

Audit, Standards & Governance Committee

15th October 2026

Report: External Audit Update

Relevant Portfolio Holder		Councillor Simon Nock
Portfolio Holder Consulted		Yes
Relevant Director		James Walton
Report Author	Job Title: James Walton, Director of Finance and Section 151 Officer. Contact email: James.walton@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		ALL
Ward Councillor(s) consulted		No
Relevant Council Priority		ALL
Key Decision: NO – Information only		
If you have any questions about this report, please contact the report author in advance of the meeting.		

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee is asked to RESOLVE to:

- 1.1. Consider and comment on the External Audit Planning Report for 2025/26, attached at Appendix 1, which sets out the external auditor's proposed approach, scope, significant audit risks, materiality, timetable and planned value for money work.

2. BACKGROUND

- 2.1. The Council's external auditor, Ernst & Young LLP, has prepared its Audit Planning Report for the year ended 31 March 2026. The report is attached at Appendix 1.
- 2.2. The report provides the Committee with an overview of the proposed approach and scope of the 2025/26 audit. It includes the auditor's assessment of significant audit risks and other areas of focus, the proposed materiality levels, the planned audit timetable and the approach to assessing the Council's arrangements for securing value for money.

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- 2.3. The report also sets out the approach to rebuilding audit assurance following earlier disclaimed audit opinions and includes the external auditor's assessment of the Council's preparedness to support the audit process. Appendix C to the report records prior-year recommendations and the Council's associated management responses.
- 2.4. Representatives of Ernst & Young LLP will attend the meeting to present the report and respond to questions from the Committee.

3. FINANCIAL IMPLICATIONS

- 3.1. The external audit fee and the assumptions on which it is based are set out within the External Audit Planning Report. Any proposed variation to the scale fee will be subject to the relevant external audit and Public Sector Audit Appointments arrangements.
- 3.2. The Council holds sufficient budget to accommodate the proposed audit fee.

4. LEGAL IMPLICATIONS

- 4.1. The external audit is undertaken in accordance with the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and applicable auditing and professional standards.

5. OTHER - IMPLICATIONS

Local Government Reorganisation (LGR)

- 5.1. There are no direct implications although the External Audit Planning Report notes the potential effect of structural uncertainty and organisational capacity on the Council's financial reporting and audit recovery arrangements.

Relevant Council Priority

- 5.2. Effective external audit and the timely consideration of audit findings support good governance, financial resilience and the delivery of all Council priorities.

Climate Change Implications

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- 5.3. No climate change implications, nor governance issues, are identified in this report, the AGS or the AGS action Plan.

Equalities and Diversity Implications

- 5.4. There are no direct equalities and diversity implications arising from this report

6. RISK MANAGEMENT

- 6.1. The External Audit Planning Report identifies the significant audit risks and other areas of focus that will inform the external auditor's work. Consideration of the report supports the Committee's oversight of financial reporting, governance, internal control and the Council's arrangements for securing value for money.

7. APPENDICES and BACKGROUND PAPERS

- 7.1. Appendix 1 – External Audit Planning Report 2025/26