

SUBJECT: 2022 HOMES ENGLAND COMPLIANCE AUDIT RESULTS

DIRECTORATE: HOUSING AND INVESTMENT

REPORT AUTHOR: ANDREA RIPLEY – HOUSING STRATEGY OFFICER

1. Purpose of Report

- 1.1 This report requests the Audit Committee to note the result of the Homes England Compliance Audit which took place during Q2 of 2022/23.

2. Background

- 2.1 The Council is currently under contract with Homes England (HE) to deliver new homes at Rookery Lane via grant funding.
- 2.2 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).
- 2.3 On 13th June 2022, HE advised the Council that 3 x compliance audit schemes had been opened for assessment in line with the individual grant funding terms/contracts and CFG. The schemes audited were:
- Affordable Homes New Build Programme – in year audit - Rookery Lane
 - Next Steps Accommodation Programme (NSAP) x one property; and
 - Rough Sleeping Accommodation Programme (RSAP) x one property.
- 2.4 As set out in the standardised terms by HE, the Council was required to appoint an independent auditor to undertake the compliance audit. This work could not take place by our appointed external auditor Mazars due to new FRC guidelines and potential conflict of interest. Therefore, on the 4th August 2022, Beever & Struthers Chartered Accountants and Business Advisors were appointed to complete the external audit following direct approach procurement processes and authorisation.
- 2.5 All requested paperwork was submitted via the Beever & Struthers online portal by the Housing Strategy and Investment Team within the required timescale for assessment. This was then submitted to HE to moderate the audit to ensure consistency.

3. Audit Results

- 3.1 On the 23 November 2022, Homes England issued the Audit report to confirm a successful Green rating for all 3 schemes. The report confirmed that each scheme met all requirements with zero breaches with no areas for improvement. Compliance Audit Report included for reference as per appendix 1.

3.2 HE Audit Compliance guidance states that the Audit Report and any recommendations are to be acknowledged by cabinet members / committee. After the committee has met, the following details have to be updated on HE compliance Audit System:

- Date that the committee met;
- To certify that the committee has given their acknowledgement to the report and any recommendations; and
- To certify that the committee has given their agreement to any action plan to address any breaches (if applicable).

4. Strategic Priorities

4.1 Let's deliver quality housing

Currently, the Council is under contract with HE to receive capital grant funding for Rookery Lane. Without this funding the Council would not be able to deliver the scheme. Future development schemes will also be considered for applications for funding to HE, so a green rating is important and evidences CoLC good standing and understanding for delivering quality housing in line with grant funding and CFG terms.

5. Organisational Impacts

5.1 Finance

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

5.2 Legal Implications including Procurement Rules

The Council's grant agreement with HE requires grant funded schemes to be subject to annual Compliance Audit.

5.3 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

Equality and Diversity has been considered as part of developing this report and there are no implications.

6. Risk Implications

No risks applicable as the audit received a green rating with zero breaches and zero recommendations for improvement.

7. Recommendation

- 7.1 For Audit Committee to acknowledge and note the successful Green rating for Audit compliance as per 3.2 of this report.

Is this a key decision?	No
Do the exempt information categories apply?	No
Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?	No
How many appendices does the report contain?	1
List of Background Papers:	None

Lead Officer:

Andrea Ripley
Telephone (01522) 873523
Email address: andrea.ripley@lincoln.gov.uk