Annex A

Cambridgeshire County Council

Audit Progress report

Audit Progress report for the year ended 31 March 2025

November 2025

Significant risks, Higher assessed risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which Cambridgeshire County Council operates.

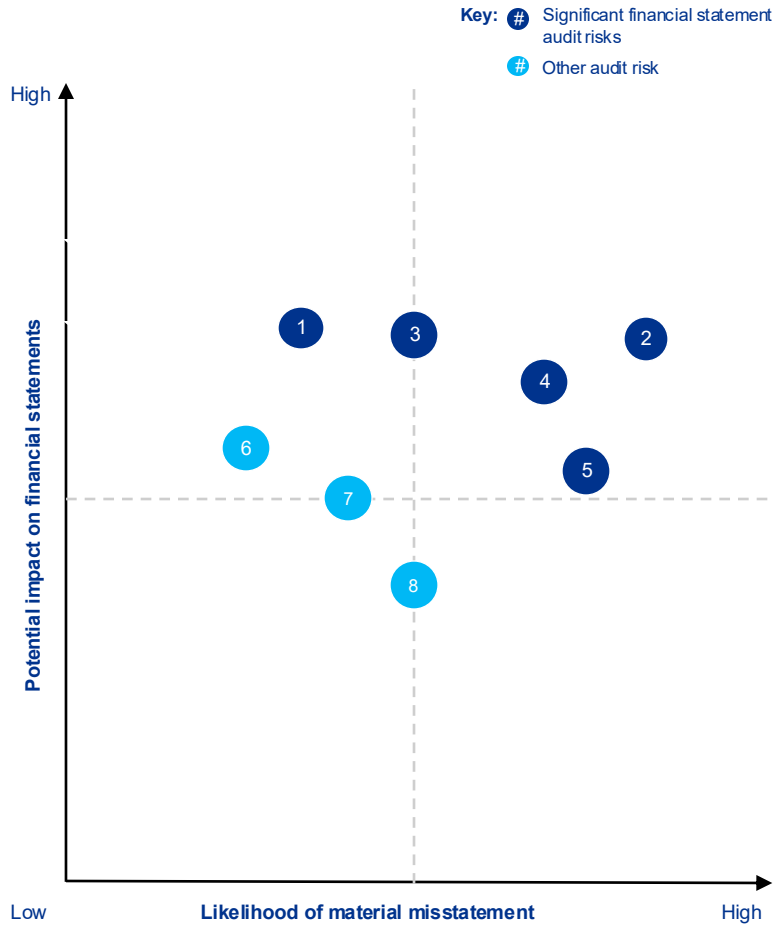
We also use our regular meetings with senior management to update our understanding and take input from sector and internal audit reports.

At the time of drafting this report there have been no changes to the risks identified at planning.

Our audit is ongoing and this report is intended to provide an update of progress and initial findings. We will share an updated Audit Findings report with the Audit and Governance Committee prior to finalising the audit.

Significant risks	
1.	Valuation of land and buildings
2.	Valuation of investment property
3.	Management override of controls
4.	Valuation of post retirement benefit obligations
5.	Recoverability of Long-Term Debtor with This Land Group

Other audit risks	
6.	Adoption of IFRS 16
7.	Accuracy and valuation of PFI liabilities
8.	Expenditure classification as capital or non-capital.



Audit risks and our audit approach (cont.)

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value

Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings (total value £923m as of 31 March 2024) revalued over a five year cycle.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.

This risk primarily relates to the councils land and buildings

Our response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- KPMG will also consider the adequacy of the disclosures in disclosing this significant risk including the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value

Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings (total value £923m as of 31 March 2024) revalued over a five year cycle.

This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.

A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.

This risk primarily relates to the councils land andbuildings

Our findings

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We have critically assessed the independence, objectivity and expertise of the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We have inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We have evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;

We are in the process of performing the following procedures designed to specifically address the significant risk associated with the valuation:

- We are comparing the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We are challenging the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We are challenging key assumptions within the valuation as part of our judgement;
- We are agreeing the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- KPMG are considering the adequacy of the disclosures in disclosing this significant risk including the key judgements and degree of estimation involved in arriving at the valuation.

Conclusion:

From the work to date we have not identified any matters to be reported to this Committee

Audit risks and our audit approach (cont.)

2 Valuation of investment property

The carrying amount of revalued investment property differs materially from the fair value

Significant audit risk

The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property.

There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.

In the prior year KPMG identified a number of errors in the valuation performed by management's specialist that were material in the aggregate. This has resulted in us assessing there to be an increased likelihood of material misstatement in the current year.

The Fair value of the Councils investment property portfolio was £146m in the prior year.

Our response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of the valuers used in developing the valuation of the Council's investment property at 31 March 2025;
- We will inspect the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- We will utilise our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised.
- KPMG will also consider the adequacy of the disclosures in disclosing this significant risk including the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

2 Valuation of investment property

The carrying amount of revalued investment property differs materially from the fair value

Significant audit risk

The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property.

There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.

In the prior year KPMG identified a number of errors in the valuation performed by management's specialist that were material in the aggregate. This has resulted in us assessing there to be an increased likelihood of material misstatement in the current year.

The Fair value of the Councils investment property portfolio was £146m in the prior year.

Our findings

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We have critically assessed the independence, objectivity and expertise of the valuers used in developing the valuation of the Council's investment property at 31 March 2025;
- We have inspected the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We have evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We have challenged the appropriateness of the valuation; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We have agreed the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- We have utilised our own valuation specialists to review the valuation report prepared by the Council's valuers to confirm the appropriateness of the methodology utilised.

We are in the process of performing the following procedures designed to specifically address the significant risk associated with the valuation:

- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- KPMG will also consider the adequacy of the disclosures in disclosing this significant risk including the key judgements and degree of estimation involved in arriving at the valuation.

Conclusion:

From the work to-date we have identified one audit misstatement and one control failure around the review of specialists in line with what was raised in the prior year. The draft value of the misstatement of £3.75m and wording of the control failure are still being agreed with management, the value of the misstatement is not expected to be material to the users of the financial statements. These will be detailed in our ISA260 report

Audit risks and our audit approach (cont.)

3 Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Our response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the course of business, or are otherwise unusual.
- We will analyse all journals through the year using data and analytics and focus our testing on those which meet our high risk criteria.

Audit risks and our audit approach (cont.)

3 Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Our findings

Our audit methodology incorporates the risk of management override as a default significant risk. The following procedures are performed throughout the audit and as a result have not yet been completed:

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the course of business, or are otherwise unusual.
- We will analyse all journals through the year using data and analytics and focus our testing on those which meet our high risk criteria.

Conclusion:

From the work to-date we have not identified any issues that need to be reported to this Committee, however our work remains in progress at the time of drafting.

Audit risks and our audit approach (cont.)

4 Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). As in th prior year, the requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

Our response

We will perform the following procedures:

- Understand the processes the Councils have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions; and.
- Where applicable, assess the level of surplus that should be recognised by the entity.

Audit risks and our audit approach (cont.)

4 Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). As in th prior year, the requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.

Our findings

We have performed the following procedures:

- Understood the processes the Councils have in place to set the assumptions used in the valuation;
- Evaluated the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirmed that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;

We are currently in the process of performing the below procedures:

- Considering the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions; and.
- Assessing the level of surplus that should be recognised by the entity.

Conclusion:

From the work to-date we have not identified any issues that need to be reported to this Committee.

Audit risks and our audit approach (cont.)

5 Recoverability of Long-Term Debtor with This Land Group

Significant audit risk

- This Land Limited was incorporated in June 2016. This Land Limited and This Land Group are a wholly owned subsidiary of the Council. The Group oversees the acquisition and development of land and property for subsequent resale.
- As at 31st March 2024 the Council holds a Long-term Debtor balance of £113.9m in relation to the loans issued to This Land Group. The loans are repayable between 2026 and 2029.
- Due to the declining performance of the This Land group there is an increased risk that the entity will be unable to recover the full value of the loan (c£120m as of Jan 2025).
- Management have explored a number of options in response to this declining performance, including restructuring the debt with a significant portion of it only being repayable in the event that the subsidiary performs above plan. Management have not yet received finalised advice in respect to the resulting accounting treatment and as such we have not yet been able to conclude our risk assessment on this area. However, given that the restructuring of the debt can have significant and complex accounting and legal implications we expect there to be a significant risk.

Our response

We will perform the following procedures:

- We will review the Council's consideration of the valuation and recoverability of the loan, and any associated expected credit loss provision, to ensure this is reasonable and performed in line with the Code of Practice and the relevant accounting standard (IFRS 9 –Financial Instruments).
- We will review the Council's treatment of changes in the loans to, and investments in, This Land in the current year, including any MRP impacts, to ensure that these are in line with the Code of Practice and relevant accounting standards.
- KPMG will also consider the adequacy of the disclosures, including the key judgements and degree of estimation involved in arriving at the expected credit loss provision.

Audit risks and our audit approach (cont.)

5 Recoverability of Long-Term Debtor with This Land Group

Significant audit risk

- This Land Limited was incorporated in June 2016. This Land Limited and This Land Group are a wholly owned subsidiary of the Council. The Group oversees the acquisition and development of land and property for subsequent resale.
- As at 31st March 2024 the Council holds a Long-term Debtor balance of £113.9m in relation to the loans issued to This Land Group. The loans are repayable between 2026 and 2029.
- Due to the declining performance of the This Land group there is an increased risk that the entity will be unable to recover the full value of the loan (c£120m as of Jan 2025).
- Management have explored a number of options in response to this declining performance, including restructuring the debt with a significant portion of it only being repayable in the event that the subsidiary performs above plan. Management have not yet received finalised advice in respect to the resulting accounting treatment and as such we have not yet been able to conclude our risk assessment on this area. However, given that the restructuring of the debt can have significant and complex accounting and legal implications we expect there to be a significant risk.

Our findings

We are in the process of performing the following procedures:

- We are reviewing the Council's consideration of the valuation and recoverability of the loan, and any associated Expected Credit Loss (ECL) provision, to ensure this is reasonable and performed in line with the Code of Practice and the relevant accounting standard (IFRS 9 –Financial Instruments).
- We are challenging the Council's treatment of changes in the loans to, and investments in, This Land in the current year, including presentation and any MRP impacts, to ensure that these are in line with the Code of Practice and relevant accounting standards.

KPMG are considering the adequacy of the disclosures, including the key judgements and degree of estimation involved in arriving at the expected credit loss provision.

- We have reviewed management's specialsits reports provided to date. Following our challenge of these management are seeking further advice.

Conclusion:

The work over this risk is complex and at the time of drafting this report is still ongoing. Key areas of work to date have focused on challenging management's approach, this has included assessment of:

- the ECL as at 31 March 2024 and whether a prior period adjustment is required. As noted in our prior year reporting management did not calculate an ECL and it has been difficult to reasonably determine the credit risk and probability of default retrospectively. While not quantified, we do consider there to be a potentially material prior period adjustment.
- the ECL as at 31 March 2025 and whether a material provision is required. We have challenged management's calculation of ECL with regard to the remaining £60.1m loan. Our initial risk assessment suggests any provision is unlikely to be material.
- the form of financing the transaction takes, i.e. a capital contribution, a capital grant or a loan with contractual cashflows. This has included challenge of the appropriateness of the current treatment of the conversion as a source of finance through REFCUS and how the impact of the impairment is presented in the CIES.
- the impact on the accounts of recognising the remaining loans at amortised cost, (in line with IFRS 9), as opposed to historic cost, although this is not expected to be material.
- the adequacy and appropriateness of related disclosures. In particular with regard to the expected recovery of the c£59.9m loan principle converted to a capital contribution during the year.

All of these areas are still being discussed with management and our technical team with no conclusions made.

Audit risks and our audit approach

6 Adoption of IFRS 16

An inappropriate amount is estimated and recorded for lease liabilities and right of use assets

Other audit risk

- The Council has adopted IFRS 16 as per CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (2024/25) with an implementation date of 1 April 2024.

We anticipate the following challenges in the first year of implementation.

- Completeness of lease listing used in transition computations.
- Inadequate lease disclosures as per IFRS 16.
- Inaccurate computation of lease liabilities and right of use assets.
- Training needs for new/existing staff
- Treatment of the PFI balances under IFRS 16

Our response

We will perform the following procedures in order to respond to the other audit risk identified:

- Obtain the full listings of leases and reconcile to the general ledger.
- Review a sample of the lease agreements to determine the terms of the leases and confirm correct classification.
- Review the appropriateness of the discount rate used in the lease computations.
- Review the transition adjustments passed by the Council.
- Review the disclosures made on the financial statements against requirements of IFRS16.

Audit risks and our audit approach

6 Adoption of IFRS 16

An inappropriate amount is estimated and recorded for lease liabilities and right of use assets

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- Inadequate lease disclosures as per IFRS 16.
- Inaccurate computation of lease liabilities and right of use assets.
- Training needs for new/existing staff
- Treatment of the PFI balances under IFRS 16

Our findings

We have performed the following procedures in order to respond to the other audit risk identified:

- Obtained the full listings of leases and reconcile to the general ledger.
- Reviewed a sample of the lease agreements to determine the terms of the leases and confirm correct classification.

We are currently performing the below procedures:

- Reviewing the appropriateness of the discount rate used in the lease computations.
- Reviewing the transition adjustments passed by the Council.
- Reviewing the disclosures made on the financial statements against requirements of IFRS16.

Conclusion:

From the work to-date we have not identified any issues that need to be reported to this Committee.

Audit risks and our audit approach

7 Accuracy and valuation of PFI liabilities

Risk of error related to the incorrect recording of liabilities arising from assets funded through the private finance initiative

Other audit risk

- As at 31 March 2024 the Council has 3 PFI assets totalling £79m with liabilities totalling £102m.
- PFI schemes are based on complex financial models which, aside from needing to mirror the contractual terms, contain assumptions about future events – namely inflation.
- There is a risk, due to the complexity of the financial models, that the value of the PFI liabilities recognised in the financial statements are incorrect

Our response

We will perform the following procedures in order to respond to the other audit risk identified:

- For a risk based sample of PFI schemes, agree inputs of the model to the underlying contract, reading the contract to ensure all pertinent contractual terms are included within the model;
- Re-calculate the model, testing the validity of the formulas inherent to the model and ensuring that the model correctly calculates the different types of charges and the closing liability each period; and
- Re-calculate the financial statement disclosures in reference to the tested models.

Audit risks and our audit approach

7 Accuracy and valuation of PFI liabilities

Risk of error related to the incorrect recording of liabilities arising from assets funded through the private finance initiative

Other audit risk

- As at 31 March 2024 the Council has 3 PFI assets totalling £79m with liabilities totalling £102m.
- PFI schemes are based on complex financial models which, aside from needing to mirror the contractual terms, contain assumptions about future events – namely inflation.
- There is a risk, due to the complexity of the financial models, that the value of the PFI liabilities recognised in the financial statements are incorrect

Our Findings

We are performing the following procedures in order to respond to the other audit risk identified:

- For a risk based sample of PFI schemes, agree inputs of the model to the underlying contract, reading the contract to ensure all pertinent contractual terms are included within the model;
- Re-calculate the model, testing the validity of the formulas inherent to the model and ensuring that the model correctly calculates the different types of charges and the closing liability each period; and
- Re-calculate the financial statement disclosures in reference to the tested models.

Conclusion:

Our specialist team is still reviewing the spreadsheet model used for the Council's PFI schemes. This work over the model is expected to be concluded by the end of November at which point we will move onto the other procedures. From the work to-date we have not identified any issues that need to be reported to this committee.

Audit risks and our audit approach

8 Non-capital expenditure is inaccurately recognised as capital expenditure

Revenue expenditure is inaccurately recognised as capital expenditure

Other audit risk

- Significant risk in relation to fraudulent expenditure recognition, capital accounting requirements are complex and may contain an element of judgement in determining which costs in a project can be capitalised and which need to be expensed.
- Given the size of the Council's capital programme (c£200m in 23/24), we have identified an Other Audit Risk regarding revenue expenditure being inaccurately recognised as capital expenditure

Our response

We will perform the following procedures in order to respond to the risk identified:

- We will evaluate the design and implementation of controls for classifying expenditure as capital;
- We will review the list of capital programme for schemes which indicate an increased risk that the spend may be revenue in nature; and
- We will test a sample of capital expenditure incurred by the Council to ensure it is correctly capitalised

Audit risks and our audit approach

8 Non-capital expenditure is inaccurately recognised as capital expenditure

Revenue expenditure is inaccurately recognised as capital expenditure

Other audit risk

- Significant risk in relation to fraudulent expenditure recognition, capital accounting requirements are complex and may contain an element of judgement in determining which costs in a project can be capitalised and which need to be expensed.
- Given the size of the Council's capital programme (c£200m in 23/24), we have identified an Other Audit Risk regarding revenue expenditure being inaccurately recognised as capital expenditure

Our Findings

We have performed the following procedures in order to respond to the risk identified:

- We have evaluated the design and implementation of controls for classifying expenditure as capital;
- We have reviewed the list of capital programme for schemes which indicate an increased risk that the spend may be revenue in nature; and
- We have tested a sample of capital expenditure incurred by the Council to ensure it is correctly capitalised

Conclusion:

We have completed our work over the majority of the capital additions during the period. Some work over the Councils' additions to infrastructure assets are still pending. From the work to date we have not identified any issues that need to be reported to this Committee.

KPMG

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