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# KPMG External Audit Plan and Strategy: 2024-25

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Committee considering report:	Governance Committee
Date of Committee:	Tuesday 29 April 2025
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Richard Quayle – Service Lead (Financial Reporting and Property)

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## 1 Purpose of the Report

- 1.1 For the Governance Committee to consider the External Audit Plan and Strategy for 2024-25 prepared by the Council’s External Auditor (KPMG).

## 2 Recommendation

- 2.1 To inform the committee of the report and timescales included.

## 3 Implications and Impact Assessment

Implication	Commentary
Financial:	To outline the 2024-25 audit fee variation. The 2024-25 fee is consistent with Public Sector Audit Appointments’ (PSAA) Scale Fees literature
Human Resource:	None
Legal:	None
Risk Management:	None
Property:	None
Policy:	None

	Positive	Neutral	Negative	Commentary
<b>Equalities Impact:</b>				No decision
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
<b>Environmental Impact:</b>		X		None identified
<b>Health Impact:</b>		X		None identified
<b>ICT Impact:</b>		X		None identified
<b>Digital Services Impact:</b>		X		None identified
<b>Council Strategy Priorities:</b>		X		None identified
<b>Core Business:</b>		X		None identified
<b>Data Impact:</b>		X		None identified
<b>Consultation and Engagement:</b>	None			

## 4 Executive Summary

- 4.1 This report is required within the scope of the external audit assurance regime and summarises KPMG's strategy for the audit of the Council's 2024-25 Statement of Accounts.
- 4.2 Highlights in the report are:
- Page 3 – KPMG's confirmation that the audit opinion for 2024-25 may be modified due to the disclaimed opinions on previous years' financial statements. This is because of KPMG's lack of assurance in relation to opening balances for 2024-25 and prior year amounts
  - Page 4 – audit materiality levels are disclosed. The key threshold is financial statements materiality at £12.7m, and this amount has risen (favourably) from 2023-24 (£11.7m) based upon the increased audit assurance garnered by KPMG following the conclusion of their first year as external auditor
  - Page 6 – the key audit areas have been presented and there is consistency with 2023-24. Two significant risk items are Investment Property/Land and Buildings asset valuations and the valuation of the Council's Pension Fund
  - Page 23 – this chart denotes the principal dates in the auditor's planning timetable. Within this time horizon, a key milestone is the commencement of the audit fieldwork. This is due to begin on Monday 4 August 2025 and will span to the end of October 2025
  - Page 24 – audit fees are itemised with a comparison to the prior year. The scale fee for 2024-25 is £297,000 and this was £272,000 in 2023-24

## 5 Supporting Information

- 5.1 Appendix A contains KPMG's 2024-25 External Audit Plan and Strategy.

## 6 Other options considered

- 6.1 None – there is a statutory obligation for the Council to partake in an external audit. The external audit is a critical element of the wider governance and assurance processes established within the organisation.

## 7 Conclusion

- 7.1 For members to consider the report and provide comments.

## 8 Appendices

- 8.1 Appendix A – KPMG External Audit Plan and Strategy: 2024-25
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## Background Papers:

None

## Subject to Call-In:

Yes: ☐

No: ☒

The item is due to be referred to Council for final approval ☐

Delays in implementation could have serious financial implications for the Council ☐

Delays in implementation could compromise the Council's position ☐

Considered or reviewed by Scrutiny Commission/associated Committee Task Groups within preceding six months ☐

Item is Urgent Key Decision ☐

Report is to inform only ☒

**Wards affected:** all

## Officer details

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