**AUDIT COMMITTE**

**25 JUNE 2026**

**REPORT OF DIRECTOR FINANCE & IT**

## A.1 EXTERNAL AUDITOR'S DRAFT AUDIT PLAN AND STRATEGY FOR THE YEAR ENDING 31 MARCH 2026

## PART 1 – KEY INFORMATION

| PURPOSE OF THE REPORT |
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| To present for consideration the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026. |

| EXECUTIVE SUMMARY |
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| • The External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026 is attached, which sets out their planned audit work in respect of informing their opinion on the 2025/26 Financial Statements and the Council's use of resources.<br><br>• As highlighted within their report, the plan forms an important element of their audit cycle / timetable along with its associated communication with the Council. Their approach continues to recognise the importance of fostering effective communication throughout the audit process with those charged with governance.<br><br>• The plan is set against a number of key elements, which include materiality and risk along with considering other important issues such as the rebuilding assurance approach and associated risks that remains an on-going matter and 'builds' on previous discussions with the Committee. |

| RECOMMENDATION(S) |
|---|
| **That the Audit Committee considers and notes the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2026.** |

| REASON(S) FOR THE RECOMMENDATION(S) |
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| To enable the Committee to consider and confirm their acknowledgment of the External Auditor's Draft Report. |

| ALTERNATIVE OPTIONS CONSIDERED |
|---|
| Not applicable as the report forms part of the External Auditor's formal reporting responsibilities. |

## PART 2 – IMPLICATIONS OF THE DECISION

| DELIVERING PRIORITIES |
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| Delivery against priorities, service improvement, best value responsibilities and governance arrangements are improved through external challenge such as from external audit |

inspections and reviews.

**LEGAL REQUIREMENTS (including legislation & constitutional powers)**

The Council is required to ensure there are adequate internal audit / internal control arrangements in place.

The Accounts and Audit Regulations 2015 set out a number of requirements relating to the preparation and publication of the Statement of Accounts along with associated public inspection periods.

The above is complemented by guidance issued by organisations such as the National Audit Office and the Financial Reporting Council as necessary, which are considered during the preparation of financial reports.

The PSAA is specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (Appointing Person) Regulations 2015. For audits of the accounts from 2023/24, the PSAA appointed KPMG as the Council's auditor under the 'opt-in' process that this Council has previously agreed. The current appointing period covers a five year period commencing 2023/24.

**FINANCE AND OTHER RESOURCE IMPLICATIONS**

**Page 22** of the attached sets out a table of the proposed fees payable, with the statutory audit element totalling **£182k,** which can be met from within existing budgets**.** However, as also highlighted within **Page 22** of the attached**,** additional fees are expected to become payable, which will be reviewed as part of the fee variation process in place with the PSAA and alongside the budget and financial performance reports during the year as necessary.

**USE OF RESOURCES AND VALUE FOR MONEY**

The following are submitted in respect of the indicated use of resources and value for money indicators:

| | |
|---|---|
| A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services; | The associated work of the External Auditor is set out within the attached, with outcomes planned to be presented at a future meeting of the Committee. |
| B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and | |
| C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services. | |

**MILESTONES AND DELIVERY**

This report forms an important element of the annual work programme and reporting requirements of the External Auditor.

**ASSOCIATED RISKS AND MITIGATION**

Not supporting and responding practically and timely to External Audit activity may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

**OUTCOME OF CONSULTATION AND ENGAGEMENT**

Not Applicable

| EQUALITIES |
|---|
| Not directly applicable. |

| SOCIAL VALUE CONSIDERATIONS |
|---|
| Not directly applicable. |

| IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050 |
|---|
| Not directly applicable. |

| OTHER RELEVANT IMPLICATIONS | |
|---|---|
| **Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.** | |
| **Crime and Disorder** | Not directly applicable. |
| **Health Inequalities** | |
| **Area or Ward affected** | |

## PART 3 – SUPPORTING INFORMATION

| BACKGROUND AND THE EXTERNAL AUDITOR'S DRAFT AUDIT PLAN AND STRATEGY FOR THE YEAR ENDING 31 MARCH 2026. |
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| Shortly after the end of each financial year the Council prepares in accordance with proper practices a Statement of Accounts as statutorily required, which is then subject to external audit before final publication. The current publication deadline for the unaudited accounts for 2025/26 is the end of June 2026.<br><br>The Audit Plan and Strategy issued by the External Auditor highlights at a summary level, aspects of the work they plan on undertaking and why, areas of focus including where risks are likely to be greater and the background to their required value for money activities.<br><br>The outcome of the External Auditor's work will be set out in separate reports that will be presented to the Audit Committee at a future meeting, within the proposed timescales associated with the 'backstop' date for the 2025/26 accounts, i.e. 31 January 2027. |
| **PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.** |
| Reference Report from the Audit Committee – Appointment of External Auditor for a Five Year Period Commencing 2023/24 – Item A.3 Full Council 15 February 2022 |
| **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL** |
| None |

| APPENDICES |
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| **Appendix A – External Audit Draft Plan and Strategy for the Year Ending 31 March 2026** |


| REPORT CONTACT OFFICER(S) | |
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