accounts. We revisited the materiality on receipt of the draft statement of accounts and concluded that the determined materiality at planning was still appropriate.

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

Basis for our determination of materiality

- We have determined Group materiality at £2.3m (Council £2.1m) based on professional judgement in the context of our knowledge of the Authority.
- We have used 2.5% of prior year gross expenditure as the basis for determining materiality.

Performance materiality

- We have determined Group performance materiality at £1.725m (Council £1.575m)

Component Performance materiality

- Where audit work on components is being performed using component performance materiality, this has been set at £0.9m, with the component performance materiality used reflecting the relative risk and size of that component to the group.

Reporting threshold

- We will report to you all misstatements identified in excess of £0.115m for the Group and £0.105m for the Council, in addition to any matters considered to be qualitatively material.

	Group (£)	Authority (£)	Component (£)
Materiality for the statement of accounts	2,300,000	2,100,000	-
Performance materiality	1,725,000	1,575,00	949,000*
Reporting threshold	115,000	105,000	-

* 55% of Authority materiality as the subsidiary makes up less than 15% of component financial statement line items that were subject to testing. Per ISA 600 we are only required to calculate performance materiality

Overview of significant risks identified

Overview of audit risks

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

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

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

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls (Council)	Significant	↔	✓	High	●
Valuation of Land and Buildings including investment property and council dwellings (Group and Council)	Significant	↔	✗	High	●
Valuation of Defined Pension liability (Council)	Significant	↔	✗	High	●
The revenue cycle includes fraudulent transactions	Significant	↔	✓	Low	●
The expenditure cycle includes fraudulent transactions	Significant	↔	✓	Low	●

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

- Not likely to result in material adjustment or change to disclosures within the statement of accounts
- Potential to result in material adjustment or significant change to disclosures within the statement of accounts
- Likely to result in material adjustment or significant change to disclosures within the statement of accounts

Significant risks

Risk identified	Audit procedures performed	Key observations
Management override of controls Under ISA 240 there is a non-rebuttable presumed risk 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.	We have: • evaluated the design and implementation of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • identified and tested unusual journals made during the year at group level and the accounts production stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness; and • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. We tested a total of 24 journals.	Our audit work is complete. We observed that certain journal Admin Users and Superusers can both initiate and approve journals, without segregation of duties. Our recommendation to enhance controls over journal administration is set out on page 41. There are no other issues to bring to the attention of those charged with governance.

Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of Land and Buildings (including Investment Properties and Council Dwellings) The Council revalues operational land and building on a rolling five yearly basis and investment properties every year to ensure the carrying value in the statement of accounts is not materially different from the current value or the fair value at the financial statement date. The Council engaged a new valuer, Bruton Knowles, for the 2025/25 audit. The valuation represents a significant estimate by management in the statement of accounts due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. We therefore identified valuation of land and buildings including Investment Properties and Council Dwellings, particularly revaluations and impairments, as a significant risk. The significant risk relates to the complexity of the valuation and is pinpointed to the key inputs and assumptions underlying the valuations including land values, build cost indices, gross internal areas, obsolescence, rental values, vacancy rates and yields.	We have: • evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluated the competence, capabilities and objectivity of the valuation expert; • wrote to the valuer to confirm the basis on which the valuation was carried out to ensure that the requirement of the Code are met and discuss this basis where there are any departures from the Code; • challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • completed analytical procedures on the valuation report, with reference to external market data, to identify those assets at greater risk of material misstatement. • assessed how management have challenged the valuations produced by the professional valuer to assure themselves that these represent the materially correct current value; • tested revaluations made during the year to see if they are input correctly into the Authority’s asset register; and • evaluated the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.	Our audit work is complete subject. There are no issues to bring to the attention of those charged with governance.

Significant risks

Risk identified	Audit procedures performed	Key observations
Valuation of the pension fund net liability - assumptions applied by the professional actuary in their calculation The Council's pension fund net liability, as reflected in its balance sheet as the net liability on defined pension scheme, represents a significant estimate in the statement of accounts. The pension fund net liability is considered a significant estimate due to its value in the Authority's balance sheet and the sensitivity of the estimates to changes in key assumptions. We therefore identified valuation of the Council's pension fund net liability as a significant risk. We have pinpointed this significant risk to the assumptions applied by the professional actuary in their calculation of the net liability.	We have: • updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation; • assessed the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • tested the consistency of pension fund asset and liability and disclosures in the notes to the core statement of accounts with the actuarial report from the actuary; • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • requested assurances from the auditor of Sussex Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund statement of accounts.	Our audit work is complete. We have not identified any material issues in respect of valuation of the pension fund net liability. East Sussex Pension Fund auditor identified two unadjusted errors: • a variation between pension fund investments amounts recorded in the pension fund statement of accounts and amounts confirmed by investment managers arising due to timing difference. The impact was an understatement of £8.183 million on total scheme assets. Wealden's DC share of the pension assets is 3.50% which equates to an understatement of £286k. • a projected error of £3,111,107 in benefits payable. Wealden's DC share of the project error on pension payable is £128k. Management has decided not to post the adjustment as the net impact is immaterial. We have therefore included this in our unadjusted misstatement.

Significant risks

Risk identified

Presumed risk of fraud in revenue recognition

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

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

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

There is little incentive to manipulate revenue recognition;

- opportunities to manipulate revenue recognition are very limited;
- the culture and ethical frameworks of local authorities, including Wealden District Council, mean that all forms of fraud are seen as unacceptable.
- we do not consider this to be a significant risk for the Group and Council.

Audit procedures performed

We have:

- evaluated the Council's accounting policy for recognition of income for appropriateness and compliance with the Code;
- updated our understanding of the system for accounting for the income and evaluate the design of associated processes and controls;
- agreed on a sample basis relevant income and year end receivable/income accruals to invoices, loans and lease agreements and cash payment or other supporting evidence; and
- we carried out testing on a sample basis of invoices issued and cash received in the period prior to and following 31 March 2025 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

Key observations

Our audit work is complete.

There are no issues to bring to the attention of those charged with governance.

Significant risks

Risk identified

Presumed risk of fraud in expenditure recognition

Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.

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

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

Audit procedures performed

We have:

- evaluated the Council’s accounting policy for recognition of expenditure for appropriateness and compliance with the Code;
- updated our understanding of the system for accounting for the expenditure and evaluate the design of associated processes and controls;
- agreed on a sample basis relevant expenditure and year end payables and accruals to invoices or other supporting evidence; and
- we carried out testing on a sample basis of invoices received and cash paid in the period prior to and following 31 March 2025 to determine whether expenditure is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties.

Key observations

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

Other findings

Other findings – key judgements and estimates

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

Assessment:

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

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment
Valuation of land and buildings £44.7m at 31 March 2025	Other land and buildings comprises specialised assets such as leisure centres, which are required to be valued at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision. Other land and buildings are not specialised in nature and are required to be valued at existing use in value (EUV) at year end. A new valuer, Bruton Knowles, was engaged in 2024/25 therefore, all land and building assets were subject to revaluation.	We considered and completed the following in the course of our testing: • we tested the competence, capabilities and objectivity of the valuation expert used by the Council; • we reviewed the completeness and accuracy of the underlying information used to determine the valuation. This included testing accuracy of floor areas plans provided to the valuer; querying yield percentages used by the valuer against comparable market evidence; • we considered the movements in the valuations of individual assets and their consistency with indices; and • we agreed the valuation reports provided by management’s expert to the fixed asset register and to the financial statements. Our audit work is complete and we have no issues to bring to the attention of those charged with governance.	● Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment
Valuation of council dwellings £269.9m at 31 March 2025	The Authority owns 3,146 dwellings and revalues these properties in accordance with DCLG’s Stock Valuation for Resource Accounting guidance. The guidance stipulates that either the use of beacon methodology or discounted cash flow can be used to value council dwelling properties. The Authority has applied the beacon valuation method which entails a detailed valuation of representative property types which is then applied to similar properties. The Authority has engaged Bruton Knowles to complete the valuation of these properties. The year end valuation of council dwellings was £269.9m, a net decrease of £1.2m from 2023/24 (£270.1m).	We considered and completed the following in the course of our testing: • we tested the competence, capabilities and objectivity of the valuation expert used by the Council; • we assessed the appropriateness of the valuation method, the type of inspection performed, the assumptions made in respect of obsolescence and any assumptions made in respect of local factors; • we reviewed the completeness and accuracy of the underlying information used to determine the valuation; • we agreed the valuation reports provided by management’s expert to the fixed asset register and to the financial statements. Our audit work is complete and we have no issues to bring to the attention of those charged with governance.	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment
Valuation of investment property £11.3m at 31 March 2025	The Authority has engaged Bruton Knowles to complete the annual valuation of investment properties held at fair value as at 31/03/2025. The valuation represents a significant estimate by management in the financial statements which is sensitive to changes in assumptions and market conditions. The Council has engaged the services of a qualified valuer, Bruton Knowles, who is a regulated Member of the Royal Institute of Chartered Surveyors (RICS), to estimate the current value of its investment properties. The total year end valuation of investment property was £11.3m, a net increase of £1m from 2023/24 (£10.3m).	We considered and completed the following in the course of our testing: • we tested the competence, capabilities and objectivity of the valuation expert used by the Council; • we assessed the appropriateness of the valuation method, the type of inspection performed, the assumptions made in respect of obsolescence and any assumptions made in respect of local factors; • we reviewed the completeness and accuracy of the underlying information used to determine the valuation; • we agreed the valuation reports provided by management’s expert to the fixed asset register and to the financial statements. Our audit work is complete and we have no issues to bring to the attention of those charged with governance.	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management's approach	Auditor commentary	Assessment
Group Inventories £10.7m at 31 March 2025	Inventories are made up of the direct costs for each project, and are initially measured at cost. The costs are reviewed quarterly and the management confirms if the costs are still expected to be recoverable. Any irrecoverable costs are written back into the profit or loss account. The costs are released to the profit or loss account as the properties are sold: - For affordable housing where a sale contract is in place from the outset, the amount released is based on percentage completion in accordance with the project's quantity surveyor's report. - For the private housing where no sale contract is in place at the outset, costs are apportioned on a systematic basis and released as each property is sold. For Hedgerows this is based on square footage. The year end valuation of group Inventories was £10.7m, a net decrease of £1.4m from 2023/24 (£12.1m).	We have obtained a breakdown of the year end balance for inventories which is made up of the opening balance, purchases and the costs of sales. - we have agreed the opening balances to completion statements - for purchases agreed a sample to the completion of construction certificates and work in progress reports obtained from the management surveyor. - for costs of sales , we have tested to invoices, completion statements and verified the sales made by agreeing to invoices and the bank. Our audit work is complete. We have not noted any issue to bring to the attention of those charged with governance.	 Green

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment																								
Valuation of net pension liability £2.686m at 31 March 2025 The Authority’s pension fund net liability, as reflected in its balance sheet as the net liability on defined pension scheme, represents a significant estimate in the financial statements. The pension fund net liability is considered a significant estimate due to its value in the Authority’s balance sheet and the sensitivity of the estimates to changes in key assumptions	The Council recognises and discloses the retirement benefit obligation in accordance with the measurement and presentation requirement of IAS 19 ‘Employee Benefits’. The Council uses Barnett Waddingham to provide actuarial valuations of the Council’s assets and liabilities derived from these schemes similar to the prior year. The latest full actuarial valuation was completed in May 2023. A roll forward approach is used in intervening periods. The valuations are based on key assumptions such as life expectancy, discount rates, salary growth and investment return. Given the significant value of the net pension liability, small changes in assumptions can result in significant valuation movements.	- we assessed management’s actuarial expert and concluded they are competent, capable and objective in producing the estimate; - we engaged an auditor’s actuary expert to challenge the reasonableness of the estimation method used and the approach taken by the actuary to verify the completeness and accuracy of information used. We were satisfied that the actuary was provided with complete and accurate information about the workforce, and that the method applied was reasonable; - the auditors’ expert provided us with indicative ranges for assumptions by which we have assessed the assumptions made by management’s expert. As set out below all assumptions were within the expected range and were therefore considered reasonable; <table><tr><th>Assumption</th><th>Actuary value</th><th>PwC range</th><th>Assessment</th></tr><tr><td>Discount rate</td><td>5.80%</td><td>5.60% to 5.95%</td><td>Reasonable</td></tr><tr><td>Pension increase rate</td><td>2.90%</td><td>2.85% to 2.95%</td><td>Reasonable</td></tr><tr><td>Salary growth</td><td>2.90%</td><td>PwC expect long-term salary increases to be 0.5% to 2.5% – above CPI inflation for most employers. 2.90% – 5.35%. For some employers (WDC), salary increases have historically been in line with CPI</td><td>Reasonable- inline with CPI</td></tr><tr><td>Life expectancy – Males currently aged 45/65</td><td>Current: 20.9 Future: 23.9</td><td>Current : 19.2 – 21.8 Future: 20.6 – 23.1</td><td>Reasonable</td></tr><tr><td>Life expectancy – Females currently aged 45/65</td><td>Current: 21.9 Future: 25.4</td><td>Current: 22.7 – 24.3 Future: 24.1 – 25.7</td><td>Reasonable</td></tr></table>	Assumption	Actuary value	PwC range	Assessment	Discount rate	5.80%	5.60% to 5.95%	Reasonable	Pension increase rate	2.90%	2.85% to 2.95%	Reasonable	Salary growth	2.90%	PwC expect long-term salary increases to be 0.5% to 2.5% – above CPI inflation for most employers. 2.90% – 5.35%. For some employers (WDC), salary increases have historically been in line with CPI	Reasonable- inline with CPI	Life expectancy – Males currently aged 45/65	Current: 20.9 Future: 23.9	Current : 19.2 – 21.8 Future: 20.6 – 23.1	Reasonable	Life expectancy – Females currently aged 45/65	Current: 21.9 Future: 25.4	Current: 22.7 – 24.3 Future: 24.1 – 25.7	Reasonable	Green
Assumption	Actuary value	PwC range	Assessment																								
Discount rate	5.80%	5.60% to 5.95%	Reasonable																								
Pension increase rate	2.90%	2.85% to 2.95%	Reasonable																								
Salary growth	2.90%	PwC expect long-term salary increases to be 0.5% to 2.5% – above CPI inflation for most employers. 2.90% – 5.35%. For some employers (WDC), salary increases have historically been in line with CPI	Reasonable- inline with CPI																								
Life expectancy – Males currently aged 45/65	Current: 20.9 Future: 23.9	Current : 19.2 – 21.8 Future: 20.6 – 23.1	Reasonable																								
Life expectancy – Females currently aged 45/65	Current: 21.9 Future: 25.4	Current: 22.7 – 24.3 Future: 24.1 – 25.7	Reasonable																								

Other findings – key judgements and estimates

Key judgement or estimate	Summary of management’s approach	Auditor commentary	Assessment
Minimum revenue provision £0.353m in 2024/25	The Authority is responsible on an annual basis for determining the amount charged for the repayment of debt known as its minimum revenue provision (MRP). The basis for the charge is set out in regulations and statutory guidance. The year end MRP charge was £353k, a net increase of £59k from 2023/24. This represents a 1.89% of general fund capital financing requirement (CFR).	We have: • we assess whether the MRP has been calculated in line with the statutory guidance • we whether the Authority’s policy on MRP complies with statutory guidance. • we assess whether any changes to the Authority's policy on MRP have been discussed and agreed with those charged with governance and have been approved by full Council • assessed reasonableness of the increase/decrease in MRP charge. New statutory guidance takes full effect from April 2025, introducing new provisions for capital loans. This guidance also clarifies the practices that authorities should already be following. This guidance clarifies that capital receipts may not be used in place of a prudent MRP and that MRP should be applied to all unfinanced capital expenditure and that certain assets should not be omitted from the calculation unless exempted by statute.	● Grey

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.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Efinancials	ITGC Design assessment	●	●	●	●	No risk identified
iTrent	ITGC Design assessment	●	●	●	●	No risk identified

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of statement of accounts
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of statement of accounts/significant deficiencies identified but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of statement of accounts judged to be effective at the level of testing in scope
- [Black] Not in scope for assessment

Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We have not been made aware of any other incidents in the period, and no other issues have been identified during the course of our audit procedures.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations, and we have not identified any incidences from our audit work.
Written representations	Representations will be requested from management in respect of the significant assumptions used in making accounting estimates. We draw your attention to the draft group Letter of Representation which is appended.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to Council's banks and investment bodies. This permission was granted, and the requests were sent. We received all the requested confirmations.

Other communication requirements (continued)

Issue	Commentary
Disclosures	Our review found no material omissions in the financial statements other than In Note 17- Borrowings, it was noted that the Fair Value was incorrect recorded as nil rather than £45.5m and that Group accounting policies did not include a policy for material Group inventories. Management have updated the disclosures accordingly.
Audit evidence and explanations	All information and explanations requested from management was provided.
Significant difficulties	The statement of accounts was received on 5 August instead of 30 June, primarily due to delays in receiving information from the valuer, IFRS 16 data, and other pressures on the finance team. The audit was originally scheduled from July to mid-September but only began upon receipt of the draft accounts and supporting working papers in August. It was paused at the end of September and resumed in January 2026. We maintained regular meetings with the finance team between September and January to monitor progress on outstanding working papers and audit queries. Despite these delays, the quality of audit evidence has been strong, with no significant errors or amendments identified.

Other responsibilities

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of statement of accounts 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 statement of accounts 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 statement of accounts is appropriate.

Other responsibilities

Issue	Commentary
Other information	We are required to give an opinion on whether the other information published together with the audited statement of accounts (including the Annual Governance Statement and the Narrative Report), is materially inconsistent with the statement of accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. No inconsistencies have been identified.
Matters on which we report by exception	We are required to report on a number of 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. We have nothing to report on these matters.
Specified procedures for Whole of Government Accounts	We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions. Note that work is not required as the Authority does not exceed the threshold. We will complete the Assurance Statement and submit to the NAO following the conclusion of the audit work.
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2024/25 audit of Wealden District Council in the audit report until National Audit Office has concluded their work in respect of WGA for the year ended 31 March 2025.

Audit adjustments

Audit adjustments

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

Impact of adjusted misstatements

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

Detail	Comprehensive Income and Expenditure Statement £'000	Balance Sheet £'000	Impact on total net expenditure £'000	Impact on general fund £'000
NO ISSUE IDENTIFIED				
Overall impact	0	0	0	0

Audit adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of statement of accounts.

Disclosure	Misclassification or change identified	Adjusted?
Note 2 Accounting Policies	In the accounting policies section for Depreciation, the Useful Economic Lives are not disclosed for Dwellings and Other Buildings.	✓
Note 9- Adjustment to Capital Resources	The table detailing the adjustments to capital resources for the year 2024/25 was omitted from the draft accounts. The authority is to include the full adjustments to capital resources table within Note 9 in the final set of accounts. This does not impact the primary MIRS statement.	✓
Note 17 Borrowings	The fair value of PWL Borrowing was disclosed was zero in the draft accounts, however it was noted that figure was omitted in the statement of accounts to sent too audit, and the figure should be £45.505m	✓
Note 17 Debtors	The balance of short term Debtors has been updated to £16,934k from £17,849k. This is due to a misclassification within note 17. No impact to debtors. The FV of PWLB Loan of £45.505m is not disclosed within note 17.	✓
Note 17 Liabilities	The Liabilities for which fair value is not disclosed has been updated to £27,548k from £27,484k. This is due to a misclassification within note 17. No impact to creditors . Long term creditors have been updated from £16,176k to £16,240k. This is due to a misclassification within note 17. No impact to creditors .	✓
Note 35 Assets	In Note 35, the balance for assets in the Liquidity Risk note Assets over 1 year will reduce from £107,600k to £106,688k. No impact to debtors.	✓
Note 2 Group Accounting Policies	The group accounting policies does not disclose an accounting policy for inventories which is material.	✓
Throughout	A number of minor amendments have been made to the accounts. These disclosure amendments were not material individually or in aggregate.	✓

Audit adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of statement of accounts. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below. There are no unadjusted misstatements from the prior year that impact the current year.

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Impact on general fund
	£'000	£'000	£'000	£'000
East Sussex Pension Fund auditor identified two unadjusted errors:	(286)	286	-	-
- a variation between pension fund investments amounts recorded in the pension fund statement of accounts and amounts confirmed by investment managers arising due to timing difference. The impact was an understatement of £8.183 million on total scheme assets. Wealden's DC share of the pension assets is 3.50% which equates to an understatement of £286k. - The East Sussex Pension fund auditor identified projected error of £3,111,107 in benefits payable. Because of the data submitted to the actuary. Wealden's DC share of the project error on pension payable is £128k.		128 (128)		
The total impact for Wealden District Council is for £415k. Management has decided not to post the adjustment as the net impact is immaterial				
Following challenge and confirmation, for one unit in Vicarage Field, the incorrect deferred period was used in the valuation model. This resulted in a valuation of £328k, whereas the correct valuation should have been £252k (rounded). This gives rise to a £76k variance, leading to a projected misstatement of £112.8k, £113k (rounded)	113	(113)		
Overall impact of current year unadjusted misstatements	(173)	173	0	0

Action plan

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

Assessment	Issue and risk	Recommendations
● Low	Fully Depreciated assets in the FAR From our review the FAR there are a number of nil NBV assets were included. Inaccurately estimated useful life can lead to assets being depreciated at a faster rate than the consumption of the economic or service delivery benefits associated with those assets.	We recommend that the Council review the useful lives of assets to ensure that they continue to reflect the expected period of service potential or economic benefits that will be derived from those assets. Management response We will review the Useful Economic Lives and update if required for the 2025/26 accounts.
● Low	Useful Economic Lives From our review Vehicles, Plant and Equipment (VPE), we noted that there were a number of assets where the useful economic lives differed to the accounting policy.	We recommend that the Council reviews its VPE depreciation policy is consistent with the useful economic lives used or applied in practice. Management response We will review the policy and update if required for the 2025/26 accounts.

Key

- High – Significant effect on control system and/or statement of accounts
- Medium – Limited impact on control system and/or statement of accounts
- Low – Best practice for control systems and statement of accounts

Action plan (continued)

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

Assessment	Issue and risk	Recommendations
● Low	Journals We observed that certain journal Admin Users and Superusers can both initiate and approve journals, without segregation of duties. Risk a single user having end-to-end control (initiation and approval) creates an opportunity for unauthorized or fraudulent journal entries to be posted without detection or independent check	Implement robust segregation of duties within the journal processing function to ensure that no single user can both initiate and approve journal entries. Management response We will review the system controls to see if this can be amended within the system, if not, additional manual controls will be put in place to prevent the same person inputting and approving. We have run a report which has confirmed that there has been no instances where the same person has initiated and approved the same transaction. We will run this report on a regular basis to ensure this does not happen.

Key

- High – Significant effect on control system and/or statement of accounts
- Medium – Limited impact on control system and/or statement of accounts
- Low – Best practice for control systems and statement of accounts

Value for Money arrangements

Value for Money arrangements

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

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code requires auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Additionally, The Code requires auditors to share a draft of the Auditor's Annual Report (AAR) with those charged with governance by 30 November each year from 2024-25. We presented our Interim AAR to Audit and Governance Committee at the 17 September 2025 meeting.

In undertaking our work, we are required to have regard to three specified reporting criteria. These are as set out below.



Improving economy, efficiency and effectiveness

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



Financial sustainability

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



Governance

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

In undertaking this work we have not identified any significant weaknesses in arrangements. We made one improvement recommendation each within Financial Sustainability and Governance.

Independence considerations

Independence considerations

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 statement of accounts.

Independence considerations

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

Audit and non-audit services

For the purposes of our audit, we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The following non-audit service was identified.

Service	Fees £	Threats identified	Safeguards
Certification of Housing Benefits claim	34,253 (23/24 estimate) 35,058 (24/25 estimate)	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 small in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self-review (because Grant Thornton provides audit services)	To mitigate against the self-review threat , the timing of certification work is done after the audit has completed. Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable in future years based on the work that we perform. Any changes to the form will be agreed with the council before we conclude our report to DWP. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision.
			The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by DWP and will report to DWP, with a copy of our report being provided to the council at the same time.

Fees and non-audit services

We confirm below our final fees charged for the audit and there were no fees for the provision of non audit services.

Audit fees	Final fee (£)
Group audit scale fee	171,466
IFRS 16**	4,780
Overruns**	6,800
Audit related fees	183,046
Certification of Housing Benefits claim 2023/24*	34,253
Certification of Housing Benefits claim 2024/25*	35,058

*fee will be finalised at the conclusion of the audit related services. These reviews are in progress by our Grants team.

**fees are subject to PSAA approval

Reconciliation to Note 23 External Audit Fees

External Audit costs per Note 23 in the Statement of Accounts	£171k
Total fees per above (rounded off)	£183k
Variance is due to IFRS 16 and overrun fees	£12k

Fees and non-audit services

Audit-related non-audit services

Service	2023/24 £	2024/25 £	Threats Identified	Safeguards applied
Certification of Housing Benefits Subsidy claim	34,253	35,058	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 small in comparison to the total fee for the audit and in particular relative to Grant Thornton UK LLP’s turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
			Self-review (because Grant Thornton provides audit services)	To mitigate against the self-review threat , the timing of certification work is done after the audit has completed. Based on past experience, it is not expected that there will be material changes to housing benefit subsidy payable or receivable in future years based on the work that we perform. Any changes to the form will be agreed with the council before we conclude our report to DWP. Any changes to subsidy payable will be determined by DWP and we will have no involvement in the decision. The scope of the work does not include making decisions on behalf of management or recommending or suggesting a particular course of action for management to follow. We will perform the proposed service in line with the instructions and reporting framework issued by DWP and will report to DWP, with a copy of our report being provided to the council at the same time.
Total	34,253	35,058		

Appendices

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Group’s accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●

A. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Identification or suspicion of fraud involving management and/or which results in material misstatement of the statement of accounts		
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 statement of accounts that have been prepared by management with the oversight of those charged with governance.

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

Distribution of this Audit Findings report

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

B. Our team and communications



Ade O Oyerinde
Engagement Lead

Ade is responsible for overall quality control; accounts opinions; final authorisation of reports; liaison with the Audit and Governance Committee, the Chief Executive and the S151 Officer. Ade will share his wealth of knowledge and experience across the sector providing challenge and sharing good practice. Ade will ensure our audit is tailored specifically to you, and he is responsible for the overall quality of our audit work. Ade will sign your audit opinion.



Tafadzwa Nembaware
Audit Manager

Tafadzwa is responsible for overall audit management, quality assurance of audit work and output, and liaison with finance team. Tafadzwa will undertake reviews of the team’s work and draft reports, ensuring they remain clear, concise and understandable. Tafadzwa left Grant Thornton in September 2025.



Amrita Sekhon
Assistant Manager

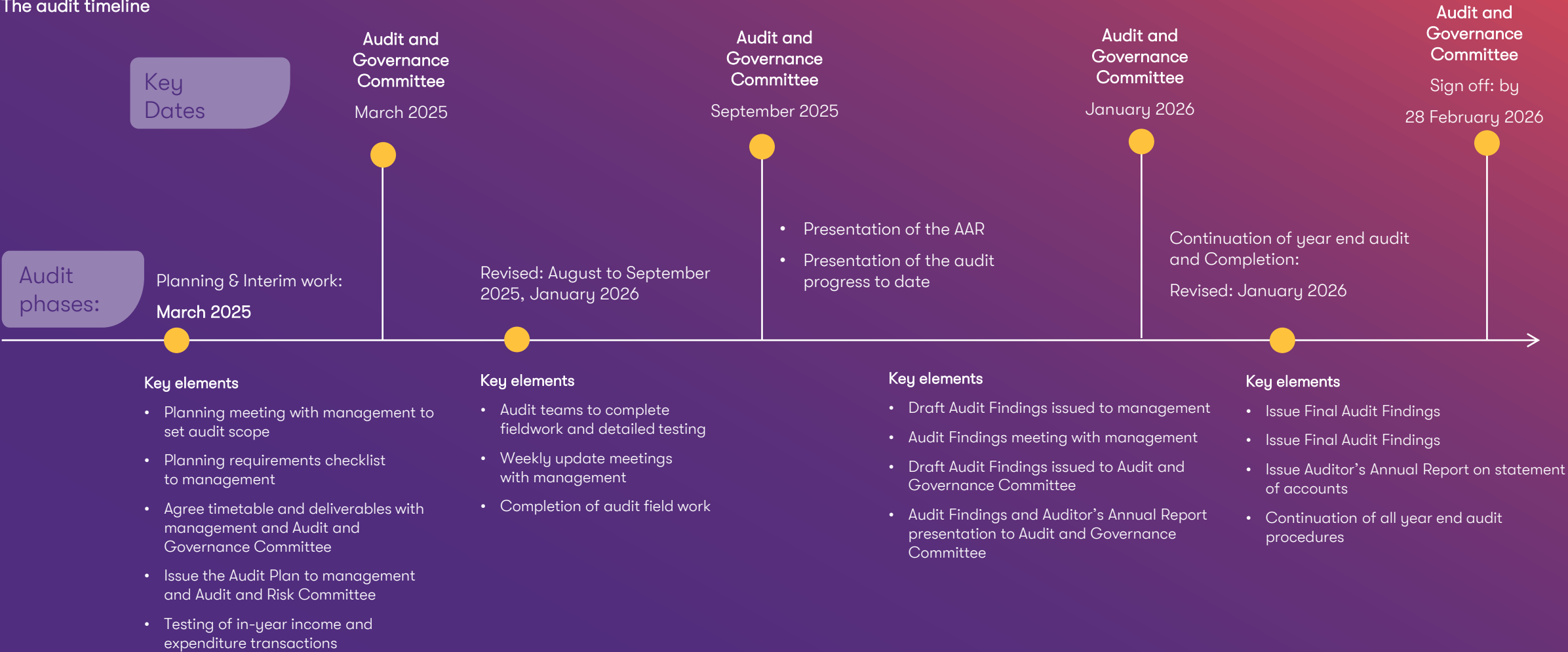
Amrita is responsible for leading the audit team to deliver work on time, oversees day-to-day fieldwork and ensures audit procedures are completed promptly. Kristin manages client communications, maintains and tracks audit queries, and leads client meetings to resolve issues and keep the audit on track.

	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	Annual client service review	- The Audit Plan - The Audit Findings - Auditor’s Annual Report - Progress and Sector Update Reports	- Audit planning meetings - Audit clearance meetings - Communication of issues log	Technical updates
Informal communications	Open channel for discussion	Operate a no surprise culture	Communication of audit issues as they arise	Notification of up-coming issues

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

C. Logistics

The audit timeline



D. Management letter of representation - draft

i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the group and Authority's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.

ii. We have complied with the requirements of all statutory directions affecting the group and Authority and these matters have been appropriately reflected and disclosed in the financial statements.

iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the group and Authority financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include valuations of land and buildings and investment properties, year-end accruals, year-end provisions including NNDR appeals, impairment loss allowance for debtors, and valuation of defined benefit net pension fund liabilities. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for International Accounting Standard 19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.

vii. Except as disclosed in the group and Authority statement of accounts:

- a) there are no unrecorded liabilities, actual or contingent;
- b) none of the assets of the group and Authority has been assigned, pledged or mortgaged; and
- c) there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.

viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.

ix. All events subsequent to the date of the statement of accounts and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.

x. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter. We have not adjusted the statement of accounts for these misstatements brought to our attention as they are immaterial to the results of the group and Authority and their financial position at the year-end. The statement of accounts are free of material misstatements, including omissions.

xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the statement of accounts.

xiii. There are no prior period errors to bring to your attention.

D. Management letter of representation (continued)

xiv. We have updated our going concern assessment. We continue to believe that the group and Authority's statement of accounts should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that:

- a) the nature of the group and Authority means that, notwithstanding any intention to cease the group and Authority operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the statement of accounts on a going concern basis will still provide a faithful representation of the items in the statement of accounts
- b) the financial reporting framework permits the Authority to prepare its statement of accounts on the basis of the presumption set out under a) above; and
- c) the group and Authority's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the group and Authority's ability to continue as a going concern need to be made in the statement of accounts.

xv. We have considered whether accounting transactions have complied with the requirements of the Local Government Housing Act 1989 in respect of the Housing Revenue Account ring-fence.

xvi. The group and Authority has complied with all aspects of ring-fenced grants that could have a material effect on the group and Authority's statement of accounts in the event of non-compliance.

Information Provided

xvii. We have provided you with:

- a) access to all information of which we are aware that is relevant to the preparation of the group and Authority's statement of accounts such as records, documentation and other matters;
- b) additional information that you have requested from us for the purpose of your audit; and
- c) unrestricted access to persons within the group and Authority from whom you determined it necessary to obtain audit evidence.

xviii. We have communicated to you all deficiencies in internal control of which management is aware.

xix. All transactions have been recorded in the accounting records and are reflected in the statement of accounts.

xx. We have disclosed to you the results of our assessment of the risk that the statement of accounts may be materially misstated as a result of fraud.

xxi. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Authority, and involves:

- a) management;
- b) employees who have significant roles in internal control; or
- c) others where the fraud could have a material effect on the statement of accounts.

xxii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the statement of accounts communicated by employees, former employees, analysts, regulators or others.

xxiii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing statement of accounts.

xxiv. We have disclosed to you the identity of the group and Authority's related parties and all the related party relationships and transactions of which we are aware.

xxv. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the statement of accounts.

Annual Governance Statement

xxvi. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the group and Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

xxvii. The disclosures within the Narrative Report fairly reflect our understanding of the group and Authority's financial and operating performance over the period covered by the statement of accounts.

E. Audit opinion

DRAFT - Independent auditor's report to the members of Wealden District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wealden District Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, 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 Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow 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 2024/25.

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 2025 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 2024/25; 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Chief Financial Officer's 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 Chief Financial Officer'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 2024/25 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 Chief Financial Officer'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 Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

E. Audit opinion

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor’s report thereon . The Chief Finance Officer ((Head of Financial Services) 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 2024/25, 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.

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 Joint Strategic Director of Finance and Resources and Section 151 Officer

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 Chief Financial Officer. Chief Financial Officer 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 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer 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 Chief Financial Officer 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.

E. Audit opinion

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 2024/25, 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 enquired of management and the audit and governance 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 governance 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.

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. This included the evaluation of the risk of management override of control, in particular journals, management estimates and transactions outside the normal course of business as a significant risk. We determined that the principal risks were in relation to unusual journal entries made during the year which met a range of criteria we set during the course of the audit, and the appropriateness of assumptions applied by management in determining significant accounting estimates, such as the valuation of property plant and equipment and the valuation of the net defined benefit pensions liability Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
- journal entry testing, with a focus with a focus on testing entries meeting the risk criteria determined by the audit team;
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and buildings, council dwellings, investment property and defined benefit pension net liability valuations; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

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 events and transactions reflected in the financial statements, the less likely we would become aware of it.

E. Audit opinion

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.

The engagement partner’s assessment of the appropriateness of the collective competence and capabilities of the group and Authority’s engagement team included consideration of the engagement team’s:

- 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.

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.

Report on other legal and regulatory requirements – 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 2025.

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

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.

E. Audit opinion

We have undertaken 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 – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Wealden District Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Authority’s consolidation returns and we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025

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**

Ade O Oyerinde, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London
DATE



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