



**Governance and Audit
Committee**

10 June 2025

Subject: External Audit Strategy Memorandum (Plan) 2024/25

Report by:

Director of Finance and Assets (S151)

Contact Officer:

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S151)

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Purpose / Summary:

To present the 2024/25 External Audit Strategy
from our External Auditors, KPMG

RECOMMENDATION(S):

To approve the External Audit Strategy Memorandum (Plan) for 2024/25

IMPLICATIONS

Legal: None from this report

Financial: FIN/28/26/MT/CC

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

The annual audit fee 2024/25 is anticipated to be £146,600, (£141,500 for 2023/24 fee). The Council has provided a budget of £145,000 for the payment of these fees. The overspend can be met from underspends elsewhere.

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

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 2024/25 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 – March 2025 Planning/Interim Work
- July – August 2025 Final Audit
- September 2025 Completion of Audit

Significant Audit risks highlighted are:

- Valuation of land and buildings.
- Valuation of investment property.
- Valuation of post-retirement benefits/obligations.
- Management override of controls.
- Revenue expenditure is inappropriately recognised as capital expenditure.
- Revenue expenditure is inappropriately recognised as REFCUS.

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	£1,200,000
Performance Materiality	£900,000
Triviality	£60,000

1.5 The audit team from KPMG for 2024/25 are, Debra Chamberlain, Director, Badar Abbas, Senior Manager and Alex Greenwood Audit Associate.

- 1.6 The annual audit fee for 2024/25 is anticipated to be £146,600, the Council has provided a budget of £145,000 for the payment of the fee. Any overspend in the final fee will be met from underspent budgets elsewhere.