

Independent auditor's report to the members of Kent County Council

In our auditor's report issued on 31 March 2023, we explained that we could not formally conclude the audit and issue an audit certificate for Kent County Council (the 'Authority') for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- Completed the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the year ended 31 March 2022. We have now been advised that no further work on WGA for the year ending 31 March 2022 is required.
- Completed our consideration of an objection brought to our attention by a local authority elector under Section 27 of the Local Audit and Accountability Act 2014. This matter has now been dealt with.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2022 issued on 31 March 2023 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2022 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

Opinion on the pension fund financial statements

In our auditor's report for the year ended 31 March 2022 issued on 31 March 2023 we reported that, in our opinion the pension fund financial statements of Kent Pension Fund:

- give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2022 and of the amount and disposition at that date of the fund's assets and liabilities,
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2021/22; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

In our auditor's report for the year ended 31 March 2022 issued on 31 March 2023 we had nothing to report in respect of the above matter except:

- On 27 April 2022 we identified a significant weakness in how the Authority plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the sustainable delivery of special educational needs and disability services and education health and care plan services. We recommended that the Authority should:
 - finalise and implement its draft high needs financial recovery plan, with effective measures put in place to ensure its delivery
 - consider closer working between Finance and Children and Young People and Education colleagues
 - consider how reserves could be utilised to close the funding deficit, should that be required by the Secretary of State.
- The financial position of these services has continued to deteriorate so we have replaced these three recommendations with a further recommendation that the Authority take a holistic approach towards managing demand for special educational needs and disability services and for the financial management of these services. Therefore, the significant weakness remains in place.
- On 16 March 2023 we identified a further significant weakness in how the Authority plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the Authority's November 2022 letter to the Prime Minister outlining medium term financial pressures which, if left unaddressed, could lead to the Authority's Chief Financial Officer having to issue a notice under Section 114 of the Local Government Finance Act 1988 because the Authority were unable to set or maintain a balanced budget. We recommended that the Authority take steps to control expenditure to avoid a Section 114 notice being issued, which required that the Authority should:
 - be realistic about the capacity available to support delivery of savings,
 - prioritise and consult on proposed savings, and
 - communicate to local citizens how and what it has prioritised.
- On 16 March 2023 we identified a significant weakness in the Authority's governance arrangements. This was in relation to the Authority's decision-making processes for the re-procurement of special educational needs transport provision. We recommended that the Authority strengthen its decision-making arrangements by ensuring that:
 - members and officers understand their roles and comply with the Authority's governance arrangements, and
 - issues and complaints raised with the Monitoring Officer during 2021-22 be addressed and fed into good practice training for the future.
- On 16 March 2023 we identified a significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. In November 2022, Ofsted and the Care Quality Commission (CQC) reported that the Authority had not made sufficient progress in addressing significant weakness in their special educational needs and disability services that had been originally been identified in March 2019. We recommended that the Authority should:
 - liaise with its partners to determine and agree improvements to be made to special educational needs and disability services
 - put in place an action plan to ensure the findings and recommendations from the Ofsted and CQC report are addressed and implemented
 - develop strategies for managing demand and expectations based on careful, proactive consultation and engagement with schools, parents, and other stakeholders.

- On 16 March 2023 we identified a further significant weakness in the Authority's arrangements for improving economy, efficiency and effectiveness. This was in relation to the failure of the special educational needs and disabilities transport service in February 2022 following a deficient re-procurement process. We recommended that the Authority should:
 - strengthen its training on procurement strategy, policies and practices
 - clearly signpost the availability of specialist support to staff commissioning and procuring complex services.

No matters have come to our attention since that date that would have resulted in any additional exception reporting on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Kent County Council for the year ended 31 March 2022 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Dossett

Paul Dossett, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London

23 September 2024