

REPORT TO: SHAREHOLDER SUB-COMMITTEE

DATE: 25 JULY 2018

TITLE: REFERENCE FROM THE HTS BOARD –
APPOINTMENT OF EXTERNAL AUDITORS TO
THE HTS GROUP

LEAD OFFICER: ANDREW MURRAY, HEAD OF HOUSING
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CONTRIBUTING OFFICERS: REBECCA FARRANT, OPERATIONS MANAGER
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RECOMMENDED that the Sub-Committee:

- A** Notes the Board's appointment of Ensors, Chartered Accountants, as external auditors and accountants to HTS (Property and Environment) Ltd (HTS) for 2018/19.
- B** Notes the terms and conditions of the appointment agreed by the Company Secretary.

BACKGROUND

1. The Company has a statutory requirement to produce and file audited accounts with the Registrar of Companies and the Shareholder (Local Authority) must produce group accounts to reflect Local Authority Trading Company trading.
2. In 2016 the Sub-Committee noted HTS' appointment of Ernst Young (EY) as external auditors for the first fourteen month trading period. It also noted that EY provided external audit services to the Council at that time. The approved Delegation Matrix for HTS provides that any appointment of external auditors is a Board decision in consultation with the Sub-Committee.
3. The Sub-Committee were also advised in 2016, that the National Framework Public Section Audit Appointment, once in place, meant that EY would no longer provide external audit services to the Council.
4. Following a procurement exercise, HTS appointed Ensors Chartered Accounts to replace EY as external auditors and to provide Statutory Accounts, and Corporation Tax advice

ISSUES/PROPOSALS

5. The appointment of Ensors as external auditors and advisors was supported by the Council and EY themselves, as their offering demonstrated both best value and gave confidence to the Board and the Council's Chief Finance Officer. Further work, where required, will be agreed with Ensors in conjunction with HTS to further develop the Group structure and growth in consultation with the Council.

IMPLICATIONS

Place (Includes Sustainability)

As contained within the report.

Author: Graeme Bloomer, Head of Place

Finance (Includes ICT)

The appointment ensures the company is able to meet the statutory obligation of filing its company accounts supported by an independent auditors opinion.

Author: Simon Freeman, Head of Finance

Housing

As outlined within the body of the report

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

Appointment of suitable accountancy and audit expertise supports good governance and complies with the law.

Author: Colleen O'Boyle, Interim Head of Governance

Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

EY – Ernst Young

HTS – Property and Environment Ltd