

Report to: Governance and Finance Sub Committee 6th December 2018

Prepared by: Marion Menabney, Chief Executive

Subject: Review of External Auditors

Purpose of Report

The purpose of this report is to advise members of the process involved in undertaking a review of external auditors. The report seeks members' approval to undertake a review as proposed during 2019 to be completed prior to the AGM.

Background and Context

Yorkhill Housing Association has a legal obligation to have financial statements audited and produced by external auditors each year. It is a constitutional requirement that the audited annual accounts are presented to the membership at the Annual General Meeting. It is also a requirement in the Rules that the membership appoint the auditors for the following year.

It is considered good practice to review all external service providers on a regular basis to ensure the organisation continues to receive value and quality. The Association's current auditors Scott Moncrieff have been re-appointed annually since the early 2000's. The firm provides an excellent service, and staff strongly recommend the company is included within the review.

Review Process

The investigative and preparation aspects of the review can be undertaken in-house by senior staff, principally the Chief Executive and Finance Manager.

Alternatively, an external consultant with relevant sector experience can carry out the exercise on the Association's behalf. While the latter option will involve additional expense, it does provide a degree of objectivity to the process. An estimated cost is being sought for this and will be provided to the meeting.

Recommended Review Programme

The following programme has been discussed with the Finance Manager and is presented for Committee approval:

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| January 2019 | - Advise Scott Moncrieff of Association's review |
| | - Preparation of briefing / tender documentation |
| February 2019 | - Tender report to management committee for approval |
| | - Interview panel agreed by management committee |
| | - Tender advertised (Procurement Scotland) |
| March 2019 | - Evaluation of tenders |
| | - Interviews |
| April 2019 | - Governing body's decision |
| | - Companies notified accordingly |