

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

**Audit and Standards Committee
27 April 2026**

Report Title: External Audit Plan – 2025/26 Statement of Accounts

Submitted by: Service Director for Finance (S151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To inform Members of the proposed External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts.			
<u>Recommendation</u>			
1. That the External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts be received.			
<u>Reasons</u>			
The External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts gives the Audit and Standards Committee the opportunity to review KPMG's audit approach and scope for the audit of the 2025/26 Statement of Accounts.			

1. Background

- 1.1 KPMG have been appointed as the Council's External Auditors by Public Sector Audit Appointments Ltd (PSAA), covering the audits of the Statement of Accounts from 2023/24 to 2027/28.
- 1.2 The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the National Audit Officer Code of Practice.

2. Issues

- 2.1 The External Audit Plan and Strategy outlines KPMG's risk assessment drawing upon their understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which the Council operates.
- 2.2 KPMG determine materiality for the Council's financial statements at a level that they feel could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

- 2.3 Misstatements, errors and omissions are reported to the Audit and Standards Committee on the basis of materiality.
- 2.4 The impact of the Council's control environment is reflected in the planned audit procedures, along with findings from the previous year and management's response to those findings. Entity level controls are reviewed to inform the risk assessment.
- 2.5 A commentary on the arrangements in place for ensuring Value for Money is achieved at the Council is also required, this includes the appropriateness of the Council's arrangements against financial sustainability, governance, and improving economy, efficiency and effectiveness.
- 2.6 The External Audit Plan and Strategy for the 2025/26 Statement of Accounts provides for the completion of the audit prior to November 2026 and the provision of the External Audit Annual Report and Audit Findings Report (ISA260) to the meeting of the Audit and Standards Committee on 16 November 2026.

3. **Recommendation**

- 3.1 That Committee received the External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts.

4. **Reasons**

- 4.1 By receiving to the External Audit Plan and Strategy, the Audit & Standards Committee are supporting the External Audit service in fulfilling its responsibilities.

5. **Options Considered**

- 5.1 None.

6. **Legal and Statutory Implications**

- 6.1 The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the National Audit Officer Code of Practice.

7. **Equality Impact Assessment**

- 7.1 There are no equality impact issues identified from this proposal

8. **Financial and Resource Implications**

- 8.1 The work outlined for the audit of the 2025/26 Statement of Accounts will be carried out at the agreed price specified by PSAA.

9. **Major Risks & Mitigation**

- 9.1 The risks associated with this report are that resources are not used efficiently and effectively to provide assurance over the key financial reporting risks and financial sustainability risks faced by the Council.

10. UN Sustainable Development Goals (UNSDG)

- 10.1 The following UNSGs are supported.



11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

One Digital Council

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Green Council

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

12. Key Decision Information

- 12.1 Not Applicable.

13. Earlier Cabinet/Committee Resolutions

- 13.1 Not Applicable

14. List of Appendices

- 14.1 Appendix 1 – External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts.

15. Background Papers

- 15.1 Local Audit and Accountability Act 2014
15.2 National Audit Officer Code of Practice