

REAPPOINTMENT OF EXTERNAL AUDITORS 2022/23

Report of the Finance Director & Company Secretary

1. SUMMARY

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

2. RECOMMENDATIONS

- 2.1 To re-appoint the current external auditors – Crowe UK for the year 2022/23.
- 2.2 The Board authorises payment of fees up to the levels as follows:
- Annual audit - £35,800
 - Preparation and submission of corporation tax return including iXBRL tagging of accounts- £2,100
- 2.3 To delegate finalisation of the fee to the Finance Director & Company Secretary for the reasons listed in 4.2 and 4.3

3. REASONS FOR RECOMMENDATION

- 3.1 Crowe tendered for the contract for the six years beginning 2021-22. They have completed the 2021-22 audit and they have demonstrated they are competent to continue in the contract. The fee charged is fair and reasonable.

4. MATTERS FOR CONSIDERATION

- 4.1 At the Board Meeting, 19 May 2022, the Board agreed for a six-year contract with Crowe UK commencing with the 2021/22 accounts. This will conclude with the 2026/27 accounts.
- 4.2 The annual fee increase is subject to negotiation between Crowe UK and Derby Homes. In the tender submission Crowe UK stated "In future years we expect that, all things being equal, year on year fee increases would be in line with inflation."

The maximum fees proposed in Section 2.2, for the 2022/23 accounts, are in line with the tendered price plus inclusive of a September 2022 CPI increase of 10.1%.

- 4.3 At this point in time there are no additional works required in 2022/23 that would attract additional costs, on top of the fees stated above. Should additional works be required in 2022/23, any variation to the fee is to be delegated to the Finance Director & Company Secretary.

IMPLICATIONS

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 The proposed fees from Crowe UK are in line with expectations, industry norms and budgeted levels.

LEGAL AND CONFIDENTIALITY

- 6.1 The Board of Derby Homes is required to appoint an external auditor under the provisions of the Companies Act 2006.
- 6.2 There is a legal requirement for Derby Homes to file audited financial statements with:
- Regulator of Social Housing – within six months of year end – 30th September
 - Companies House – within nine months of year end – 31st December

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

Consultation
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy
Personnel

For more information please contact: Helen Samuel

Helen Samuel / Head of Finance and Income / 01332 888413 / helen.samuel@derbyhomes.org

Background information: None
List of appendices: None

This report has been approved by the following:

Managing Director	Maria Murphy	14.11.2022
Finance Director & Company Secretary	Michael Kirk	07.11.2022