

Report to Audit Committee

Subject: External Audit Fees for the 2024/25 Statement of Accounts

Date: 24 June 2025

Author: Chief Finance and Section 151 Officer

1. Purpose of the Report

To inform members of the proposed audit fees in respect of the 2024/25 financial year.

Recommendations:

That Members:

- Note the audit fee letter for 2024/25;
- Recommend to Council the approval the additional budget required of £88,549 for the 2024/25 External Audit fees.

2. Background

It is a requirement that the Council's financial statements are audited on an annual basis and that in addition the auditors undertake all work necessary to support their conclusion on value for money.

3. Proposal

Mazars, the Council's external auditor, have set out their proposals for the audit work and associated fee in respect of the 2024/25 audit in the annual External Audit Fee letter as attached at appendix 1. The audit fee covers the audit of the 2024/25 financial statements and the value for money conclusion.

4. Financial Implications

The budgeted audit fee is £53,600 the letter proposes fees of £142,149 an increase of £88,549. This will additional budget required and will be funded from the General Fund.

Audit fees are set the Public Sector Audit Appointments (PSAA), who is the “appointing person” for the audit of the accounts of local government bodies that opt into its national scheme. The PSAA appoints auditors and sets the fees, which are based on a scale fee for the previous year, adapted for changes in audit requirements. The Council has no control over the scale fees that are set.

External Audit Fees have increased significantly due a number of factors including a backlog of audits, increased regulatory requirements, and a limited number of qualified audit firms. These issues have led to higher costs for councils.

Due to the backstop arrangements and the recent fraud which has delayed previous years audits, the amount of fees have been unclear, an earmarked reserve amount was set aside to fund increases in fees and supplementary fees arising from the additional work required for the fraud on an interim basis, however as that amount is now depleted it is appropriate to ensure ongoing budget is increased to meet current and future audit fees.

5. Legal Implications

None arising directly from this report, The Accounts and Audit Regulations 2015 mandates that Local Authorities in the UK must have external audits. It outlines the framework for audits of local authorities, including the requirement to appoint an external auditor.

6. Equalities Implications

None arising directly from this report

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report.

8. Appendices

Appendix 1 – External Audit Fees 2024/25

Statutory Officer Approval

Approved by: Chief Financial Officer
Date: 16 June 2025

Approved by: Monitoring Officer
Date: 16 June 2025

