



**Governance and Audit
Committee**

Tuesday, 18 April 2022

Subject: External Audit Strategy Memorandum (Plan) 2022/23

Report by:

Director of Corporate Services and Section 151
Officer

Contact Officer:

Peter Davy
Financial Services Manager

peter.davy@west-lindsey.gov.uk

Purpose / Summary:

To present the 2022/23 External Audit Strategy
from our External Auditors, Mazars

RECOMMENDATION(S):

To Approve the External Audit Strategy Memorandum (Plan) for 2022/23

IMPLICATIONS

Legal: None directly arising from this report.

Financial: FIN/3/24/PD

The Core work audit fee including inflation for 2022/23 is £42,591, this is an increase of £9,171 from the previous year and has arisen as a result of PSAA negotiations with the Audit providers. Further testing is also required to comply with the Code of Audit Practice which is expected to cost a further £10,000. These costs are contained within budget.

Staffing:

None directly arising from this report.

Equality and Diversity including Human Rights:

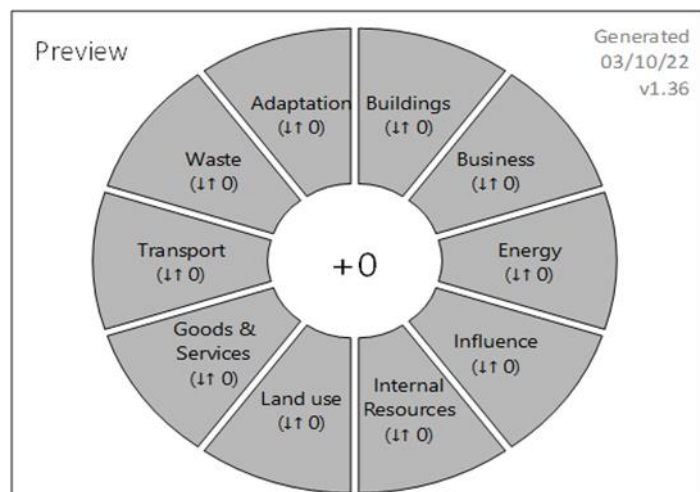
None directly arising from this report.

Data Protection Implications:

None directly arising from this report.

Climate Related Risks and Opportunities:

None directly arising from this report.



Section 17 Crime and Disorder Considerations:

None directly arising from this report.

Health Implications:

None directly arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

N/A

Risk Assessment:

N/A

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 Introduction

1.1 The External Audit Strategy Memorandum (Plan) for 2022/23 is attached at Appendix A and will be presented by Paddy Sadd , Audit Manager at Mazars LLP.

1.2 The purpose of this document is to:

- Summarise the Audit Approach
- Highlight significant audit risks
- Highlight areas of key judgements
- Materiality Levels
- Provide details of the External Audit Team
- Fee for Audit and Other Services
- Value for Money

1.3 The main points of note are as follows:

- The audit approach is as follows:

March - April 2023 Audit planning and preparation work
March – April 2023 Interim Audit
July – August 2023 Field Work
September 2023 Completion of Audit

The completion of the audit is earlier than in previous years, the July deadline has been extended to September and not November this year.

- Significant Audit Risks highlighted are:
 - Management override of controls
 - Valuation of Property, plant and equipment, investment properties and assets held for sale
 - Valuation of Net Defined Benefit Liability (Pensions)

1.5 Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatement in financial statements are considered material if they could reasonably expected to influence the economic decisions of users taken on the basis of the financial statements. Initial materiality levels are:

Overall Materiality	£955,000
Performance Materiality	£715,000
Triviality	£ 28,000

1.6 The Audit team for 2022/23 has changed and are , Daniel Watson, Director and Engagement Lead and Paddy Sadd , Manager at Mazars LLP.