



Report to:

Northwards Housing Board

14 June 2006

Item No:

10c

Title:	Appointment of Auditors		
Date:	30 May 2006		
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Confidential:	No		
For: (Please tick action required)	NOTING	DISCUSSION	APPROVAL √

PURPOSE OF REPORT

This report sets out the results of the presentation and interview day held on 22 May and makes recommendations to the Board in respect of which audit firms should be appointed as External and Internal Auditors.

RECOMMENDATION

The Board are asked to approve the appointment of RSM Robson Rhodes LLP as External Auditors to Northwards Housing and authorise the Secretary to sign the engagement letter on behalf of the Board.

The Board are asked to approve the appointment of KPMG LLP as Internal Auditors to Northwards Housing and authorise the Secretary to sign the engagement letter.

IMPLICATIONS

Equality & Diversity:	None directly
Financial:	Costs for External Audit included in budget but available resource for Internal Audit may need review.
Staffing:	None directly
Decency Target:	None directly
Governance:	Auditors appointment required by law and management agreement
Risk Assessment	Not a primary risk area

Equality & Diversity Implications (Please tick where relevant):

BME Lesbian/Gay/Bisexual/Transgender

Elderly Single Parents

Young

Domestic Violence

Disability

Alcohol / Drug Mis-users

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Yes	Resource & Governance	23 May 2006
Area Panel:	N/A		
Ward Councillors:	N/A		

External Audit

1. Following a tender process, three firms were shortlisted for presentation and interview on 22 May; BDO Stoy Hayward, PKF and Robson Rhodes.
2. These three firms were the closest to the selection criteria following the tender exercise. The criteria assessed were credibility, equality and diversity, interest, knowledge, office, personality, quality and value for money.
3. Following the presentation and interview process, Robson Rhodes came out on top overall. They impressed from a people and knowledge basis and demonstrated evidence over equality and diversity as well as quality.
4. For value for money they were the highest price of the three interviewed firms but the overall conclusion, as set out in the criteria, was that the extent to which other criteria were amply met justified their selection despite the difference in price.
5. An initial appointment is made by the Board and this will run until the time of the Annual General Meeting when the Sole Member (ie the Council) will appoint or reappoint the auditors of the company.
6. We therefore **recommend RSM Robson Rhodes LLP for appointment by the Board as External Auditors.**

Internal Audit

7. Following a tender process, three firms were shortlisted for presentation and interview on 22 May; KPMG, PWC and Robson Rhodes.
8. These three firms were the closest to the selection criteria following the tender exercise. The criteria assessed were approach, credibility, equality and diversity, interest, knowledge, office, personality, quality and value for money.
9. Following the presentation and interview process, KPMG came out on top overall. We were impressed with their team and knowledge and they clearly have the most ALMO experience and demonstrated evidence over equality and diversity as well as quality.
10. On value for money their collective daily rate was the highest of the three although there was not much difference. Their initial assessment, however, was a much lower number of days audit and therefore their overall expectation on price was lower than the other two firms.
11. We therefore **recommend KPMG LLP for appointment by the Board as Internal Auditors.**