

Audit Progress Report

Year ending 31 March 2021

14 September 2021



Contents

Section	Page
Introduction	3
Progress at September 2021	4
Audit Deliverables	6
Audit letter in respect of delayed VFM work	7

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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.

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

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

Progress at September 2021

2020/21 Financial Statements Audit

We began our work on the draft financial statements of the Council and Pension fund in July and work is progressing according to plan. No issues have been identified during the course of either audits which we need to bring to your attention.

We plan to be in a position in the coming week to issue assurance letters in respect of the Pension fund.

2019/20 Audit – Whole of Government Accounts

We will complete the certification of the audit for 2019/20 following completion of the audit of the Whole of Government Accounts return. Work was delayed because of issues with the reporting of the underlying software. This work is nearing completion and expect to issue the certificate by the end of next month.

Value for Money

The new Code of Audit Practice (the “Code”) came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code is the introduction of an Auditor’s Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and is planned to make more impact.

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies auditors are required to issue our Auditor’s Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation. The extended deadline is now no more than three months after the date of the opinion on the financial statements.

In the Appendix we have issued an audit letter to the Chair of the Audit Committee setting out the reasons for the delay. We intend to issue our Auditor’s Annual Report no later than 31 January 2021. See page 7 for the letter.

Progress at September 2021 (cont.)

Other areas

Certification of claims and returns

We certify the Council's annual Teachers' Pensions return in accordance with procedures agreed with Teachers' Pensions. The certificate work for 2018/19 and the 2019/20 claim is ongoing. There have been delays with the Council's provider arrangements which have delayed the process.

Meetings

We plan to next meet with the Head of Paid Service on the 15 September as part of our regular liaison meetings.

We also continue to meet and be in regular correspondence with Finance Officers at both the Council and the Pension Fund. There continues to be good engagement between us and your finance teams during the final accounts audit enabling us to complete work planned.

Financial Reporting Council review of the 2019/20 audit

As part of their annual programme of work, the Financial Reporting Council (FRC) selected the 2019-20 audit of Kent County Council and the Pension Fund for review. As at the date of writing this report the review is nearing completion and we will update the Governance and Audit Committee of the findings once the review is finalised. We anticipate the Report being sent to the Chairman of the Audit Committee and section 151 officer in the next few days. We will be happy to debrief the Committee on the report and take questions at the meeting on October 7th.

Audit Deliverables

2020/21 Deliverables	Planned Date	Status
<p data-bbox="120 408 264 437">Audit Plan</p> <p data-bbox="120 456 1391 555">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 Authority's 2020/21 financial statements and the Auditor's Annual Report on the Authority's Value for Money arrangements.</p>	April 2021	Complete
<p data-bbox="120 584 546 612">Audit Findings Report (ISA 260)</p> <p data-bbox="120 632 1312 660">The Audit Findings Report will be reported to the October Governance and Audit Committee.</p>	October 2021	Not yet due
<p data-bbox="120 699 338 727">Auditors Report</p> <p data-bbox="120 746 1189 775">This is the opinion on your financial statements and annual governance statement.</p>	October 2021	Not yet due
<p data-bbox="120 820 448 849">Auditor's Annual Report</p> <p data-bbox="120 868 1391 928">The key output from local audit work on arrangements to secure VFM is an annual commentary on arrangements, which will be published as part of the Auditor's Annual Report (AAR).</p>	January 2021	Not yet due

Audit letter in respect of delayed VFM work

Rosalind Binks

Chairman of the Governance and Audit Committee

Kent County Council

Sessions House

County Hall

Maidstone

Kent ME14 1XQ

14 September 2021

Dear Rosalind, Chair of the Governance and Audit Committee

Under the 2020 Code of Audit Practice, for relevant authorities other than local NHS bodies we are required to issue our Auditor's Annual Report no later than 30 September or, where this is not possible, issue an audit letter setting out the reasons for delay.

As a result of the ongoing pandemic, and the impact it has had on both preparers and auditors of accounts to complete their work as quickly as would normally be expected, the National Audit Office has updated its guidance to auditors to allow us to postpone completion of our work on arrangements to secure value for money and focus our resources firstly on the delivery of our opinions on the financial statements. This is intended to help ensure as many as possible could be issued in line with national timetables and legislation.

As a result, we have therefore not yet issued our Auditor's Annual Report, including our commentary on arrangements to secure value for money. We now expect to publish our report no later than 31 January 2022.

For the purposes of compliance with the 2020 Code, this letter constitutes the required audit letter explaining the reasons for delay.

Yours sincerely



Paul Dossett
Key Audit Partner



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