

Dorset Council

Audit progress report and sector updates

October 2026



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Audit Progress Report

Introduction

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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

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Progress at October 2026

Financial Statements Audit - Council

The draft accounts were received for audit on 23 June 2026. Our work is currently underway.

At the time of writing, our audit is approximately 70% complete and is progressing in accordance with planned delivery timelines. All samples have been submitted to the Council and responses to requests for evidence and queries in the majority of cases have been timely. However, we are receiving slow responses from some service areas including payroll, estates and social care, which is impacting on the timely conclusion of sample testing.

Our testing of the valuations of other land and buildings has resulted in a number of queries to the Council's external valuers with the valuations of 19 car parks valued this year needing to be revisited with a potentially material amendment being required. There are also discrepancies identified from our work in other valuations that are being reviewed and investigated.

Our testing of grant income has identified a material misstatement in the classification of certain social care grants currently credited to taxation and non-specific grant income which due to restrictions in the type of expenditure they are allowed to fund, should be credited to services. This issue will also affect the prior year financial statements.

To address the issues identified in the previous years relating to the Building Health and Safety team we are undertaking additional testing of transactions effected through Commensura.

We will report the results of our audit formally in our Audit Findings Report in November.

Value for Money

Our value for money work is progressing well and we are currently completing our review of documentation and key meetings with officers.

We are on track to provide officers with our draft Interim Auditors' Annual Report in October and present our agreed version to your November Audit and Governance Committee.

Financial Statements Audit – Pension Fund

The draft accounts were received for audit on 1 June 2026. Our work is substantially complete with a small number of outstanding matters as below:

- Level 2 and level 3 investments testing
- Purchase and sales of investments testing
- LGPS annual report review
- Final manager and engagement lead review
- Review of the final set of financial statements

Our audit has not identified any material adjustments impacting the primary financial statements to date.

Similar to the Council, we will report our final results in our Audit Findings Report in November.

Progress at October 2026 (cont.)

Other areas

Certification of claims and returns

We have been appointed to undertake certification work on the Council's Teachers Pensions return and Housing Benefit Subsidy return. This work is currently underway.

Meetings

During the course of the audit, we have met regularly with finance officers, the Chief Financial Officer and the monitoring officer as well as with the Council's internal auditors.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	June 2026	Delivered
Audit Findings Report The Audit Findings Report will be reported to the Audit and Governance Committee.	November 2026	Not yet due
Auditors Report This includes the opinion on your financial statements.	November 2026	Not yet due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	Not yet due

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Audit related deliverables	Planned Date*	Status
Teachers Pensions Scheme – certification This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.	November 2026	Not yet due
Housing Benefit Subsidy – certification This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.	March 2027	Not yet due

Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crossectoral-guidance-notes-2021-edition>



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