

**COBTREE MANOR ESTATE
CHARITY COMMITTEE**

23RD MARCH 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Appointment of External Auditors

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Head of Finance & Resources
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

This report makes the following recommendations to this Committee:

1. That UHY Hacker Young are appointed external auditors to the Charity for the financial years 2015/16 and 2016/17.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all – Ensuring that there are good leisure and cultural attractions.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	23 rd March 2016

Appointment of External Auditors

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Following their decision not to provide external audit services King & Taylor ceased to be the appointed external auditors to the Charity at the end of the 2013/14 financial year.
 - 1.2 King & Taylor passed responsibility for the 2014/15 external audit to another local audit company, UHY Hacker Young. This report seeks to approve their continued appointment for 2015/16 and 2016/17.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Until 2013/14 external audit services were provided by King & Taylor. However they took a business decision to cease providing these services to all their existing clients, and they passed responsibility for the 2014/15 audit to another local company, UHY Hacker Young.
 - 2.2 The Charity follows Maidstone Borough Council's contracts procedures rules, and these specify that for contracts of a value of £10,000 or less at least one written quote must be obtained. For 2014/15 the cost of the audit was £4,775 plus VAT. UHY Hacker Young were asked to provide a quote, and they have responded with a figure of £4,860 plus VAT, which represents an inflationary increase of 1.75%.
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3. AVAILABLE OPTIONS

- 3.1 Under the current statutory audit thresholds for charities there is no requirement for an external audit, an independent examination would suffice. This is a simpler form of scrutiny than an audit but it would still provide an assurance that the accounts have been the subject of an independent review. However the Charity has previously taken the decision that it would like an external audit to be undertaken.
 - 3.2 The Charity could chose to ask for more than one quote for the external audit service and possibly appoint a different auditor.
 - 3.3 The Charity could appoint UHY Hacker Young as external auditor for 2015/16 and 2016/17.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that UHY Hacker Young are appointed as external auditors to the Charity for 2015/16 and 2016/17. The nature of the Charity and its relationship with the Council means that the financial transactions and arrangements are somewhat complex, and as UHY Hacker Young have

started to develop an understanding of this it would seem appropriate to continue to use them. They have also developed a good working relationship with Council officers. Any new auditors would have to develop their own understanding of the Charity and develop new working relationships with officers.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 Not applicable.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 If the recommendation is agreed UHY Hacker Young will be formally requested to provide external audit services for 2015/16 and 2016/17.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	[Head of Service or Manager]
Risk Management	It is considered good financial practice for an external audit to be undertaken.	[Head of Service or Manager]
Financial	The cost of the audit will be £4,860 plus VAT.	[Section 151 Officer & Finance Team]
Staffing	None	[Head of Service]
Legal	There is no statutory requirement for an external audit, but the Charity has previously decided that it would like one to be undertaken.	[Legal Team]
Equality Impact Needs Assessment	None	[Policy & Information Manager]
Environmental/Sustainable Development	None	[Head of Service or Manager]
Community Safety	None	[Head of Service or

		Manager]
Human Rights Act	None	[Head of Service or Manager]
Procurement	Under Maidstone Borough Council's contract procedures rules at least one written quote is required for contracts with a value of £10,000 or less.	[Head of Service & Section 151 Officer]
Asset Management	None	[Head of Service & Manager]

8. REPORT APPENDICES

- None
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9. BACKGROUND PAPERS

- None