



**Governance and Audit
Committee**

21 April 2026

**Subject: External Audit Indicative Plan and Strategy for the Year Ending
31 March 2026**

Report by:

Director of Finance and Assets (S151)

Contact Officer:

Peter Davy
Director of Finance and Assets (S151)

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Purpose / Summary:

To present the 2025/26 External Audit Strategy
from our External Auditors, KPMG

RECOMMENDATION(S):

To approve the External Audit Strategy Memorandum (Plan) for 2025/26

IMPLICATIONS

Legal: None from this report

Financial: FIN/17/27/GA/SL

Audit Fees are set by the Public Sector Audit Appointments (PSAA).

The annual audit fee 2025/26 is anticipated to be £150,700, (£146,600 for 2024/25). The Council has provided a budget of £145,000 for the payment of these fees.

The budget shortfall is to be offset by the Redmond Review grant allocation from Government which was intended to help councils deal with rising audit pressures. £18,500 received during 2025/26.

Staffing: None from this report

Equality and Diversity including Human Rights: None from this report

Data Protection Implications: None from this report

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

Title and Location of any Background Papers used in the preparation of this report: None for this report

Risk Assessment: None for this report

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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

X

Key Decision:

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

Yes

No

X

1 Introduction

1.1 The External Audit Strategy Memorandum (Plan) for 2025/26 is attached at Appendix A and will be presented by Debra Chamberlain, Director at KPMG LLP.

1.2 The purpose of this document is to:

- Give an overview of the planned scope of the audit including materiality.
- Outline risks and other audit risks.
- Detail Audit risks and the audit approach to these.
- Show other significant matters related to the audit approach.
- Detail Mandatory communications.
- Outline the Value for money risk assessment and KPMG's approach
- Show the Fee for audit and other services.

1.3 The audit approach is as follows:

- January – April 2026 Planning & Interim Work
- June – September 2025 Final Fieldwork & Reporting
- September 2026 Completion of Audit

Significant Audit risks highlighted are:

- Valuation of land and buildings.
- Valuation of investment property.
- Valuation of post-retirement benefit obligation.
- Management override of controls.
- Accounting of capital expenditure.

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

Overall Materiality	£1,500,000
Performance Materiality	£1,120,000
Triviality	£75,000

1.5 The audit team from KPMG for 2025/26 are:

- Debra Chamberlain, Director
- Francesca Shaw, Manager, and
- Eva Barrow, Audit Associate.

- 1.6 The annual audit fee for 2025/26 is anticipated to be £150,700 (£146,600 for 2024/25), the Council has provided a budget of £145,000 for the payment of the fee.

The budget shortfall is to be offset by the Redmond Review grant allocation from Government which was intended to help councils deal with rising audit pressures. £18,500 received during 2025/206.