

## AUDIT COMMITTEE

**Thursday, 15 July 2021**

**5.00 pm**

**Committee Rooms 1-2, City  
Hall**

Membership: Councillors Rebecca Longbottom (Chair), Helena Mair (Vice-Chair), David Clarkson, Thomas Dyer, Gary Hewson, Rosanne Kirk and Calum Watt

Substitute member(s): Councillors Pat Vaughan

Independent Member: Jane Nellist

Officers attending: Democratic Services, Jaclyn Gibson, Melanie Holland and John Scott

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## A G E N D A

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### SECTION A

**Page(s)**

1. Declarations of Interest

Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.

2. Homes England Compliance Audit

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**SUBJECT: HOMES ENGLAND COMPLIANCE AUDIT**

**DIRECTORATE: HOUSING AND INVESTMENT**

**REPORT AUTHOR: MELANIE HOLLAND AND ANDREA RIPLEY**

## **1. Purpose of Report**

- 1.1 This report requests the Audit Committee to agree to appoint the Council's external auditor, Mazars, to undertake the 2021 Homes England Compliance Audit.

## **2. Background**

- 2.1 The Council is currently under contract with Homes England (HE) to deliver several schemes: De Wint Court and 15 no. schemes under the Next Steps Accommodation Programme (NSAP). The annual Compliance Audit programme provides assurance that the Council has met all of HE's requirements and funding conditions; and has properly exercised its responsibilities as set out in HE's Capital Funding Guide (CFG). The Council is required to appoint an independent auditor to undertake a Compliance Audit, the standardised terms of which are set out by HE, of one or more schemes.
- 2.2 HE advised the Council on 24 June 2021 that the Compliance Audit system had opened and the longstop date for auditors submitting reports is 15 September 2021. The Council has been advised that one scheme is to be subject to Compliance Audit. The address of this scheme is not provided to the Council until up to four weeks before the agreed date of the Compliance Audit.
- 2.3 Given Mazars is the external auditor for the Council, which is a Public Interest Entity, the Financial Reporting Council (FRC) now requires the Council's Audit Committee to approve Mazars undertaking any non-external audit work.

## **3. Strategic Priorities**

- 3.1 Let's deliver quality housing  
Currently, the Council is under contract with HE to receive approximately £4m of capital grant funding for De Wint Court and NSAP. Without this funding the Council would not have been able to deliver these schemes.

## **4. Organisational Impacts**

- 4.1 Finance

As stated above, the annual Compliance Audit programme provides assurance that the Council has met all of HE's requirements and funding conditions and has properly exercised its responsibilities as set out in HE's CFG.

Mazars is unable to provide a quote for the cost of the Compliance Audit until the Audit Committee gives approval for Mazars to be appointed. Last year's Compliance Audit (which was undertaken by Mazars) cost £3,500 excluding VAT. This year's fees will be paid from the Housing Strategy and Investment budget using the fees received for management of the NSAP and Purchase and Repair schemes.

#### 4.2 Legal Implications including Procurement Rules

The Council's contract (known as a grant agreement) with HE requires grant funded schemes to be subject to annual Compliance Audit.

#### 4.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

### 5. Risk Implications

#### 5.1 (i) Options Explored:

- (a) To appoint Mazars as the independent auditor to undertake the Compliance Audit; and
- (b) To appoint an alternative independent auditor to undertake the Compliance Audit.

#### 5.2 (ii) Key risks associated with the preferred approach:

The preferred approach is to appoint Mazars, on the basis that they are the Council's external auditor. The key risk is Mazars' availability to undertake the audit.

### 6. Recommendation

- 6.1 The Audit Committee to agree for the Council to appoint Mazars to undertake the HE Compliance Audit.