

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 26
APRIL 2023



Title of Report	EXTERNAL AUDIT STRATEGY MEMORANDUM 2021/22	
Presented by	Glenn Hammons Interim Head of Finance and Section 151 Officer	
Background Papers	None	Public Report: Yes
Purpose of Report	To consider the External Audit Strategy Memorandum 2021/22	
Recommendations	THAT THE COMMITTEE NOTES THE AUDIT STRATEGY MEMORANDUM 2021/22	

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 2021/22 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 2021/22 audit work (as detailed in Section 6 of the Audit Strategy Memorandum) is £61,202. Additional fees of £22,300 have been proposed compared to the scale fee set by the PSAA due to:
- additional work in relation to responding to increased regulatory challenge in auditing the IAS19 pension figures contained within the financial statements (£3,740);

- additional work in relation to responding to increased regulatory challenge in auditing the PPE (Property, Plant and Equipment) figures contained within the financial statements (£6,200);
- IAS540 - additional work in relation to auditing accounting estimates and relates disclosures (£3,590); and
- Work undertaken in relation to VFM (Value for Money) commentary (£8,770).

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:	N/A
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment and Climate Change:	N/A
Consultation/Community/Tenant Engagement:	N/A
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.
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