

# Unity Partnership Limited – Proposed Change of Auditors for 2019-20

## 28 July 2020

**Produced for:** Unity Partnership Ltd Shareholder Committee

**Report of:** Dominic Whelan (Chief Operating Officer)

**Prepared by:** Chris Kelsall (Financial Controller)

### 1. Background

Unity's 2018-19 audit was conducted by PwC and this was commissioned by Unity's previous majority shareholder in the Joint Venture, Kier Business Services, who were responsible for ensuring the Company was audited prior to the acquisition by the Council.

For the forthcoming year, it is proposed to change the auditors and to appoint the Council's auditor, Mazars to conduct Unity's audit for 2019-20.

This proposal has been approved by the Board of Directors, however under the Articles of Association this is matter reserved for Shareholders to agree.

### 2. Recommendations

To **note** that any change of auditor for Unity Partnership Ltd requires Shareholder Committee agreement;

To **approve** the appointment of Mazars as auditor for Unity Partnership.

### 3. Appointment of Auditor

It is usual practice that organisations within a group are audited by the same auditor. This can provide for economies of scale and means that certain information common to all organisations within the group needs only be provided once. In Unity's case, some 90% of its turnover is derived from the Council.

It is therefore proposed to appoint the Council's auditor, Mazars as the auditor for Unity Partnership Limited.

#### **4. Financial Implications**

The quoted fee for the audit for 2019-20 is £24,500. This is some £10,000 less than the current auditor, PwC, quoted for 2018-19.

PwC has requested an additional £18,000 be paid in respect of additional work that was undertaken during the course of the 2018-19 audit, that PwC claims was not included within the original quoted fee. The claim continues to be disputed by Unity. This outstanding claim has no bearing on the decision to change auditor.

#### **5. Legal Implications**

Under the Company's Articles of Association, this is a reserved matter requiring approval by the Shareholder Committee.