

Independent auditor's report to the members of Sefton Council

In our auditor's report issued on 27 February 2025, we explained that we could not formally conclude the audit and issue an audit certificate for Sefton Council ('the Authority') for the year ended 31 March 2024 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 in relation to consolidation returns, including Whole of Government Accounts (WGA), and the National Audit Office (NAO) had concluded their work in respect of WGA for the year ended 31 March 2024. The NAO has now concluded their work in respect of WGA for the year ended 31 March 2024 and confirmed that audit certificates that are open in relation to this can be issued. We are therefore satisfied all audit work necessary has been completed.

Disclaimer of opinion

In our auditor's report for the year ended 31 March 2024 issued on 27 February 2025 we reported that, we did not express an opinion on the accompanying financial statements of the Authority or the group. Because of the significant matters described in the basis for disclaimer of opinion of our auditor's report, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

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

Matter on which we are required to report by exception – 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 2024. We have nothing to report in respect of the above matter except in our auditor's report for the year ended 31 March 2024 issued on 27 February 2025 we reported that:

- On 12 February 2025 we identified significant weaknesses in the Authority's arrangements for Financial Sustainability. This related to:
 - unidentified savings or actions to meet funding gaps in the Medium Term Financial Plan including the ongoing and significant demand and cost pressures in relation to Children's Social Care, Home to School Transport and more recently in relation to Adult Social Care. We recommended that:
 - further immediate action is required to ensure that planned savings are successfully implemented, that additional savings are identified, that service transformation is delivered as planned, budget pressures are more effectively managed, and reserves are maintained at planned levels.
- On 12 February 2025 we also identified significant weaknesses in the Authority's arrangements for Governance. This related to:
 - the Authority's recent history of significant use of procurement waivers (exceptions to contract procedure rules) which presents risks to the Authority in realising value for money. We recommended that:
 - the Authority take urgent steps to change procurement culture in the use of waivers, ensure waiver data is reported quarterly to the Audit Committee, analyse waiver activity to understand the reasons for the level of waivers, confirm that waivers related to existing contracts or framework agreements, confirm that no waiver approvals resulted in a conflict of interest, gain assurances that all waivers are approved in line with the Authority's Contract

Procedure Rules and relevant procurement legislation and that procurement activity that required a waiver did not take place.

- On 12 February 2025 we also identified significant weaknesses in the Authority's arrangements for improving economy, efficiency and effectiveness. This related to:
 - the Authority's pace of improvement of the Children's Social Care service is impacting on the Authority's ability to effectively and efficiently meet its children's social care statutory responsibilities, and at the same time failure to manage demand pressures is having a significant impact on the Authority's medium-term financial sustainability. We recommended that:
 - the Authority ensure there is a corporate grip on successfully delivering the Improvement Plan for Children's Social Care.

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 2024.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Sefton Council for the year ended 31 March 2024 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 44 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.

Georgia Jones

Georgia Jones, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Liverpool

7 August 2025