

REAPPOINTMENT OF EXTERNAL AUDITORS 2021/22

Report of the Finance Director and Company Secretary

1. SUMMARY

- 1.1 The Board of Derby Homes is required to appoint external auditors annually and fix their remuneration.

2. RECOMMENDATION

- 2.1 To re-appoint the current external auditors – BDO LLP for the year 2021/22.
- 2.2 The Board authorises payment of fees, anticipated at the levels below:
- Annual audit - £25,250
 - Corporation Tax (HMRC filing and advice) - £1,300
 - IXBRL (Accounts filing with HMRC) - £1,100
- 2.3 To delegate finalisation of the fee to the Finance Director & Company Secretary for the reasons listed in 3.2 and 3.4.

3. MATTER FOR CONSIDERATION

- 3.1 At the AGM, 26 November 2015, the Board agreed for a seven-year contract with BDO LLP commencing with the 2015/16 accounts. This will conclude with the 2021/22 accounts.
- 3.2 Fees proposed above, for the 2021/22 accounts, are in line with the tendered price, adjustments per 3.3 and are inclusive of an estimated September 2021 CPI increase of 2.5%. The figures will change when the actual level of inflation is known.
- 3.3 The audit fee is inclusive of additional costs (from the original tender figure) relating to extra works arising from new auditing standards from June 2016 that added £930 to the original tender figure. Also, increases relating to audit sector imposed additional responsibilities (around going concern testing and management estimates testing) that have been added into the workstream of the auditors during the course of the contract. Each year there is also an allowance for inflation.

4. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 4.1 The proposed fees from BDO LLP are in line with expectations, industry norms and budgeted levels.

5. LEGAL AND CONFIDENTIALITY IMPLICATIONS

- 5.1 The Board of Derby Homes is required to appoint an external auditor under the provisions of the Companies Act 2006.

The areas listed below have no implications directly arising from this report:

Consultation
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: None

The contents of this report have been approved by the following:

Finance Director & Company Secretary	David Enticott	18/08/21
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