

Report to Audit Committee

Subject: External Audit Fees for the 2025/26 Statement of Accounts

Date: 23rd June 2026

Author: Chief Finance and Section 151 Officer

1. Purpose of the Report

To inform members of the proposed external audit fees in respect of the 2025/26 financial year.

Recommendations:

That Council:

- Note the Audit Fee for 2025/26.

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.

the recommendation that Council approve the additional amount required.

3. Proposal

Mazars, the Council's external auditor, have set out their proposals for the audit work and associated fee in respect of the 2025/26 audit. The audit fee covers the audit of the 2025/26 financial statements and the value for money conclusion. The total fee is £146,129 and is payable in 4 instalments as set out in the table below.

Milestone Completed	Fee Council
Annual Audit Report for y/e 31 March 2026 issued	£36,532.00
Audit Plan issued	£36,532.00
Audit 50% complete	£36,532.00
Audit 75% complete	£36,533.00
TOTAL FEE	£146,129.00

4. Financial Implications

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.

The scale fees are the standard fees for the year, and these may increase due to additional work required depending on audit requirement for that year.

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.

As with previous years and in response to the Redmond Review MHCLG have committed a further £15m to “opted in” authorities to support with the costs of strengthening their financial reporting, and other new requirements on auditors. Gedling has been awarded £17,970 for 2025/26.

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. The Redmond grant award mentioned above will be transferred to this reserve to fund any additional audit fee for the 2025/26 year that may arise on top of the scale fee.

In addition to the grant above, MHCLG have also announced in 2024/25 that they will provide up to £49m of support to help eligible bodies clear audit backlogs and cover the additional cost of rebuilding audit assurance with statutory backstop related disclaimers. Gedling was awarded £41,621 for the year 2024/25. No new payments are expected in 2025/26 to avoid payments in advance of need; however, the Government will assess build back costs and the distribution model in late 2026.

The current budget is sufficient to meet the scale fees for 2025/26 as set out in this report, any additional works that are required will first utilise the reserve set aside and any additional fees on build back will utilise the MHCLG grant above before any request for additional budget is made.

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

Statutory Officer Approval

Approved by: Chief Financial Officer
Date: 11 June 2026

Approved by: Monitoring Officer
Date: 11 June 2026

