

Title of Report	AUDIT STRATEGY MEMORANDUM	
Presented by	Dan Bates Head of Finance and Section 151 Officer	
Background Papers	None	Public Report: Yes
Purpose of Report	To consider the External Audit Strategy Memorandum.	
Recommendations	THAT THE COMMITTEE NOTES THE AUDIT STRATEGY MEMORANDUM FOR 2020/21.	

1.0 BACKGROUND

- 1.1 Mazars LLP were appointed to audit the accounts of the Council for five years, for the accounts from 2018/19 to 2022/23. The appointment was made under regulation 13 of the Local Audit (Appointing Person) Regulations 2015 and was approved by the Public Sector Appointments Limited (PSAA Ltd) Board in December 2017. PSAA Ltd are a company incorporated by the Local Government Association to manage an opt-in scheme for public bodies in appointing auditors, setting scales of fees and ensuring effective management of contracts with audit firms for the delivery of external audit services.
- 1.2 Mazars LLP have provided the Audit Strategy Memorandum for the forthcoming audit of the Council's accounts, as attached at Appendix A. A representative from Mazars will be in attendance at the meeting to present their plan to the committee.
- 1.3 The purpose of the document is to summarise the audit approach, highlight significant audit risks and areas of key judgements and provide details of the audit team. The Audit Strategy Memorandum focuses around three key objectives:
- Audit Opinion – providing an opinion of the accounts, including the Annual Governance Statement and narrative report.
 - Going Concern – concluding of the appropriateness of the Section 151 use of going concern basis of accounting in the preparation of the financial statements
 - Value for Money – concluding on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.
- 1.4 The proposed fee for undertaking the 2020/21 audit work (as detailed in Section 6 of the Audit Strategy Memorandum) is £57,969. Additional fees of £19,067 have been proposed compared to the scale fee set by the PSAA due to additional testing required due on Property, Plant and Equipment, testing on new accounting standards and additional work required arising from change in the Code of Practice. Further details are available in Appendix A.

Policies and other considerations, as appropriate	
Council Priorities:	An unqualified audit opinion on the Council's financial statements and conclusion on the Council's value for money arrangements underpins all of the Council's priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	The External Audit is an essential part of the Council's arrangements for compliance with laws and regulations, as well as maintaining good Value for Money.
Officer Contact	Dan Bates Head of Finance and Section 151 Officer Dan.Bates@nwleicestershire.gov.uk