



Report to: Audit & Governance Committee Meeting  
16 April 2025

Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)

Lead Officer: Nick Wilson, Business Manager – Financial Services  
Ext 5317

Report Summary	
<b>Report Title</b>	Annual External Audit Strategy Memorandum 2024/25
<b>Purpose of Report</b>	To present the External Audit Strategy Memorandum for the 2024/25 Statement of Accounts work for members to review and comment.
<b>Recommendations</b>	Members to note the External Audit Strategy Memorandum.
<b>Reason for Recommendation</b>	To provide Members with details of External Audits work in relation to the Council's Statement of Accounts for 2024/25.

## 1.0 Introduction

- 1.1 The External Audit Strategy Memorandum (Appendix A) sets out the proposed work of the Council's external auditors for 2024/25, relating to the audit of the financial statements and the commentary on the Council's Value for Money arrangements.
- 1.2 The strategy describes the audit approach, the key financial statement audit risks and the Value for Money audit approach. It details the audit team, the deliverables from the work, the timeline and the proposed audit fee.
- 1.3 The audit approach for the financial statements and Value for Money, is in line with the same approach as in previous financial years. Similarly, the key areas of significant risk is the same as per previous financial years and listed below:
  - Management override of controls;
  - Valuation of Council Dwellings and Other Land & Building; and
  - Net Defined Benefit Liability Valuation.

- 1.4 The level of the auditor's materiality does change in each financial year as it is typically based on a threshold of 2% of gross expenditure. The anticipation for overall materiality for the year ended 31 March 2025 is to be in the region of £3.069m (£3.107m in the prior year), and a performance materiality to be in the region of £2.148m (£2.331m in the prior year). Further details can be found within Appendix A, section 8 for 'Materiality and misstatements'.

## **2.0 Implications**

None.

## **Background Papers and Published Documents**

None.