

# Kent County Council

Audit progress report

16 May 2024



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# Introduction

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

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# Progress at May 2024

## Financial Statements Audit

### 2022/23 Kent County Council Audit

We have encountered a number of issues in the completion of our 2022/23 financial statements audit, which have been reported to previous Governance and Audit Committees. The 2022/23 financial statements audit is now completed with the audit opinion being signed on 18 March 2024.

### 2023/24 Kent County Council Audit

We have completed our planning procedures for the 2023/24 audit. This has included the issuing of group audit instructions to the Council's subsidiary auditors, UHY Hacker Young. We have also completed work on IT General Controls, with no significant issues arising. We expect to start our final audit fieldwork on 1 July 2024.

## National Issues - Dealing with the backstop

Nationally, as we have previously reported to this Committee, there are a significant number of local authorities that have not had an audit completed for a number of years. DLUHC have made a number of proposals as to how the sector address the local audit backlog.

Under the DLUHC proposals, the 2023/24 accounts must be published and audited by 31 May 2025 or a further backstop will be implemented. It will be vital for taxpayer accountability that the Council is able to prepare accounts that can be audited in full by this deadline. We will work constructively with management to make sure this is achieved in an efficient manner.

## Value for Money

Our Value for Money work for 2022/23 is complete and was reported to the Governance and Audit Committee in February 2024. Significant weaknesses were identified in the Council's Value for Money arrangements across all three criteria:

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

We made a number of key recommendations in our Annual Audit Report and will follow up the Council's progress in implementing them during our 2023/24 Value for Money work, which is in the early planning stages. Our VFM findings will be reported in our Annual Audit Report, scheduled to be reported to this committee in November 2024.

# Progress at March 2024 (cont.)

## Grants

We are working closely with officers to complete the outstanding work on the Council's returns as soon as possible.

We reported in March 2024 that Teachers Pensions returns for 2019/20, 2020/21, 2021/22 and 2022/23 were all outstanding and that for all of which queries are with officers for response. Officers have confirmed that our queries are being reviewed and responded to.

Since March 2024, the 2019/20 return has been completed and submitted to Teachers Pensions. Due to delays in the Teachers Pension audits and subsequent queries, the authority has struggled to obtain all the information due to schools changing payroll providers and a change in the authority's overall administering provider from Capita to HR Connect. Officers are working with the audit team to resolve this in a timely manner.

## Other areas

### Meetings

We continue to meet with senior officers at the Council on a regular basis on what is always a constructive dialogue. We recognise the significant issues that need to be addressed at the Council.

Planning meetings have been held with Officers in the finance team in preparation for the final audit fieldwork.

## Audit Fees

PSAA have published their scale fees for 23/24 [2023/24 auditor appointments and audit fee scale – PSAA](#).

For Kent County Council these fees are £433,444 for the Council audit and £112,629 for the Pension Fund. These fees are derived from the procurement exercise carried out by PSAA in 2022. They reflect both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

# Audit Deliverables

2023/24 Deliverables	Planned Date	Status
<p><b>Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2023/24 financial statements.</p>	March 2024	Delivered
<p><b>Audit Findings Report</b></p> <p>The Audit Findings Report will be reported to the Governance and Audit Committee.</p>	November 2024	TBC
<p><b>Auditors Report</b></p> <p>This includes the opinion on your financial statements.</p>	November 2024	TBC
<p><b>Auditor's Annual Report</b></p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.</p>	November 2024	TBC

\*The planned dates are subject to national timetables, agreement with officers and unforeseen technical issues that may arise during the audit period. However, our expectations is to complete all necessary work in advance of 31/05/2025, the backstop date set by DHLUC for 2023/24 audits

\*\* The NAO consultation on the Code of Audit Practice requires auditors to deliver an annual VFM report by 30 November of each year. This may be a complete report, a progress report or a risk assessment depending on local circumstances



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