



Report to: Audit & Accounts Committee Meeting
22 April 2026

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

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Report Summary	
Report Title	Annual External Audit Strategy Memorandum 2025/26
Purpose of Report	To present the External Audit Strategy Memorandum for the 2025/26 Statement of Accounts work for members to review and comment.
Recommendations	Members to note the External Audit Strategy Memorandum.
Reason for Recommendation	To provide Members with details of External Audits work in relation to the Council’s Statement of Accounts for 2025/26.

1.0 Introduction

- 1.1 The External Audit Strategy Memorandum (Appendix A) sets out the proposed work of the Council’s external auditors for 2025/26, 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 Property, plant and equipment; 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 2026 is to be in the region of £2.5m (£2.5m in the prior year), and a performance materiality to be in the region of £2m (£1.75m in the prior year). Further details can be found within Appendix A, 'Materiality'.

2.0 Implications

None.

Background Papers and Published Documents

None.