

news release



Auditors' Remuneration

Every year each Housing Association and RSL registered with the Housing Corporation is required by law to undergo an independent external audit unless it meets certain exemption criteria under the registration of the individual Association.

With the current uncertain economic climate, RSLs may need to take into consideration a value for money review of their current audit and accountancy services. It is principally the RSLs Board that has the responsibility to select and appoint an external auditor. Any change in auditor is often viewed as a lengthy and complicated process and so it is sensible to consider whether it is feasible and in the best interests of the RSLs to do so. Changing audit firm will incur additional internal costs and first audits usually take slightly longer as the new auditor will have to build up knowledge of the client.

However positives for the RSLs are that it may lead to:

- Identification of improvements to existing systems as the incoming auditor ensures that they have a full understanding of the systems used by the Association.
- A reduction in audit and accountancy fees.
- A higher quality service provided.
- A change in approach by the auditors may identify areas in which current controls are weaker.

Points to consider when reviewing an auditor's performance are: the quality of services received, the value for money of the audit, and the current relationship and communication held between the auditor and RSL such as:

- Are the proposed fees reasonable and are they in line with what was quoted?
- How do the fees compare with that of similar Associations'?
- Does the firm always meet deadlines?
- Does the firm always maintain contact with the RSL throughout the year?

If a change of auditor is considered in the best interests of the RSL, then the Housing Corporation considers it best practise for the RSLs to tender the independent audit services. The Housing Associations should then select the audit firm which offers the best value for money to that Association after taking into account knowledge and support they receive and not necessarily the cheapest offer.

MacIntyre Hudson would be delighted to provide you with a proposal and quote for your audit and accounting needs, If you would like any further information about our services, please contact Shaun Brownsmith on 01908 662255 or **[email here](#)**.