

Audit Findings (ISA 260) Report for City of London Corporation – City Fund

Year ended 31 March 2025

08 September 2025



City of London Corporation
Guildhall
London EC2P 2EJ

08 September 2025

Grant Thornton UK LLP
8 Finsbury Circus
London EC2M 7EA

www.grantthornton.co.uk

Dear Members of the Audit and Risk Management Committee

Audit Findings for City of London Corporation – City Fund for the year ending 31 March 2025

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

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

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

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.



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 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2024-2025.pdf).

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

Sophia Brown

Key Audit Partner

For Grant Thornton UK LLP

Chartered Accountants

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Contents



Section	Page
Headlines and status of the audit	05
Materiality	13
Overview of significant and other risks identified	15
Other findings	27
Communication requirements and other responsibilities	29
Value for money	33
Independence considerations and fees	35
Appendices	38
A. Communication of audit matters to those charged with governance	39
B. Action plan – Audit of financial statements	41
C. Follow up of prior year recommendations	43
D. Audit adjustments	46
E. Management letter of representation	52
F. Draft audit opinion	56

01 Headlines

Headlines (1)

This page and the following summarises the key findings and other matters arising from the statutory audit of City of London Corporation – City Fund (the ‘Authority’) and the preparation of the Authority’s financial statements for the year ended 31 March 2025 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the ‘Code’), we are required to report whether, in our opinion:

- the Authority’s financial statements give a true and fair view of the financial position of the Authority and its income and expenditure for the year;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024-25; and
- prepared in accordance with the Local Audit and Accountability Act 2014.

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

Our audit work was conducted in a hybrid manner over two visits, during March and again from June to September 2025. In May 2025, we issued an Indicative Audit Plan for this audit, setting out the scope and timing of our work. We confirm that no material changes were made to that report, and it should be noted as the final audit plan for 2024-25 audit period.

Our findings are summarised in section 3 and Appendices B and D of this report. We identified several adjustments to the financial statements, with significant adjustments relating to:

- Capital assets : adjusting current year and opening balances of assets under construction, intangible assets and investment properties.
- Pension liabilities: Material adjustments required on the face of the balance sheet and other related disclosures.

These changes have no impact to the General Fund or the level of the Authority’s useable reserves.

We identified several disclosure amendments throughout the financial statements. These are set out in Appendix D. We also raised recommendations for management as a result of our audit work. These are set out in Appendix B. Our follow up of recommendations from the prior year audit are detailed in Appendix C.

Our work, at the time of this report, is ongoing. To date, there are no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters outlined overleaf.

We have concluded that the other information to be published with the financial statements, including the Annual Governance Statement, is consistent with our knowledge of your organisation and with the financial statements we have audited, subject to review of the final version.

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff of the Corporation throughout the audit period. The financial statements were published and submitted for audit within the legislated deadlines and supported by detailed working papers.

Our anticipated financial statements audit report opinion will be **unmodified**, subject to the satisfactory conclusion of outstanding matters outlined overleaf.

Headlines (2)

Outstanding matters

We await information requested from management and counterparties in the following areas to enable us to complete our work:

- response to queries raised on journals samples evidence;
- response to queries raised on Collection Fund debtors' reconciliation;
- responses to technical queries raised following review of accounts;
- responses to queries raised on assets under construction;
- responses to sample evidence requested for payroll cost detailed testing; and
- responses to follow up queries raised on expenditure, fees and charges income, additions of assets, creditor, and debtor samples.

The following key areas of our work are being processing by the audit team:

- NNDR appeals provision;
- right of use assets, lease liabilities and associated movements;
- capital disclosure notes such as capital commitments, capital expenditure and financing and minimum revenue provision;
- asset verification of other land and buildings and investment properties;
- related parties; and
- Movement in Reserves Statement.

Our work is also subject to the conclusion on the following matters:

- receipt of IAS 19 assurance letter from Pension Fund auditor in relation to the LGPS pension scheme audit procedures;
- receipt of management representation letter;
- review of the final set of financial statements;
- review of audit work by senior audit engagement team members and quality reviewer; and
- review of subsequent events.

Headlines (3)

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, and our detailed commentary is set out in the separate Auditor's Annual Report, presented alongside this report at the September 2025 Audit and Risk Management Committee meeting.

We are generally satisfied that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. However, we have identified one significant weakness in the current year related to the low HRA Reserve balance.

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 not exercised any of our additional statutory powers or duties.

We have completed the majority of 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 we have received confirmation from the NAO that the group audit of the Whole of Government Accounts has been certified by the Comptroller & Auditor General, and we have undertaken the work required in relation to consolidation returns under the Code as the Authority exceeds the set group threshold of £2 billion in assets.

We anticipate completing the required WGA work on completion of the main audit.

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

Headlines (4)

Significant matters

Classification of assets under construction PPE / Investment properties and Intangible assets

In our audit work relating to capital assets, we completed a review of the assets under construction (AUC) in line with our understanding of City Fund and ongoing projects. We performed a triangulated test using information obtained from various areas of our audit, identifying discrepancies in the classification of AUC among property, plant and equipment (PPE), investment properties and intangible assets.

Management had classified all AUC additions in the current year of £153.2m solely as property, plant and equipment. The closing balance of assets under construction classified as property, plant and equipment was £351.9m at 31 March 2025. While performing our audit procedures, we identified that some of the AUC assets included within the closing balance at year end should be classified as investment property under development or intangible assets. This discrepancy required several discussions with management to satisfy ourselves that reviews were performed to correctly and accurately classify the Authority's assets under construction.

The errors identified affect prior years, requiring a prior period adjustment to be processed in the accounts. The adjustments result in the following changes:

- £19.2 million of AUC incorrectly classified as PPE at 31 March 2025.
- £13 million of AUC PPE to be classified as 'Investment properties under development' at 31 March 2025, along with a prior period adjustment to the opening balance of £TBC million.
- £6.2 million of AUC PPE to be moved to 'Intangible assets' at 31 March 2025, with a prior period adjustment to the opening balance of £21.8 million.

Given the material values involved, and discussions held with management, we report this as one of the significant matters of the audit. The full scope of the adjustments is still being finalised by management, considering other potential impacts within capital financing requirement, cash flow statements, prior periods impacts and the Movement in Reserves Statement. This adjustment is reported in Appendix D.

Headlines (5)

Significant matters (continued)

Net pension liability, IFRIC 14 assessment

Our audit work of City Fund's net pension liability, specifically relating to the Local Government Pension Scheme (LGPS), identified that City Fund did not account for the full impact of IFRIC 14. This accounting standard addresses the extent to which a surplus asset under IAS 19 can be recognised on the Balance Sheet as an asset and whether any additional liabilities are required in respect of onerous funding commitments.

The Authority engages a management expert actuary to provide actuarial valuations of its assets and liabilities derived from this scheme. As at 31 March 2025, the actuary determined for the first time that the LGPS scheme was in surplus, with assets exceeding liabilities. However, the actuary also determined that an asset ceiling needed to be applied to the surplus asset to be recorded in the Balance Sheet. This is due to an assessed minimum funding requirement, found by the actuary to constitute an onerous funding commitment, an additional liability.

The impact of IFRIC 14 was not taken into account in the primary statements and disclosure notes of City Fund's accounts. Management agreed to make the required changes, which involve material adjustment to the accounts as follows:

- The net pension liability (including police and judges' pension schemes) balance increased by £90m, from £671.8 million to £762.2 million for 31 March 2025.
- The remeasurement of the net pension liability will also be adjusted by the same amount for 31 March 2025.

This adjustment also requires some updates within several disclosures in the financial statements, including additional explanations regarding the applied asset ceiling, pension reserves, and cash flow statement. This adjustment is reported in detail in Appendix D.

Headlines (6)

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 financial statements 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 financial statements 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 financial statements.

We intend to finalise this audit in advance of the backstop date for the 2024-25 financial year.

Headlines (7)

Implementation of IFRS 16 Leases

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 financial statements 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 2025, covering the accounting requirements of IFRS 16. Additionally, CIPFA 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 for:

- 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

In the current year, the implementation of IFRS 16 has resulted in the first-time recognition of a right-of-use asset of £12.6m and a corresponding lease liability of £12.6m on City Fund's balance sheet. Additionally, corresponding movements have been charged in the Comprehensive Income and Expenditure Statement (CIES) and the Movement in Reserves Statement (MIRS).

New accounting policies have been added to the financial statements, and additional disclosures relating to leases have been added in Note 30 in accordance with the requirements of the IFRS 16 as adopted by CIPFA Code.

We report on this area on page 25, covering the procedures we have completed and our findings.

02 Materiality

Our approach to materiality

As communicated in our Indicative Audit Plan dated 12 May 2025, we determined materiality at the planning stage to be £12.238m, which was based on approximately 2% of prior year's gross expenditure. At year-end, we reassessed materiality based on the draft financial statements and revised materiality levels upwards. The upward revision is a result of an overall increase in City Fund's gross expenditure of 11% from the prior year.

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

	Planning amount £	Final amount £	Qualitative factors considered
Materiality for the financial statements	12,238,000	13,636,000	We determined the final financial statement materiality based on a proportion of the current year gross expenditure of the Authority. The main users of the Authority's accounts primary interest is in the cost of providing services and how City Fund manages its spending. As such, we concluded that gross expenditure remains the most appropriate benchmark for setting the materiality levels for the Authority. Final materiality is approximately 2% of the Authority's current year gross expenditure.
Materiality for specific transactions, balances or disclosures - Senior officer remuneration and termination benefits	20,000	20,000	We consider senior officer remuneration and termination benefits as sensitive disclosures and of public interest. We set a lower materiality figure to ensure adequate procedures are performed and identified misstatements of lower amounts are reported to those charged with governance. No changes on threshold since the planning stage.
Reporting threshold	612,000	681,800	We determined that an individual difference less than £681,800 is considered trivial. We report to the Audit and Risk Management Committee any unadjusted misstatements above this threshold.

03 Overview of significant and other risks identified

Overview of audit risks

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.

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

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	● Amber
Valuation of land and buildings	Significant	↔	✗	High	● Green
Valuation of Council Dwellings	Significant	↔	✗	High	● Green
Valuation of Investment Properties	Significant	↔	✗	High	● Green
Valuation of the pension fund net liability/asset	Significant	↔	✗	High	● Amber
Risk of fraud and error in revenue recognition (rebutted for all streams)	Other	↔	✗	low	● Green
Fraud in expenditure recognition (rebutted)	Other	↔	✗	low	● Green
IFRS 16 Leases implementation	Other	↔	✗	low	● Green
Completeness of the business rates (NNDR) appeals provision (New risk area)	Other	↑	✗	Medium	● Green

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

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

Significant risks (1)

Risk identified	Audit procedures performed	Conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p> <p>The Authority faces external scrutiny of its spending, and this could potentially place management under undue pressure in terms of how it reports performance.</p> <p>We therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of management controls over journals; • Analysed the journals listing and determined risk-based criteria for selecting high risk unusual journals. • Identified and tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration to supporting evidence. Our primary test identified entries for testing that could potentially be used to move reserves between the general fund and the ring-fenced housing revenue accounts. Additionally, targeted entries with a reduction impact in revenue expenditure to confirm they were not used to defer expenditure for the current year. • Identified and tested journals entries made off-ledger, gaining understanding and corroborating to supporting evidence; • 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. <p>One control deficiency issue was identified in the previous year, which on follow up remained not addressed for 2024-25. It is in relation to the approval of journals lines below £100,000 (refer to detail in Appendix C). We have factored this control deficiency into our risk analysis and identification of unusual journals. This test focussed on addressing the risk of unusual journal entries below the threshold posted without going through an approval process.</p> <p>Further, our IT audit work identified that two users were granted access to diagnostic tools within the production environment, breaching segregation of duties and access control protocols (refer to detail in Appendix B). We factored this into our review of unusual and risky journals based on journal posters.</p>	<p>Our audit work is in progress with no significant issues identified to date in respect of management override of controls. See those already reported in previous column.</p>

Significant risks (2)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of land and buildings (2024-25 £591.6m)</p> <p>The Authority re-values its land and buildings on a rolling five-yearly basis. The Authority applies valuation techniques such as the depreciated replacement cost (DRC) for the valuation of its other land and buildings. In applying this method, key assumptions are made by the valuer to arrive to a value of a modern asset equivalent (MEA), meeting the capacity and location requirements of the services being provided by the replaced asset. The valuation of land and buildings represents a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>We therefore identified valuation of land and buildings as a significant risk, particularly key assumptions and inputs applied by the valuer at financial statement date to determine the current value of the assets.</p> <p>As a result, we selected 11 assets covering £226.2 million of the £479.4 million revalued during the year.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to management’s valuation expert, and the scope of their work. • Evaluated the design and implementation of controls put in place by management to ensure that City Fund’s other land and buildings are not materially misstated. • Evaluated the competence, capabilities and objectivity of the valuation expert engaged by management. • Discussed with, and wrote to, management’s valuation expert to confirm the basis on which the valuation was carried out. • Engaged our own valuer expert to provide commentary on the instruction process in comparison to requirements from CIPFA/IFRS/RICS and the valuation methodology and approach, resulting assumptions adopted and any other relevant points. • Challenged the information and assumptions used by management’s valuer to assess completeness and consistency with our understanding. • Recalculated the valuations, testing key inputs including BCIS rates, floor areas, obsolescence and other assumptions used in both DRC and existing use valuations. We also considered the appropriateness of each method applied to determine the assets valuation. • Tested revaluations made during the year to confirm they were input correctly to the Authority’s asset register. • Evaluated the assumptions made by management for those assets not revalued during the year, and how management has satisfied themselves that the carrying amounts of these assets are not materially different to the current value at 31 March 2025. 	<p>Our audit work is complete, and we have not identified any issues regarding the valuation of land and buildings.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of land and buildings are appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation of land and buildings.</p>

Significant risks (3)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of council dwellings (2024-25 £242.4m)</p> <p>City Fund measures its council dwellings at current value, determined using the basis of existing use value for social housing and is re-valued on a cyclical approach using the Beacon methodology.</p> <p>The valuation of council dwellings represents a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>We therefore identified valuation of council dwellings as a significant risk, particularly key assumptions and inputs applied by the valuer at financial statement date to determine the current value of the assets.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to management’s valuation expert, and the scope of their work. • Evaluated the design and implementation of controls put in place by management to ensure that City Fund’s council dwellings are not materially misstated. • Evaluated the competence, capabilities and objectivity of the valuation expert engaged by management. • Discussed with, and wrote to, management’s valuation expert to confirm the basis on which the valuation was carried out. • Engaged our own valuer expert to provide commentary on the instruction process in comparison to requirements from CIPFA/IFRS/RICS and the guidance regarding the valuation of council dwellings and social housing. • Tested, on a sample basis, a number of assets back to market data for council dwellings and other properties in that area. • Reviewed, on a sample basis, a number of assets for the appropriateness of the Beacon applied as well as undertaking existence testing of a sample of assets. • Challenged the information and assumptions used by management’s valuation expert to assess completeness and consistency with our understanding. 	<p>Our audit work is complete and we have not identified any issues regarding the valuation of council dwellings.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of council dwellings were appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation of council dwellings.</p>

Significant risks (4)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of investment properties (2024-25 £1.502bn)</p> <p>City Fund measures and re-values its investment properties at fair value (its highest and best use) annually. The investment method is used in valuing most of the investment properties of City Fund. This method determines a property's value by estimating the potential income (market rents) and estimated yield. A small change in the inputs can have a significant impact on the estimated value of the property.</p> <p>The valuation of investment property represents a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>We therefore identified valuation of investment properties as a significant risk, particularly key assumptions and inputs applied by the valuer at financial statement date to determine the fair value of the assets.</p> <p>We selected for testing, 24 assets covering £504.9 million of the £1.280 billion revalued during the year. In addition, we tested the total balance of £221.7 million relating to lease adjustments treated under investment properties. No estimation is involved in this element of the investment properties closing balance.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> Evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to management's valuation expert, and the scope of their work. Evaluated the design and implementation of controls put in place by management to ensure that City Fund's investment properties are not materially misstated. Evaluated the competence, capabilities and objectivity of management's valuation expert. Discussed with and wrote to the relevant valuer to confirm the basis on which the valuation was carried out. Engaged our own valuation expert to provide commentary on the instruction process in comparison to requirements from CIPFA/IFRS/RICS and the valuation methodology and approach, resulting assumptions adopted and any other relevant points. Challenged the information and assumptions used by management's valuer to assess completeness and consistency with our understanding. Recalculated the valuations, testing key inputs including yields applied, rental information used, and other key assumptions applied in the valuers' calculations behind the asset's valuation. Ensured revaluation movements during the year were input correctly to City Fund's asset register. Assessed the value of a sample of assets in relation to market rates for comparable properties. 	<p>Our audit work is complete and we have not identified any issues regarding the valuation of investment properties.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of investment properties were appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation of investment properties.</p>

Significant risks (5)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of net pension liability/asset (2024-25 £671.8m)</p> <p>The Authority's share of the pension fund net liability, reflected in its Balance Sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The estimation of the pension fund net liability depends on a number of complex adjustments relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and mortality rates. A small change in inputs can have a significant impact on the estimated pension fund liability.</p> <p>City Fund's pension liability consists of City Fund's share of the City of London Corporation's net pension liability, the unfunded City of London Police pension scheme and Judge's pension scheme. It is considered a significant estimate due to the size of the numbers involved (£671.8m in the Authority's Balance Sheet at 31 March 2025, falling from £875.6m at 31 March 2024) and the sensitivity of the estimate to changes in key assumptions.</p> <p><i>(continued overleaf)</i></p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Gained an understanding of the processes and controls put in place by management to ensure that City Fund's pension fund net liability is not materially misstated and evaluated the design of the associated controls. • Assessed the competence, capabilities and objectivity of management's expert actuary who carried out the City Fund pension fund valuation and the unfunded Police Pension liability. • Assessed the accuracy and completeness of the information provided by City Fund to the actuary to estimate the liability. • Tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary. • Reviewed the IFRIC 14 assessment carried by management's expert actuary. • Undertook 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. • Undertook procedures in relation to Police Pension Scheme covering member data testing, benefits payable and contribution to confirm accuracy of data sent to the actuary. • Assessed the potential impact of the Virgin Media case on the entities pension schemes. The impact is not currently known; however, disclosures are encouraged in the financial statements. <p><i>(continued overleaf)</i></p>	<p>Our audit work is substantially complete.</p> <p>We are satisfied that the judgments and estimates made by management regarding the valuation of net pension liability were appropriate.</p> <p>Furthermore, we found no material misstatement arising from management bias as a result of the judgments and estimates made over the valuation of the net pension liability.</p>

Significant risks (6)

Risk identified	Audit procedures performed	Conclusions
<p>Valuation of net pension liability/asset (continued)</p> <p>City Fund’s share of the City of London Corporation Pension Fund’s assets and liabilities under the Local government Pension Scheme (LGPS), has for the first time fair value of planned assets (£715.9m) exceeding the fair value of defined obligation (£645.4m).</p> <p>The asset ceiling under IFRIC 14 was applied, limiting the surplus that can be recorded in the balance. This involves an assessment carried out by the management expert actuary, in line with actuarial valuations method.</p> <p>We therefore identified the valuation of the Authority’s pension fund net liability as a significant risk.</p>	<p>Our work on the valuation of pension fund net liability is substantially complete. We await the auditors of the City of London Corporation Pension Fund to issue us a letter in response to our questions over 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 financial statements.</p> <p>Key observation:</p> <p>We would like to draw attention to one issue identified during our work, which management has amended in the financial statements.</p> <p>While the management expert actuary assessed the impact of IFRIC 14 in relation to the LGPS scheme, our audit work identified that management did not incorporate this assessment into the preparation of the financial statements. This omission resulted in the recording of a surplus asset for the year which understated the City Fund’s pension liability at 31 March 2025. The total understatement was £90.4 million, resulting in a revised combined net pension liability position adjusted upwards from £671.8 million to £762.2 million. Additionally, management has made the required adjustments to the accompanying disclosure notes to reflect the impact of the asset ceiling as assessed by management’s expert actuary.</p> <p>We understand this error to be clerical in nature and a result of City Fund pension assets in excess of its liabilities, being in a surplus position for the first time.</p>	

Other risks (1)

Risk identified	Audit procedures performed	Conclusions
<p>Presumed risk of fraud in expenditure recognition</p> <p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p> <p>Having considered the nature of all expenditure streams at the Authority, we considered the risk that expenditure may be misstated due to the improper recognition of expenditure and concluded that there is not a significant risk for all expenditure streams. This is due to the low fraud risk in the nature of the underlying transaction, which would require a significant number of transactions to be incorrectly recorded to cause a material misstatement. We determined that the risk of fraud arising from expenditure recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • There is little incentive to manipulate expenditure recognition; • Opportunities to manipulate expenditure recognition are limited; and • The culture and ethical frameworks of local authorities, including that of the Authority, meaning that all forms of fraud are seen as unacceptable. <p>Based on our assessment, no specific fraud risk factors were identified and therefore we do not consider expenditure recognition to be a significant risk for the Authority.</p> <p>Though we rebutted the risk of fraud above, we considered that the risk relating to expenditure recognition may be prevalent around manual accruals of expenditure around year-end and the potential volume at year-end increasing the risk of error in expenditure recognition. We therefore, pinpointed the risk associated with the completeness of expenditure as an ‘other risk’.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Inspected a sample of payments and invoices received around the year-end to confirm whether they were included in the correct accounting period. • Inspected a sample of expenditure items and tested to supporting information to gain assurance over accuracy and occurrence. • Inspected a sample of accruals made at year-end for expenditure incurred but not yet invoiced to assess whether the estimation of the accrual was consistent with the value billed after the year-end. • Tested unusual journal entries, which included a test focussing on credits to revenue expenditure to identify entries which may potentially be used to deferred expenditure or under report. This covered as part of our work in relation to management override of controls (refer to page 17). 	<p>Our audit work is complete and we have not identified any issues regarding completeness of expenditure recognition.</p>

Other risks (2)

Risk identified

Risk of fraud and error in revenue recognition (rebutted for all streams)

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.

In our risk assessment of all revenue streams for the Authority, we considered the risk factors set out in ISA 240 and nature of the revenue streams at the Authority. Based on that, we rebutted the presumed risk that revenue may be misstated due to the improper recognition of revenue for all revenue streams. This is due to the low fraud risk in the nature of the underlying transactions and the fact that it would require a significant number of transactions to be misstated to cause a material misstatement. We determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- There is little incentive to manipulate expenditure recognition;
- Opportunities to manipulate revenue recognition are limited; and
- The culture and ethical frameworks of local authorities, including that of the Authority, meaning that all forms of fraud are seen as unacceptable.

Based on our assessment, no specific fraud risk factors have been identified and therefore **we do not consider revenue recognition to be a significant risk for the Authority.**

Whilst we rebutted the risk of fraud above, we considered that the risk of error relating to revenue recognition may be prevalent within streams at the Barbican, Spitalfields, Police, and Port Health and Environmental due to the nature of trading. We therefore, pinpointed the risk associated with the **occurrence of revenue within these streams as an ‘other risk’.**

Audit procedures performed

- To address this risk, we performed the following:
- Selected a sample of revenue items from each material revenue stream and tested to supporting information and subsequent receipt of income to gain assurance over accuracy and occurrence.
 - Tested a sample of receipts and invoices raised post year-end to ensure they were included in the correct financial year, gaining assurance over completeness.
 - Updated our understanding of the revenue business process for material revenue streams.

Conclusions

Our audit work is complete and we have **not identified any issues** regarding revenue recognition.

Other risks (3)

Risk identified	Audit procedures performed	Conclusions
<p>IFRS 16 Leases implementation (£12.6m recognised on transition date)</p> <p>IFRS 16 Leases is now mandatory for all local government bodies from 1 April 2024. The standard replaced IAS 17 Leases, and the three interpretations that supported its application (IFRIC 4 Determining whether an arrangement contains a lease, SIC-15 Operating leases – incentives, and SIC-27 Evaluating the substance of transactions involving the legal form of a lease). Under the new standard the current distinction between operating and finance leases is removed for lessees and, subject to certain exceptions, lessees will recognise all leases on their balance sheet as right of use (ROU) assets, representing the right to use the underlying leased assets, and a corresponding liability representing its obligation to make lease payments.</p> <p>The Code adapts IFRS 16 and requires that the subsequent measurement of the ROU asset where the underlying asset is an item of property, plant and equipment is measured in accordance with section 4.1 of the Code.</p> <p>We considered the implementation of IFRS 16 as other risks, noting the significant changes to disclosures required under the new standard. At year end, a ROU asset of £9.6m, and corresponding lease liability of £9.8m remains in the City Fund balance sheet, both of which are immaterial.</p> <p>We pinpointed the risk over completeness of IFRS 16 disclosures made under the new accounting standard.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Documented our understanding of the processes and controls in place by management to ensure that the Authority's ROU assets and corresponding liabilities are not materially misstated. This included understanding steps implemented by management to identify leases impacted by IFRS 16, ensuring completeness. • Obtained the lease register from management and compared to the prior year to identify any leases omitted. Additionally, reviewed lease payments listing using the full ledger to identify lease payments made and corroborate to a lease agreement to the lease register. • Reviewed management's rationale for classifying lease arrangements as either leases, short-term leases, or low-value leases. • Reviewed accounting policies and disclosures in relation to IFRS 16. • Reviewed the application of judgement and estimation in determining ROU asset valuations and lease liabilities. • Reviewed disclosures made in the accounts in relation to ROU asset values and lease liabilities to ensure compliance with the requirements of IFRS 16 as adapted in the CIPFA Code. <p>Our work identified that there were IFRS 16 disclosures omitted in the draft financial statements. This included disclosures providing details of the change from IAS 17 in treatment of operating leases. This is required to be presented in the form of a reconciliation of IAS 17 treatment of the operating leases to the closing balance reported under IFRS 16.</p> <p>Additionally, our procedures identified that management did not reclassify a total of £8m of other land and buildings, previously held as finance lease under IAS 17, to right of use assets within Note 13 as required under IFRS 16. Management has made the amendments.</p>	<p>Our audit work is ongoing and at this stage we have not identified any other issues regarding the IFRS 16 standard adoption.</p>

Other risks – New

Risk identified	Audit procedures performed	Conclusions
<p>Completeness of the business rates (NNDR) appeals provision (2024-25 £26.8m)</p> <p>Due to the Authority's location, it is among a few authorities in the country with a large Collection Fund account, particularly the Non-Domestic Business Rates (NNDR). Business rates are paid by businesses and other non-domestic property occupiers based on their assessed estimated property by the Valuation Office Agency (VOA). Businesses or occupiers may appeal their business rates assessment for different reasons, such as material change of circumstances affecting the property. The appeals provision reflects a provision against businesses that launched the appeals process with the VOA and represents the potential refunds the Authority will have to pay out if the appeals are successful.</p> <p>The estimation of the provision is completed by your engaged expert analysed local. The key inputs are the estimation of the potential loss in rateable value and yield, which also considers the impact of reliefs applied to the properties.</p> <p>Due to the size of the provision (£26.8m), we identified the provision as an 'other risk' area. Pinpointing the risk over completeness of the provision made, to gain assurance that all potential successful refunds are accounted for.</p>	<p>To address this risk, we performed the following:</p> <ul style="list-style-type: none"> • Updated our understanding of the processes and controls put in place by management to ensure that the provision is not materially misstated. • Evaluated the competence, capabilities and objectivity of management's expert Analyse Local. • Challenged management on the key assumptions, including the allowance of reliefs in the calculating the Appeals Provision. • Performed a sensitivity analysis and reviewed other industry benchmarks to determine the provision's reasonableness. • Performed a review of the provision movement year on year. • Recalculated the provision utilising the data used by Analyse Local in the estimation and confirmed if they agreed to management recorded figures. 	<p>Our audit work is ongoing and at this stage we have not identified any issues regarding the NNDR appeals provision.</p>

04 Other findings

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.

Our indicative audit plan issued in May 2025 stated we would carry out a design and implementation assessment Oracle E-Business Suite and Altair. On obtaining a more detailed understanding of the systems, we concluded that our assessment would focus on design effectiveness only.

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	
Oracle E-Business Suite – Main ledger system	Detailed ITGC assessment (design effectiveness only)	<div><div></div></div> Amber	<div><div></div></div> Amber	<div><div></div></div> Green	<div><div></div></div> Green	Our IT audit work identified that there that 2 users were granted access to diagnostic tools within the production environment, breaching segregation of duties and access control protocols. The audit team carried out additional procedures to consider high risk or unusual journals by these users. The work was incorporated within our journals testing (page 17 of this report) in relation to the significant risk over management override of controls. No issues identified.
Altair – Pensions system	Detailed ITGC assessment (design effectiveness only)	<div><div></div></div> Amber	<div><div></div></div> Amber	<div><div></div></div> Green	<div><div></div></div> Green	No material issues identified.
iTrent – Payroll system	Detailed ITGC assessment (design implementation only)	<div><div></div></div> Green	<div><div></div></div> Green	<div><div></div></div> Green	<div><div></div></div> Green	No issues identified.

Assessment:

- Red - Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Amber - Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- Green - IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope

05 Communication requirements and other responsibilities

Other communication requirements

Issue	Commentary
Matters in relation to fraud	We previously discussed the risk of fraud with the Audit and Risk Management Committee. We have not been made aware of any 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	A letter of representation has been requested from management, which is presented as a separate item for presentation along this report. There were no specific representations requested from management, subject to satisfactory conclusion of outstanding matters on page 7 of this report.
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the Authority's banking and treasury partners. This permission was granted, and the requests were sent. All requests that were sent to counterparties were received.
Disclosures	Our review found no material omissions in the financial statements. We have reported immaterial disclosure misstatements in Appendix D of this report.
Audit evidence and explanations	All information and explanations requested from management was provided, subject to satisfactory conclusion of outstanding matters on page 7 of this report.
Significant difficulties	There were no significant difficulties. Members of the finance team were available to provide evidence and explanations as required throughout the audit.

Other responsibilities (1)

Issue

Commentary

Going concern

In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.

Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:

- The use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities
- For many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Authority's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report.

Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Authority meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:

- the nature of the Authority and the environment in which it operates
- the Authority's financial reporting framework
- the Authority's system of internal control for identifying events or conditions relevant to going concern
- management's going concern assessment.

On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:

- a material uncertainty related to going concern has not been identified; and
- management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Other responsibilities (2)

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement, Narrative Report and Pension Fund Financial Statements), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We plan to issue an unmodified opinion in this respect.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • 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; and • where we are not satisfied in respect of arrangements to secure value for money and have reported a significant weakness. <p>We have nothing to report on these matters.</p>
Specified procedures for Whole of Government Accounts	<p>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.</p> <p>As the Authority exceeds the specified group reporting threshold of £2 billion, we examine and report on the consistency of the WGA consolidation pack with the Authority's audited financial statements.</p> <p>Note that work in this area is not yet started and will commence following the conclusion of the audit. Please see point below in relation to the certification of the audit closure.</p>
Certification of the closure of the audit	<p>We cannot formally conclude the audit and issue an audit certificate for the Authority 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 required and received confirmation from the National Audit Office that the audit of the Whole of Government Accounts (WGA) consolidation pack for the year ended 31 March 2025 is complete and certified by the Comptroller and Auditor General.</p> <p>We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.</p>

06 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.

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 identified a significant weaknesses in arrangements in relation to the low HRA Reserve balance. Full details are included in our 2024-25 AAR, presented along this report.

07 Independence considerations and fees

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.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

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 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 investments in the Authority 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 as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We are aware of local taxation charges paid by Grant Thornton to the Authority as a result of the firm having an office located in 8 Finsbury Circus. We do not consider that this gives rise to a business relationship between the firm and the Authority as the firm has no choice but to pay local taxes. Therefore, we do not consider this to give rise to an independence issue.
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, senior management or staff that would exceed the threshold set in the Ethical Standard.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

We confirm below our final fees charged for the audit.

Audit fees	Proposed fee £	Final fee £
City Fund audit fee	491,570	491,570
Total audit fees (excluding VAT)	491,570	491,570

A reconciliation of our fees to the financial statements is set out below.

Reconciliation of fees per the financial statements to total fees above (audit services)	£
Fees per the financial statements for audit services	491,570
Certification of grant claims and returns	205,000
Total audit fees (excluding VAT)	696,570

For the purposes of our audit, we made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to the City of London Corporation. There are no non-audit services for which work is ongoing or charged from the beginning of the financial year to the date of this report.

We were appointed to provide non-audit services for certification of City Fund’s Housing Benefits Subsidy (HBAP) claim for financial years 2020-21 and 2021-22. The terms, timelines and fees for this work are under discussion and we do not anticipate this to be finalised with work starting before closure of this audit.

Management has made an estimate in the accounts in relation to this work (HBAP) to the total of £205k, covering all prior years to 2024-2025. We have adequate safeguards in place to mitigate perceived self-interest threat from these future fees. As a result, we have not identified threats to our independence and adequate safeguards are applied in the current year.





Appendices

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

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

A. Communication of audit matters with those charged with governance (2)

Our communication plan

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

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

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

Respective responsibilities

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

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

Distribution of this Audit Findings report

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

B. Action plan (1)

We set out here our recommendations for the Authority which we have identified as a result of issues identified during our audit. The matters reported here are limited to those deficiencies that we 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
<div><div>●</div><div>Medium</div></div>	<div><div>1. Delayed deactivation of user access on Oracle EBS post-termination</div><div>Oracle EBS application access was not promptly revoked or disabled for terminated employees.</div><div>Risk – While no unauthorised access occurred in this instance, delays in revoking access after termination increases the risk of former employees retaining access to critical systems. This could lead to unauthorised data access, manipulation, or compromise of financial reporting integrity, especially if not detected promptly.</div></div>	<div><div>We recommend that management should ensure user access is deactivated in alignment with an employee’s last working day. Where immediate deactivation is not feasible, a compensating control such as monitoring for post-termination logins should be implemented.</div><div>Furthermore, coordination between HR and IT should be strengthened to ensure timely communication and execution of access termination procedures.</div><div>Management response</div><div>Agreed, an account may not be closed on the day that a person leaves the organisation. But in practical terms it is not feasible to achieve this; as noted, the account will have been updated within a few days to ensure all responsibilities have been removed. So, whilst the risk has not been eliminated, it has been minimized. Also worth noting that in order to access Oracle (CBIS) a person needs access to the corporate network, so it is possible their network access may have already been removed even if their Oracle account has yet to be updated.</div></div>

Key

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

B. Action plan (2)

Assessment	Issue and risk	Recommendations
<p>● Medium</p>	<p>2. Inappropriate assignment of ‘FND_DIAGNOSTICS’ responsibility to developer in Oracle EBS production</p> <p>In reviewing user responsibilities assigned within the Oracle E-Business Suite (EBS) production environment, it was identified that a developer was granted the ‘FND_DIAGNOSTICS’ responsibility. This responsibility provides access to diagnostic tools that exposes sensitive application and system information. Granting such access to a developer in a live production environment is inconsistent with best practices for segregation of duties and access control.</p> <p>Risk – Providing developers with diagnostic-level access in production increases the risk of unauthorised access to sensitive data, potential misuse of system tools, and unintentional changes that could impact the integrity of financial data. It also weakens the control environment and may result in non-compliance with audit and regulatory requirements.</p>	<p>We recommend that management restricts the ‘FND_DIAGNOSTICS’ responsibility to designated support personnel or database administrators with a clear operational need. Developers should not be granted this access in production environments. Where temporary access is required, it should be granted through a formal break-glass process with appropriate approvals, time-bound access, and post-access review.</p> <p>Management response</p> <p>The CBIS Support & Diagnostics responsibility is a diagnostic reporting tool – it does not have any access to make system changes. It is therefore valid for a developer to have access to this responsibility so that any issues can be investigated and diagnosed.</p>

Key

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

C. Follow up of prior year recommendations (1)

We identified the following issues in the audit of the Authority’s 2023-24 financial statements, which resulted in 10 recommendations being reported in our 2023-24 Audit Findings Report. Five of the recommendations are now closed, and we set out below those in progress.

Assessment	Issue and risk previously communicated	Update on actions taken
Not yet addressed	<p>Statement of Accounts approval (reported in 2023-24)</p> <p>During the review of the accounts, we observed that while the financial statements were approved by the Chamberlain before being published for public inspection, they were not subsequently submitted to the Committee for approval following the end of the inspection period. The Audit and Accounts Regulations mandate that the accounts must be submitted for approval by the finance committee after the inspection period.</p> <p>It is noted that management typically submits the accounts to Finance Committee after the conclusion of the audit. While the Regulations do not specify the exact timing for this approval after the inspection period, it is advisable for management to consider presenting the financial statements to the Committee earlier, especially in cases where the audit process takes longer to complete.</p>	<p>Management update</p> <p>Given that the draft accounts are presented at the July meeting of the Audit and Risk Management Committee, and the final accounts at the September meeting; this meets the requirements of the Accounts and Audit Regulations, and no additional occasion is necessary.</p> <p>Auditor comment</p> <p>Similar issues identified in current year audit. Recommendation remains open.</p>
Not yet addressed	<p>Management of the fixed asset register (reported prior to 2023-24)</p> <p>Several misstatements were identified whilst carrying out detailed testing of PPE and investment property revaluations. The primary cause of the misstatements identified in our revaluations work, arose due to clerical errors made by the capital assets team when recording the revaluations into the fixed asset register (FAR).</p>	<p>Management update</p> <p>The CIPFA asset manager software is due to mirror the FAR spreadsheet in 2024-25, before being the primary source in 2025-26. This will reduce the number of manual spreadsheets & calculations. It will allow us to quickly check for duplications.</p> <p>A formal reconciliation has been implemented between each valuation and the FAR. Unusual changes in valuations are explored with the valuers, but we will ensure explanations for any unusual year to year changes are accompanied with an explanation.</p> <p>Auditor comment</p> <p>Similar issues identified in current year audit in our other land and buildings audit work. Recommendation remains open.</p>

C. Follow up of prior year recommendations (2)

Assessment	Issue and risk previously communicated	Update on actions taken
Not yet addressed	<p>Lack of formal accounting policy for grant payables (revenue expenditure funded from capital under statute (REFCUS)) based on the date of disbursement following approval (reported in 2023-24)</p> <p>In work performed on REFCUS we inspected a drawdown application for the Museum of London's relocation funding, received in March 2023 but recognised in financial year 2023-24 based on the date of approval and disbursement. While the CIPFA Code does not mandate this, it aligns with the principles, to recognise grant payables when City Fund has a present obligation to transfer economic benefits, and an outflow of resources is probable to settle the obligation.</p> <p>Risk – Without a formal policy, there is risk of inconsistency in the recognition and measurement of grant payables, potentially leading to inaccurate financial reporting and non-compliance with the CIPFA Code.</p>	<p>Management update An accounting policy will be added to the accounts for 2024-25 stating that REFCUS grants payable should be recognised in the financial year that they are paid.</p> <p>Auditor comment Policy is in progress but not yet fully formalised or implemented. Recommendation remains open.</p>
Not yet addressed	<p>Terms of engagement with external valuers not best practice and RICS compliant (reported prior to 2023-24)</p> <p>Our valuation expert performed a review of the valuation reports prepared by management's experts and this review resulted in a control deficiency identified in the fact that City Fund did not ensure that terms of engagement and summary valuation report were prepared in line with RICS standards. This did not result in concerns around the valuation approach and our work but is an observation our valuation expert raised around best practise and compliance with RICS standards.</p>	<p>Management update The scope of work has been set out in various documentation between City Surveyor and the valuers, provided to the external auditors. In terms of the methodology that has been set out at the start of the contract and will be reissued if this methodology changes.</p> <p>Auditor comment Similar issues identified in current year audit. Recommendation remains open.</p>

C. Follow up of prior year recommendations (3)

Assessment	Issue and risk previously communicated	Update on actions taken
Not yet addressed	<p>Journal authorisation (reported prior to 2023-24)</p> <p>We noted that all journals with individual lines >£100k the system retrospectively identifies these Journals, and it is shared with the approver automatically via email for their approval. This is not required where individual lines are<£100k.</p>	<p>Management update</p> <p>From 2025-26 onwards management has implemented a centralised log of journals which will demonstrate that all journals >100k have been approved. Management is looking at how the use of SAP can continue to refine this process going forward.</p> <p>Auditor comments</p> <p>Similar issues identified in current year audit. Recommendation remains open.</p>

D. Audit adjustments (1)

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

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below, along with the impact on the key statements.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000
1. Net pension liability (understatement) – Impact of IFRIC 14 asset ceiling to the IAS 19 surplus not accounted for, resulting in £90.4m understatement of pension liability and remeasurement of pension liability.	Dr Remeasurement of pension liability 90,400	Cr Pension liability 90,400	Dr 90,400
2. Long-term rents received in advance (overstated) –Long-term rents received in advance overstated by £1.3m and short-term rents received in advance understated by the same amount.	Nil	Dr Long-term rents received in advance 1,338 Cr Short-term rents received in advance 1,338	Nil
3. Assets under construction (AUC) assets PPE (overstated) – PPE AUC in Note 13 overstated by £19.2m. The balance disclosed incorrectly included investment properties AUC and intangible assets. PPE AUC also overstated by £21m 2023-24, prior period restatement required.	Nil	Dr Intangible assets 6,200 Dr Investment properties 13,000 Cr Property, plant and equipment 19,200	Nil
Overall impact	Dr 90,400	Cr 90,400	Dr 90,400

D. Audit adjustments (2)

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the audit which have not been made within the final set of financial statements. The Audit and Risk Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Reason for not adjusting
1. Investment property valuation (overstatement) – We identified a variance of £1.3m when comparing the auditor's recalculation of the property values and those recorded in the fixed asset register per valuation reports. This was an overstatement of the investment properties balance.	Dr Gains on revaluations of investment properties 1,336	Cr Investment properties 1,336	Dr 1,336	Immaterial difference in estimation
2. Reconciling difference between the fixed asset register (FAR) and management's expert valuation report A reconciliation between the FAR and the valuer Newmark's final valuation report identified a cumulative discrepancy of £1,801,792 across the Barbican Art Gallery, Central Criminal Court (1907 and South & East Wing), and Barbican Estate Dwellings. The FAR was overstated, and the revaluation movement understated.	Dr Surplus/Deficit on the revaluation of property, plant and equipment 1,801	Cr Council dwellings 892 Cr Other land and buildings 908	Dr 1,801	Immaterial difference

Continued overleaf

D. Audit adjustments (3)

Impact of unadjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Reason for not adjusting
3. NNDR provision (overstatement) – We identified a variance of £0.872m when reperforming the calculation of the NNDR provision estimate. This was due to management excluding the impact of reliefs applied to NNDR bills.	Cr Provision expense 872	Dr provision liability 872	Cr 872	Immaterial difference in estimation
Overall impact of current year unadjusted misstatements	Dr 2,265	Cr 2,265	Dr 2,265	

D. Impact of unadjusted misstatements in the prior year

The table below provides details of misstatements identified during the prior year audit which were not adjusted for within the final set of financial statements for 2023-24, and the resulting impact upon the 2024-25 financial statements. We also present the cumulative impact of both prior year and current year unadjusted misstatements on the 2024/25 financial statements. The Audit and Risk Management Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £000	Balance Sheet £000	Impact on total net expenditure £000	Reason for not adjusting
1. Understatement of debtor balance Extrapolated error of £0.916m from debtor testing. This related two items being under-accrued, and the overstatement of another item, resulting in a net understatement of the debtor balance of £0.196m, extrapolated to £0.916m.	Cr Income statement 916	Cr Reserves 916	Cr 916	Immaterial extrapolation
2. Indexation of assets not revalued Based on our indexation exercise of assets not revalued, using market data, we concluded that the other land and buildings asset class is £4.640m understated. Some of the assets were revalued in the current leaving an impact of £3.473m of assets not revalued.	nil	Dr PPE 3,473 Cr Unusable reserves 3,473	nil	Immaterial difference in estimation
3. Understatement of REFCUS We identified capital expenditure of £0.649m (extrapolated) on an academy owned by City's Estate which was capitalised by City Fund, rather than being recognised as revenue expenditure funded by capital under statute (REFCUS). There is an immaterial depreciation charge which is an error in the current year financial statements.	nil	Cr PPE 649 Dr Reserves 649	nil	Immaterial extrapolation
Overall impact of prior year unadjusted misstatements	Cr 916	Dr 916	Cr 916	

D. Impact of unadjusted misstatements in current and prior years

The table below considers the overall impact of unadjusted misstatements in current and prior years.

Detail	Comprehensive Income and Expenditure Statement	Balance Sheet	Impact on total net expenditure	Conclusion
	£000	£000	£000	
Overall impact of unadjusted misstatement in the current year	Dr 2,265	Cr 2,265	Dr 2,265	Impact not material in current year, no change in net expenditure position in current year.
Overall impact of unadjusted misstatement in the prior year	Cr 916	Dr 916	Cr 916	Impact not material in prior year, no change in net expenditure position in current year.
Net expenditure impact	Dr 1,349	Cr 1,349	Dr 1,349	The impact of prior period and/or current period unadjusted misstatements is not material and does not change the reported position of City Fund.

D. Audit adjustments – misclassification and disclosure

Misclassification and disclosure changes

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

Disclosure	Misclassification or change identified	Adjusted?
Expenditure and Funding Analysis (EFA)	The provisional outturn of (£43.9m) reported in the draft financial statement narrative report was not consistent with the version of the outturn report reported to the Finance Committee on 1 July 2025, it was reported as £34.1m. Whilst the variance underspend of £33.2m was reported to Finance Committee as £23.4m. Management advises the difference was due to timing difference between when each report was prepared.	Yes
Notes 23, 26 and 31: Pension liability	We identified that management did not consider the impact of IFRIC 14 asset ceiling to the IAS 19 surplus. This resulted in a £90.4m understatement of the net pension liability and remeasurement of pension liability. Further, disclosure notes relating to the pension liability omitted the IFRIC 14 impact. This resulted in Notes 23, 26 and 31 of the financial statements requiring updates.	Yes
Note 6: Grant income	We identified within Note 6 that one grant totalling £1.9m was incorrectly classified under 'Other' non-government revenue grants and contributions, when it should be classified as a Dedicated School Grant.	Yes
Note 13: ROU asset	In our IFRS 16 work we identified that management had continued to classify assets previously held under IAS 17 as finance leases as other land and building. These assets, totalling of £8m, should be transferred within Note 13 from other land and buildings to right of use asset classification.	Yes
Note 30: Leases	Management did not complete a reconciliation demonstrating the change from IAS 17 in treatment of operating leases to the closing balance under IFRS 16. We also requested management to amend or add narrations that were clear on the new application of IFRS 16.	Yes
Minor disclosure issues	A number of disclosure amendments were identified and agreed with management. These were typos, accounting policies, senior officer remuneration disclosures and other disclosures.	Yes

E. Management letter of representation

Dear Grant Thornton UK LLP

City of London Corporation – City Fund
Financial Statements for the year ended 31 March 2025

This representation letter is provided in connection with the audit of the financial statements of City Fund of the City of London Corporation (“the Authority”) for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Authority’s financial statements give a true and fair view in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

- i. We have fulfilled our responsibilities for the preparation of the 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 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 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 the valuation of investment properties, council dwellings, other land and buildings, NNDR appeals provision and pension fund net liability. 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.

E. Management letter of representation

- 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 financial statements:
 - a. there are no unrecorded liabilities, actual or contingent;
 - b. none of the assets of the 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 financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The Authority's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xi. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Authority and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv. The prior period adjustments disclosed in Note 13 to the financial statements are accurate and complete. There are no other prior period errors to bring to your attention.
- xv. We have updated our going concern assessment. We continue to believe that the Authority's financial statements 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 Authority means that, notwithstanding any intention to cease its 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 financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
 - b. the financial reporting framework permits the Authority to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the Authority's system of internal control has not identified any events or conditions relevant to going concern.

E. Management letter of representation

- xv. We believe that no further disclosures relating to the Authority's ability to continue as a going concern need to be made in the financial statements
- xvi. 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.
- xvii. The Authority has complied with all aspects of ring-fenced grants that could have a material effect on the Authority's financial statements in the event of non-compliance.

Information provided

- xviii. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Authority's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- xix. We have communicated to you all deficiencies in internal control of which management is aware.
- xx. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xxi. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xxii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the 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 financial statements.
- xxiii. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xxiv. 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 financial statements.

E. Management letter of representation

- xxv. We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxvi. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxv. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the 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

- xxv. The disclosures within the Narrative Report fairly reflect our understanding of the Authority's financial and operating performance over the period covered by the Authority's financial statements.

Approval

The approval of this letter of representation was minuted by the Authority's Audit and Risk Management Committee at its meeting on **15 September 2025**.

Yours faithfully

Caroline Al-Beyerty

Chamberlain & Chief Financial Officer

F. Draft audit opinion – to follow

We anticipate to issue the Authority with an unmodified audit report, subject to satisfactory resolution of outstanding matters.



© 2025 Grant Thornton. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.