

Date: 17th September 2018

The Arc
High Street
Clowne
Derbyshire
S43 4JY

Dear Sir or Madam

You are hereby summoned to attend a meeting of the Audit Committee of the Bolsover District Council to be held on **Tuesday 25th September 2018 at 1400 hours** in the Council Chamber, The Arc, Clowne.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 2.


Yours faithfully



Joint Head of Corporate Governance and Monitoring Officer
To: Chair and Members of Audit Committee

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**AUDIT COMMITTEE
AGENDA**

**Tuesday 25th September 2018 at 1400 hours in the
Council Chamber, The Arc, Clowne**

Item No.		Page No.(s)
	PART 1 – OPEN ITEMS	
1.	To receive apologies for absence, if any.	
2.	To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4 (b) of the Local Government Act 1972.	
3.	Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time.	
4.	To approve the minutes of a meeting held on 25 th July 2018.	3 to 6
5.	Report of the External Auditor (KPMG) (A) Annual Audit Letter 2017/18	7 to 17
6.	Report of the Internal Audit Consortium Manager (A) Summary of Progress on the 2018/19 Internal Audit Plan	18 to 23
7.	Reports of the Joint Head of Finance and Resources (A) Strategic Risk Register and Partnership Arrangements	24 to 39
8.	Report of the Property Services Manager (A) Results of the Homes England Audit of B@Home Schemes	40 to 80
9.	Exclusion Of Public To move:- That the public be excluded from the meeting during the discussion of the following items of business to avoid the disclosure to them of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006). <i>[The category of exempt information is stated above each item].</i> <u>Exempt – Paragraph 3</u>	
10.	(A) Internal Audit Reports	81 to 98



Annual Audit Letter

**Bolsover District
Council**



A group of business professionals, including a woman with dark hair and a man with grey hair, are shown in profile, looking down at documents. They are wearing suits and ties. The image is overlaid with a blue horizontal band containing text.

Section one

Summary for Audit Committee

Summary for Audit Committee

This Annual Audit Letter summarises the outcome from our audit work at Bolsover District Council ("the Authority") in relation to the 2017/18 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

This is KPMG's last Annual Audit Letter to the Authority. We would like to take this opportunity to thank the Authority's officers and the members of the Audit and Risk Committee for their support throughout the six years of our audit appointment.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 31 July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Financial statements audit

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. We set materiality at £1.17 million which is around 1.6 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level.

We report to the Audit Committee any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.058 million. We have identified no audit adjustments.

The working papers provided this year have been of a good standard and were available at the start of the audit visit. The finance team responded promptly to any requests for additional information or explanation and were available throughout the audit visit to answer. We thank the finance team for their co-operation throughout the visit which allowed the audit to progress within the allocated timeframe.

Our audit work was designed to specifically address the following significant risks:

- **Management Override of Controls** – our audit methodology incorporates the risk of management override as a default significant risk. We did not identify any specific additional risks of management override relating to the audit.
- **Valuation of PPE** – The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Authority reviews the value of assets each year end through a desktop impairment review and every fifth year performs a full revaluation. There is a risk that the fair value is different at the year end.
- **Pensions Liabilities** – the net pension liability represents a material element of the Authority's balance sheet. There is a risk that the assumptions and methodology used in the actuarial valuation of the Authority's pension obligation are not reasonable which could have a material impact on the net pension liability accounted for in the financial statements.

We did not identify any evidence of material misstatement as a result of our audit work on these significant risk areas.

Section one:

Summary for Audit Committee (cont.)

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any significant issues.

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

Value for Money conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for on 31 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

Value for Money risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified the following significant matters:

- **Delivery of Budgets** – As a result of reductions in central government funding, and other pressures, the Authority continues to face similar financial pressures and uncertainties to those experienced by others in the local government sector. The Authority needs to have effective arrangements in place for managing its annual budget, generating income and identifying and implementing any savings required to balance its medium term financial plan. As part of our additional risk based work, we reviewed the arrangements the Authority has in place in these areas and for ensuring its continuing financial resilience.

We were satisfied that there were adequate arrangements in place during 2017-18 and there were no significant matters relating to these risk areas which prevented us from giving an unqualified VFM conclusion.

High priority recommendations

We raised no high priority recommendations as a result of our work.

Section one:

Summary for Audit Committee (cont.)

Certificate

We issued our certificate on 31 July 2018. The certificate confirms that we have concluded the audit for 2017/18 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

The scale fee set by Public Sector Audit Appointments Limited (PSAA) for the 2017/18 audit is £49,410 plus VAT. We have agreed additional fee of £1,770 with the S151 officer, which is subject to PSAA approval. The PSAA scale fee for 2016/17 was £49,410 plus VAT.

Further detail is contained in Appendix 2.

Exercising of audit powers

We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.

In addition, we have not had to exercise any other audit powers under the Local Audit & Accountability Act 2014.



Appendices



Appendix 1:

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter. These reports can be accessed via the Audit Committee pages on the Authority's website at www.bolsover.gov.uk.

Certification of Grants and Returns

This report summarised the outcome of our certification work on the Authority's 2016/17 grants and returns.

External Audit Plan

The External Audit Plan set out our approach to the audit of the Authority's financial statements and to support the VFM conclusion.

Interim Audit

The Interim Audit summarised the results from the preliminary stages of our audit, including testing of financial and other controls.

Report to Those Charged with Governance

The Report to Those Charged with Governance summarised the results of our audit work for 2017/18 including key issues and recommendations raised as a result of our observations. We also provided the mandatory declarations required under auditing standards within it.

Auditor's Report

The Auditor's Report included our audit opinion on the financial statements along with our VFM conclusion and our certificate.

Annual Audit Letter

This Annual Audit Letter provides a summary of the results of our audit for 2017/18.

2018

January

February

March

April

May

June

July

August

September

October

Appendix 2:

Audit fees

This appendix provides information on our final fees for the 2017-18 audit.

External audit

Our final PSAA scale fee for the 2017/18 audit of Bolsover District Council is £49,410 and we have agreed with the S151 officer an additional fee for two additional pieces of code work around Directors Departure and Dragonfly Set-up at £1,160 and £610 respectively. These are subject to PSAA approval.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's Housing Benefit Subsidy Return. The planned fee for this work is £8,430 and the final fee will be confirmed through our reporting on the outcome of that work in January 2019.

We charged £3,000 for audit related assurance services; Pooling of Housing Capital Receipts Return.

All fees quoted are exclusive of VAT.



The key contacts in relation to our audit are:

Tony Crawley

Director

T: +44 (0)116 256 6067

E: Tony.Crawley@kpmg.co.uk

Katie Scott

Manager

T: +44 (0)121 232 3632

E: Katie.Scott@kpmg.co.uk

kpmg.com/uk



This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Tony Crawley, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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CREATE: CRT086281A

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Wednesday 25th July 2018 at 1400 hours.

PRESENT:-

Members:-

Councillor K. Reid

Councillors D. McGregor, A.M. Syrett, B. Watson, D.S. Watson

Also in attendance was R. Jaffray (Independent Member)

Officers:-

D. Clarke (Joint Head of Finance and Resources), R. Watson (Senior Auditor), J. Cooper (Auditor), D. Broom (Facilities and Contracts Manager) and A. Brownsword (Senior Governance Officer)

Also in attendance was K. Scott from KPMG, the Council's External Auditors.

0191. APOLOGY

An apology for absence was received from Councillor T. Munro.

0192. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

0193. DECLARATIONS OF INTEREST

There were no declarations of interest.

0194. MINUTES – 16TH MAY 2018

Moved by Councillor A.M. Syrett and seconded by Councillor B. Watson

RESOLVED that subject to R. Jaffray (Independent Member) being added under apologies, the minutes of a meeting of the Audit Committee be approved as a true and correct record.

AUDIT COMMITTEE

0195. REPORT OF THE EXTERNAL AUDITOR REPORT OF THOSE CHARGED WITH GOVERNANCE ISA 260

K. Scott (KPMG) presented the report which provided Committee with a copy of the ISA260 report in respect of the 2017/18 financial year and sought to secure approval for the Letter of Representation to be provided to KPMG.

It was noted that the Council had consistently met deadlines set by KPMG and only 2 significant risks had been identified, which had been found to be sound on investigation.

The faster deadline for the close of accounts had also been met and the Council had put measures in place to ensure the deadline was met. No audit adjustments had been necessary. The Council was also providing value for money.

Members thanked KPMG for the report.

Moved by Councillor B. Watson and seconded by Councillor A.M. Syrett
RESOLVED that (1) the ISA260 report from KPMG be noted.

(2) the Letter of Representation be approved and the Chair of Audit Committee and the Chief Finance Officer sign the letter on behalf of the Council.

(Joint Head of Finance and Resources)

0196. REPORT OF THE INTERNAL AUDIT CONSORTIUM MANAGER SUMMARY OF PROGRESS ON THE 2018/19 INTERNAL AUDIT PLAN

The Senior Auditor presented the report which showed progress made by the Audit Consortium in relation to the 2018/19 Internal Audit Plan and completion of the 2017/18 internal audit plan. The report also included a summary of Internal Audit Reports issued from 3rd May 2018 to 9th July 2018.

It was noted that 8 reports had been issued and 7 were positive. 1 had limited assurances and would be discussed in private session.

Moved by Councillor A.M. Syrett and seconded by Councillor D. McGregor
RESOLVED that the report be noted.

AUDIT COMMITTEE

0197. REPORT OF THE INTERNAL AUDIT CONSORTIUM MANAGER INTERNAL AUDIT CHARTER

The Senior Auditor presented the report which informed Committee of a review of the Internal Audit Charter. The last review had taken place in 2016 and it was felt that the current charter was still fit for purpose. A further review would take place in 2020.

Moved by Councillor A.M. Syrett and seconded by Councillor D. McGregor
RESOLVED that (1) the outcome of the review of the Internal Audit Charter be noted,

(2) the Internal Audit Charter be approved,

(3) the approved Internal Audit Charter be reviewed in 2 years time or sooner in the event of any significant changes being made to the Public Sector Internal Audit Standards.

(Internal Audit Consortium Manager)

0198. REPORT OF THE JOINT HEAD OF FINANCE AND RESOURCES BOLSOVER DISTRICT COUNCIL STATEMENT OF ACCOUNTS 2017/18

The Joint Head of Finance and Resources presented the report seeking approval for the audited Statement of Accounts for 2017/18. No changes had been made since publication and it was hoped that the Statement of Accounts would be signed off by KPMG on 27th July 2018.

Moved by Councillor D. McGregor and seconded by Councillor A.M. Syrett
RESOLVED that (1) the audited Statement of Accounts in respect of 2017/18, be approved,

(2) delegated powers be granted to the Chief Financial Officer in consultation with the Chair or Vice Chair of the Audit Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors KPMG to ensure completion of the Statement of Accounts by 31st July 2018.

(Joint Head of Finance and Resources)

AUDIT COMMITTEE

0199. REPORT OF THE JOINT HEAD OF FINANCE AND RESOURCES AUDIT COMMITTEE WORK PROGRAMME 2018/19

The Joint Head of Finance and Resources presented the report detailing a proposed Work Programme for the 2019/20 Municipal Year. It was noted that new Auditors would be in place. The cycle of meeting was short this year due to elections in 2019.

A self assessment was due to be carried out at the next meeting. The work programme provided flexibility to add items if necessary.

The Chair thanked KPMG for all their efforts in assisting the Council to their current positive position.

Moved by Councillor D. McGregor and seconded by Councillor B. Watson
RESOLVED that the Audit Committee Work Programme for 2018/19, as set out in the report, be endorsed.

0200. THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Moved by Councillor D. McGregor and seconded by Councillor K. Reid
RESOLVED that under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the stated Paragraph of Part 1 of Schedule 12A of the Act and it is not in the public interest for that to be revealed.

0201. REPORT OF THE INTERNAL AUDIT CONSORTIUM MANAGER INTERNAL AUDIT REPORT EXEMPT – PARAGRAPH 3

The Senior Auditor presented the outcome of the audit of the processes and controls in respect of Property Services Compliance

The Facilities and Contracts Manager noted that processes had been improved and the Council had been fully compliant with the legislation.

Moved by Councillor D. McGregor and seconded by Councillor A.M. Syrett
RESOLVED that the report be noted.

The meeting concluded at 14:26 hours.

Bolsover District Council

Audit Committee

25 September 2018

Annual Audit Letter 2017/18

Report of the Council's External Auditor KPMG

This report is public

Purpose of the Report

- For the Audit Committee to consider the Annual Audit Letter in respect of 2017/18 which has been prepared by KPMG for consideration by elected Members of the Council and other stakeholders.

1 Report Details

- 1.1 That the Audit Committee consider the attached report from the Council's External Auditors (KPMG).

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit Committee is able to effectively consider the outcomes of the work undertaken by the Council's external auditors.

3 Consultation and Equality Impact

- 3.1 None arising directly from the report.

4 Alternative Options and Reasons for Rejection

- 4.1 A copy of the Annual Audit Letter has previously been circulated to all Members of the Council and will be included on the Council agenda for 10 October 2018. Together with inclusion on the Audit Committee Agenda this should help ensure an appropriate level of consideration by Elected Members and other stakeholders.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising out of this report.

5.2 Legal Implications including Data Protection

None arising directly from this report.

5.3 Human Resources Implications

None arising directly from this report.

6 Recommendations

- 6.1 That the Audit Committee considers and notes the attached report from the Council's External Auditors, KPMG.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: BDC: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly.
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Annual Audit Letter 2017/18
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Dawn Clarke – Head of Finance & Resources	01246 217658

Bolsover District Council

Audit Committee

25th September 2018

Summary of Progress on the 2018/19 Internal Audit Plan

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, in relation to the 2018/19 Internal Audit Plan. The report includes a summary of Internal Audit Reports issued from 10th July 2018 to 12th September 2018.

1 Report Details

- 1.1 The 2018/19 Consortium Internal Audit Plan for Bolsover District Council was approved by the Audit Committee on the 10th April 2018.
- 1.2 The Consortium Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report quarterly (or at such intervals as the HIAC may agree with the Committee) to the Audit Committee of each Council on progress made in relation to their Annual Audit Plan.
- 1.3 Attached, as Appendix 1, is a summary of reports issued from the 10th July 2018 to the 12th September 2018. 10 reports have been issued, 7 with substantial assurance, 2 with reasonable assurance and 1 with Limited Assurance. Members will have received a copy of the "Limited Assurance" Health and Safety internal audit report.
- 1.4 Internal Audit Reports are issued as drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 1.5 The Appendix shows for each report a summary of the level of assurance that can be given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 1.6 The assurance provided column in Appendix 1 gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in accordance with the following classifications:

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

1.7 It can be confirmed that no fraud issues have been identified in respect of the areas reviewed.

1.8 The following audits are currently in progress:

- Non Domestic Rates
- Freedom Of Information / Environmental Regulations
- Pest Control
- Section 106
- The Tangent

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plan for 2018/19 and the Audit Reports issued.

2.2 To comply with the requirements of the Public Sector Internal Audit Standards.

3 Consultation and Equality Impact

3.1 None

4 **Alternative Options and Reasons for Rejection**

4.1 Not Applicable

5 **Implications**

5.1 **Finance and Risk Implications**

5.1.1 Regular reports on progress against the internal audit plan ensure compliance with the Public Sector Internal Audit Standards and allow members to monitor progress against the plan.

5.2 **Legal Implications including Data Protection**

5.2.1 None

5.3 **Human Resources Implications**

5.3.1 None

6 **Recommendation**

6.1 That the report be noted.

7 **Decision Information**

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
Appendix 1	Summary of Internal Audit Reports Issued from the 10 rd July 2018 to the 12th September 2018.
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
Report Author	Contact Number
Jenny Williams	01246 217547

JENNY WILLIAMS
INTERNAL AUDIT CONSORTIUM MANAGER

BOLSOVER DISTRICT COUNCIL

Appendix 1

Internal Audit Consortium - Report to Audit Committee

Summary of Internal Audit Reports Issued from the 10th July to the 12th September 2018

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B009	Transport Follow up Part 2	To follow up the recommendations made at the previous audit	Reasonable	19/7/2018	9/08/2018	3 (2M 1L)	3
B010	Gas and Solid Fuel Servicing	To ensure that gas and solid fuel servicing in council houses is undertaken in line with legislative requirements	Substantial	19/7/2018	9/08/2018	2 (1M 1L)	2
B011	Health and Safety	To review the policies, systems and procedures in place and to ensure that legislation is complied with	Limited	19/7/2018	9/8/2018	11 (3H 4M 4L)	11
B012	Council Tax	To ensure that bills are raised promptly and accurately and that debt collection procedures are operating well	Substantial	26/7/2018	16/8/2018	0	0

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B013	Cyber Security	To review the procedures and processes in place to prevent a cyber attack	Substantial	1/8/2018	26/8/2018	1L	1
B014	Stores	To review the operation of the stores function	Substantial	22/8/18	13/9/2018	2 (1M 1L)	2
B015	Planning Fees	To review the processes and procedures in place and to ensure that fees are calculated correctly.	Substantial	28/8/2018	18/9/2018	2 (1M 1L)	Note 1
B016	Treasury Management	To ensure that there is a strategy in place and that lending and borrowing is undertaken in line with the strategy	Substantial	29/8/2018	19/9/2018	0	0
B017	ICT Inventory	To ensure that the inventory is comprehensive and well maintained	Reasonable	30/08/2018	20/9/2018	3 (2M 1L)	3
B018	Partnership working	To ensure that partnerships are monitored and that there are governance arrangements in place	Substantial	11/9/2018	2/10/2017	0	0

Notes: For recommendations, H = High priority, M = Medium priority and L = Low Priority.

Note 1 Response not due at time of writing report

Bolsover District Council

Audit Committee

25 September 2018

Strategic Risk Register and Partnership Arrangements

Report of the Head of Finance & Resources

This report is public

Purpose of the Report

- To enable the Audit Committee to consider the attached report concerning the Strategic Risk Register which will be considered by Executive at its meeting of 8 October 2018.

1 Report Details

- 1.1 To update Members of the Audit Committee concerning the Strategic Risk Register. Any comments expressed by the Audit Committee will be taken into account in developing both the Council's risk management reports and wider risk management arrangements.

2 Conclusions and Reasons for Recommendation

- 2.1 These are detailed in the attached report.

Reasons for Recommendation

- 2.2 To ensure that the Audit Committee are kept informed concerning the Council's latest position regarding Risk Management and Partnership working and are able to exercise effective influence on the Council's Risk Management arrangements.

3 Consultation and Equality Impact

Consultation

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities

- 3.2 There are no direct implications arising from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 These are detailed in the attached report.

5 Implications

5.1 Finance and Risk Implications

Financial

These are detailed in the attached report.

Risk

These are detailed in the attached report.

5.2 Legal Implications including Data Protection

These are detailed in the attached report.

5.3 Human Resources Implications

These are detailed in the attached report.

6 Recommendations

- 6.1 That the Audit Committee note the report and make any comments that they believe to be appropriate with regards to the attached report which will be considered by Executive at its meeting on 8 October 2018.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <i>NEDDC:</i> Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> Please indicate which threshold applies	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	Yes
District Wards Affected	None directly
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Executive Report 8 October 2018 –Strategic Risk Register and Partnership Arrangements
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Service Plan Risk Registers Strategic Risk Register	
Report Author	Contact Number
Dawn Clarke – Head of Finance & Resources	7658

Bolsover District Council**Executive****8 October 2018****Strategic Risk Register and Partnership Arrangements**

This report is public

Report of Cllr B Watson, Portfolio Holder with Responsibility for Finance & Resources**Purpose of the Report**

- To update Members concerning the current position regarding Risk Management and Partnership Arrangements and to seek approval for the revised Strategic Risk Register as at 30 June 2018, as part of the suite of Finance, Performance and Risk reports.

1 Report Details**Background**

- 1.1. The Council's Strategic Risk Register has been developed in the light of a consideration of the strategic and operational risks which have been identified by Elected Members and Officers as part of the Council's risk, service management and quarterly performance arrangements.
- 1.2. In its approach to Risk Management the Council is seeking to secure a number of objectives and to operate in line with recognised best practice. In order to appreciate the importance of Risk Management it is useful to reiterate these objectives:
 - To improve the way in which the Council manages its key risks so as to reduce the likelihood of them happening, and to mitigate their impact in those cases where they do materialise. This is a key element in protecting service delivery arrangements, the financial position and the reputation of the Council.
 - To strengthen the overall managerial arrangements of the Council. From a Governance perspective the effective operation of Risk Management is a key element of the managerial framework operating within an authority.
 - Effective Risk Management is a key component in ensuring that organisations are able to achieve their objectives, and that key projects proceed in line with plan.
 - The identification of the risks attached to existing service delivery, or to a project or new initiative helps enable a fully informed decision to be made,

and helps ensure that all appropriate measures to mitigate (or reduce) the risk are in place from the outset.

- Finally, an appreciation of the risk environment within which the Council operates assists in ensuring the organisation has a good awareness of its overall risk exposure, whilst helping determine an appropriate level of financial reserves.

The Strategic Risk Register

- 1.3. The revised Strategic Risk Register as at 30 June 2018 is set out in **Appendix 1** for consideration by Executive. The intention is that this review of the Register will secure the following objectives:
 - Identify any newly emerging risks which need to be added to the Register and removing any risks that have been resolved to maintain a focus on current risks.
 - To revisit risk scores assessments and ensure that appropriate mitigation remains in place.
- 1.4. Overall a key theme which emerges from the Strategic Risk Register is one of an ongoing requirement to maintain our current performance in respect of service delivery, performance and governance and of ensuring that the Council mitigates the risk of a catastrophic event or service failure impacting upon our community . This objective needs to be secured against a background of both declining and less certainty concerning financial resources. Allied to the financial position local authorities are faced with significant legislative change impacting upon Housing, Planning, the welfare system, devolution and finance. These developments are anticipated to entail some significant changes in the manner in which our services to local residents are delivered with the level of change required clearly having the potential to disrupt service provision.
- 1.5 During the recent round of Quarterly Performance meeting one of the key issues discussed was the uncertainties associated with Brexit, the roll out of Universal Credit, the pace of legislative change and the ability to recruit and retain appropriately qualified staff were all viewed as remaining of concern. In addition, in light of the level of savings that needed to be identified over the period of the current MTFP, concerns were reiterated regarding the challenges in respect of securing these savings, against a background in which some services were experiencing increased pressures as a result of other agencies withdrawing services. The uncertainties arising from Brexit, the roll out of Universal Credit and legislative changes are incorporated within the same Strategic Risk (Risk 1) as outlined in Appendix 1. The issue of the loss of key staff and the difficulties being experienced in finding suitable replacements continues to be a widespread concern expressed by managers. This issue already featured within the Strategic Risk Register and is detailed as Strategic Risk 5 within Appendix 1, while the issue of financial pressures is covered by Strategic Risk 2 within Appendix 1.

- 1.6 There were a further two key risks identified for inclusion on the Strategic Risk Register. These were failure to have appropriate measures in place to safeguard children and vulnerable adults (risk 10) and failure of the local plan to progress to submission stage and to be found sound at independent examination (risk 11).
- 1.7 In order to develop the understanding of risk together with a culture of risk management throughout the organisations a series of training sessions for senior managers which covered the issue of Risk Management were held in early summer 2017. Likewise, as part of the Budget Scrutiny Meeting in September 2015 there was a presentation to Members concerning Risk Management.

Partnership Arrangements.

- 1.8 As part of the Council's Risk Management (including Partnership Working) Strategy a range of strategic partnerships are reported on and monitored within the Council's quarterly report in respect of Risk. These are complementary to the Partnership Funding and Performance Monitoring reports prepared by the Partnership Team to Executive twice a year which sets out the range of partnerships it works directly with. While the Partnership Team co-ordinate the Council's work with these external organisations it should be noted that many of these have been assessed as being of relatively limited risk, with officers adopting a 'light touch' approach in developing appropriate working relationships.
- 1.9 While there will invariably be an overlap between the two reports but this report will focus on what might be termed as the Council's strategic partnerships. These are as follows:
 - The relationship with the North Midlands authorities (Derbyshire and Nottinghamshire) and Sheffield City Region in progressing the economic development and devolution agenda.
 - The strategic alliance with North East Derbyshire District Council which is central to the transformation agenda of delivering services at lower costs whilst enhancing service resilience.
 - Arrangements with Derbyshire County Council amongst others to secure aligned services across the public sector in areas such as health and economic development.
 - The Community Safety Team and associated statutory partners including the Police.

Although the Partnerships outlined above are very different in terms of scope and working arrangements they all have in place formal governance arrangements between the partners, supported by appropriate internal governance arrangements which cover performance, finance and risk. Appropriate approvals have been agreed through the Council's formal committee arrangements, with partnership issues and developments being considered as is required within this Council's constitution. The arrangements in place are intended to be both risk based and proportionate to the risk exposure of this Council.

2 Conclusions and Reasons for Recommendation

- 2.1 The Strategic Risk Register is intended to highlight those areas where the Council needs to manage its risks effectively. One of the key purposes of this report is to set out the risks that have been identified (see Appendix 1) and to encourage both Members and Officers to actively consider whether the Strategic Risk Register and supporting Service Risk Registers appropriately cover all of the issues facing the Council. The section of Partnerships serves to highlight the extent of these working arrangements, together with the mechanisms which are in place for their successful management.

Reasons for Recommendation.

- 2.2 To enable Executive to consider the risks identified within the Strategic Risk Register / Partnership Arrangements in order to assist in maintaining effective governance arrangements, service and financial performance.

3 Consultation and Equality Impact

Consultation

- 3.1 There are no issues arising from this report which necessitate a formal consultation process.

Equalities

- 3.2 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 Under the relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is in part intended for Members and Officers to consider whether the Council has adopted an appropriate approach to its management of risk and partnerships. Given that this report is part of the approach to help ensure the effective management of risk / partnerships there is not an alternative to the presentation of a formal report.

5 Implications

5.1 Finance and Risk Implications

Financial

There are no additional financial implications arising out of this report at this stage. While where appropriate additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.

Risk

Risk Management Issues are covered throughout the body of the main report.

5.2 Legal Implications including Data Protection

There are no legal or data protection issues arising directly out of this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report.

6 Recommendations

- 6.1 That Executive approves the Strategic Risk Register as at 30 June 2018 as set out in Appendix 1.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	None directly
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

Document Information

Appendix No	Title
1	Strategic Risk Register as at 30 June 2018
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
Service Plan Risk Registers	
Report Author	Contact Number
Dawn Clarke – Head of Finance & Resources	01246 217658

STRATEGIC RISK REGISTER SUMMARY AS AT: 30 June 2018

	Risk	Consequences	Risk Score (Likelihood x Impact)	Risk Score (Likelihood x Impact) Taking into Account Current Controls	Risk Owner / Lead Officer
1	Government Legislation / Parliamentary uncertainty / impact of Brexit / adverse external economic climate has an accelerating impact on Council (poor financial settlement), or upon the local economy, to which Council is unable to adopt an appropriate change of Strategic direction.	<ul style="list-style-type: none"> • Unable to deliver a package of services that meet changing local needs and aspirations. • Reduced influence over delivery of local services. • Unable to effectively support local communities. • Increased demands on Council services at a time when Council resource base is reducing. 	4,4, 16	3,4 12	SAMT / Political Leadership
	<ul style="list-style-type: none"> • The Council is outward looking and actively works to understand proposed changes and the approaches that might be adopted to mitigate any adverse impacts of these. • The Council has effective political and managerial (governance) arrangements in place to manage change. • Appropriate levels of financial reserves / investment funding are maintained to fund strategic shifts in service delivery. • Effective engagement with staff to ensure they embrace necessary change. 				

2	Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are limited to 'adequate' levels.	<ul style="list-style-type: none"> • Impact upon ability to deliver current level of services. • Unable to resource acceptable levels of service. • Significant adverse reputational Impact. 	4,4 16	3,4 12	Political Leadership / Chief Executive / Chief Financial Officer / SAMT
<ul style="list-style-type: none"> • The Council has effective financial and wider management arrangements in place to ensure budget / service delivery arrangements are robust. • The current MTFP indicates challenging but manageable savings targets. A key risk is that under 'localism' there is less certainty concerning income (NNDR, NHB). • The Council has 'adequate' financial reserves in place to cushion against any loss of income for a period of at least one financial year. 					
3.	The Council is affected by a operational service failure which has a major impact upon the local community, this impact being reflected in the Council's sustainability and reputation. Failure could arise from services – inc Data Protection – failing to adhere to best practice. Resulting in a potential impact upon the Council's ability to secure its	<ul style="list-style-type: none"> • A significant service failure associated with a major impact on the local community, leading to a wider detrimental corporate impact. • Deterioration in services to the public, potentially a major initial impact upon a local resident or a group of local residents. • Significant staff and financial resources required to resolve position, impacting on other services. • A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery. 	3,5 15	2,5 10	SAMT / Assistant Directors

	<p>corporate objectives. Given the efficiency measures that have been introduced to date this is considered to be an increasing issue for the Council.</p>				
	<ul style="list-style-type: none"> The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed. The Council has a Performance Management Framework in place to help ensure that services are delivered in line with good practice and industry standards. On going monitoring and regular reporting will help ensure that any emerging issues re service performance are effectively identified and resolved at the earliest possible opportunity. 				
4	<p>It becomes increasingly difficult to recruit to key posts or to replace key staff who leave. Staff morale is adversely affected by as a result of pace of change, tightening financial circumstances or external circumstances.</p>	<ul style="list-style-type: none"> Deterioration in services to the public. Increasing inefficiencies in service provision. Weakening of Internal Control arrangements. Increased pressure on other members of staff. 	3,4 12	2,4 8	SAMT / Asst Director HR
	<ul style="list-style-type: none"> The Council has effective communication and working with staff as validated by securing 'silver' accreditation at IIP. There is sufficient funding to bring in agency staff where required to maintain service performance. At this stage the problematic areas are those where there are national 'shortages'. In the majority of areas it has proved possible to recruit appropriate replacement staff. Appropriate training budgets are in place to ensure that staff receive necessary training to maintain service quality. 				

	<ul style="list-style-type: none"> The Council will look at introducing appropriate apprenticeship / training schemes in order to develop employees to meet our requirements. 				
5	<p>Delivery of the Council's Agenda is dependent upon effective delivery of both a number of major initiatives / projects and implementing a range of new government reforms whilst maintaining service quality, which may overstretch our reduced organisational capacity.</p>	<ul style="list-style-type: none"> New initiatives are not delivered in a cost-effective manner. Failure to maintain / improve services in line with local aspirations. Failure to generate the savings required to balance the budget. Financial savings measures weaken Governance / Internal Control arrangements. Service deterioration / failure arising from capacity issues. 	3,4 12	2,4 8	SAMT / Chief Executive
	<ul style="list-style-type: none"> The Council has effective prioritisation and project management arrangements in place to ensure resources are directed at key objectives. The Council has made efforts to ensure effective use of employees by utilising shared services to protect service resilience, by maintaining appropriate training arrangements and by investing in transformational ICT projects. The Council has a robust performance management framework intended to highlight emerging issues. 				
6	<p>Emergency Planning and Business Continuity arrangements fail to meet required standards when tested by flu</p>	<ul style="list-style-type: none"> Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire). Failure of IT infrastructure, leading to inability to effectively operate 	3,4 12	2,4 8	Chief Executive / SAMT

	<p>pandemic, natural disaster (flood), etc.</p> <p>The Council is exposed to cyber crime with a loss of data / systems resulting in a potential inability to provide core services and incurring reputational damage.</p>	<p>services and to safeguard income streams.</p> <ul style="list-style-type: none"> • Business Continuity Plans prove ineffective in practice. 			
	<ul style="list-style-type: none"> • The Council works in partnership with a range of partners on its Emergency Planning arrangements to ensure that we operate in line with best practice. There is an annual 'desktop' scenario to test officers understanding of the arrangements and that they are fit for purpose in a realistic 'trial' scenario. • All sections have Business Continuity plans in place which identify key risks and mitigation. Corporate IT systems have been tested against Industry standards for Business Continuity. • The Council works in partnership with a range of other agencies that should be able to provide support in the event of the Council's own procedures failing to be effective. • The Council has put in place industry standard measures to minimise the risk of cyber crime. 				
7	<p>Lack of strategic direction from Members / Corporate Management, external partners change Strategic direction.</p>	<ul style="list-style-type: none"> • Failure to deliver high quality services which address national and local priorities. • Deterioration in Governance Arrangements. • Refocus of current services necessary with associated disruption. 	3,4 12	2,4 8	Chief Executive / Political Leadership Team
	<ul style="list-style-type: none"> • There are appropriate structured training arrangements in place for both Members and Officers. • The Council is an outward looking organisation where both Members and Officers are encouraged to network with peer groups to ensure a developed awareness of the broader environment within which we operate. 				

8	Governance Arrangements including Performance, Finance and Risk Management need to be maintained in order to continue to operate effectively in a rapidly changing environment.	<ul style="list-style-type: none"> • Adverse Impact upon Service Quality. • Failure to deliver high quality services which address national and local priorities. • Significant adverse reputational impact. 	3,4 12	2,4 8	Chief Financial Officer / Monitoring Officer
<ul style="list-style-type: none"> • The Council has appropriate managerial arrangements in place supported by staff recruitment and training to ensure these risks are effectively managed. • The Council has an active Standards and Audit Committee which provide independent review of the Governance arrangements in the Council. • The Annual Governance Report sets out an evidence based structured assessment of the operation of the Council's governance arrangements. 					
9	HS2 preparation and delivery. without considerable environmental mitigation measures will have a negative impact on the visual amenity of the district, disruption to businesses, home owners and communities. It also has the potential to sterilise areas of development due to uncertainty. Impact	Without considerable environmental mitigation measures will have a negative impact on the visual amenity of the district, disruption to businesses, home owners and communities. It also has the potential to sterilise areas of development due to uncertainty.	4,4, 16	4,4, 16	SAMT / Political Leadership

	on the motorway and main arterial routes during construction.				
	<ul style="list-style-type: none"> • CEX and senior management actively engaged with HS2 staff to discuss proactive business mitigation measures. • Political leadership working with relevant community groups and agencies lobbying for enhanced mitigation measures. • Contributing to the East Midlands HS2 growth strategy and also that we part of the mitigation study 				
10	Failure to have in place robust, comprehensive and up to date policies and procedures for safeguarding children and vulnerable adults.	<ul style="list-style-type: none"> • Profile of safeguarding is poor • Staff and members do not know what safeguarding is and their role within it • Staff and members do not know how to spot the signs • Staff and members do not know how to report it and to who? • Lack of public confidence in Council policies plans and staff • Reputational damage • Potential significant harm to individuals resulting from abuse and neglect of Children and/or Vulnerable Adults possibly leading to personal harm, injury and death 	4,4, 16	2,4, 8	SAMT/Political Leadership
	<ul style="list-style-type: none"> • The Council has in place up to date policies for safeguarding both Children and Vulnerable Adults. These policies are aligned to DCC policies which in turn are in line with legislation, regulation and statutory duties placed on Local Authorities. • The Council has in place and maintain systems of working practice to safeguard children and vulnerable adults at Council activities and those who receive Council services. • Staff recognised as appropriate to do, are DBS/CRB checked • All staff receive mandatory safeguarding training • Safeguarding is widely promoted and embedded throughout the organisation with all staff being issued with a wallet sized 'safeguarding quick reference guide' which details what to look out for and what to do 				

	<ul style="list-style-type: none"> • The Council has an internal safeguarding group which meets quarterly which has representation from all service areas of the Council. • The Council host and Chair the Countywide Derbyshire Safeguarding Leads Sub Group of the Derbyshire Safeguarding Childrens Board and Derbyshire Safeguarding Adults Board • The Council are represented on both the Derbyshire Safeguarding Children's Board (DSCB) and the Derbyshire Safeguarding Adults Board (DSAB) 				
11	Failure of BDC Local Plan to be found sound at independent examination.	<ul style="list-style-type: none"> • Potential Government intervention • Undermining the local plan • Reputational damage • Loss of control of planning and development 	4,4, 16	2,4, 8	SAMT / Political Leadership
	<ul style="list-style-type: none"> • At an advanced stage in preparation of the Local Plan. Public consultation on the main document is due to take place in May 2018, with submission scheduled by the end of July. • Successfully avoided Government intervention in the plan-making process and it is important that the revised timetable continues to be met. • The Council has taken reasonable steps in the preparation of the Plan to ensure that it is based on sound evidence and meets procedural and legal requirements. This has included taking external legal advice and securing an advisory visit with the Planning Inspectorate. 				

Bolsover District Council

Audit Committee

25 September 2018

Results of the Homes England Audit of B@Home Schemes

Report of the Property Services Manager

This report is public

Purpose of the Report

- To update the committee on the outcome of an audit by independent auditors, 4point2, of the B@Homes schemes at Primrose Hill (former Blackwell Hotel) and Rogers Avenue, Creswell.

1 Report Details

- 1.1 In order to comply with the grant conditions set out by Homes England (Formerly HCA), independent audit outcomes are required to be reported to an appropriate committee. Doing so contributes to the continued compliance of the grant conditions and ensures the council remain eligible for future funding.
- 1.2 Appendix 1 contains the report from the independent auditor in relation to Primrose Hill which was undertaken August 2018. The Summary Checklist (Page 2) provides an overview of the audit recommendations and confirms that no 'breaches' were identified during the audit.
- 1.3 Appendix 2 contains the result of the 2016/17 audit for the Rogers Avenue scheme (Scheme ref: 707375). The relevant section of the judgement summary (Page 2) which states:

"Scheme 707375 has been audited and no breaches have been found. The auditor reports comprehensive information on file. Overall it is considered that for this scheme the provider meets requirements GREEN GRADE - and has met the requirements as laid out in the Capital funding guide"

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit Committee is able to consider the outcomes of the work undertaken by the Council's officers and that the work is in compliance with the relevant grant conditions, as determined by an independent audit.

3 Consultation and Equality Impact

3.1 None arising directly from the report.

4 Alternative Options and Reasons for Rejection

4.1 None arising directly from the report.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising out of this report.

5.2 Legal Implications including Data Protection

None arising directly from this report.

5.3 Human Resources Implications

None arising directly from this report.

6 Recommendations

6.1 That the Audit Committee acknowledge the report and accept the findings of the independent audit.

7 Decision Information

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has relevant Portfolio Member been informed?	Yes
District Wards Affected	None directly.
Links to Corporate Plan priorities or Policy Framework	Unlocking our Growth Potential.

8 Document Information

Appendix No	Title
1.	Audit submission for Scheme ID739172
2.	Compliance Audit Report 2017/18
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Ian Barber – Property Services Manager	01246 242484



Audit Submissions for Scheme ID 739172

Provider	17UC – Bolsover DC
Scheme address	Primrose Hill, Blackwell, DE55 5JH
Independent auditor	4point2 ltd
Findings submission date	24/08/2018



Checklist Summary

Grant conditions

	Question	IA Findings	Provider responded?
1	Were the conditions within the relevant contract complied with?	Yes	
2	Has a comprehensive scheme file been provided containing all relevant documents as set out on the Compliance Audit web page?	Yes	
3	Is there a valid valuation report for the site/property acquired, undertaken by a valuer with an appropriate RICS qualification?	No	
4	For affordable and social rent properties – do rents being charged meet the requirements set out in the CFG?	Yes	

Security of grant

	Question	IA Findings	Provider responded?
5	For owned and leased properties, has the provider obtained a secure legal interest, as defined in the AHP Contract/CFG, prior to first grant claim?	Yes	
6	Does the land/property have either of the following: <ul style="list-style-type: none">a. 'good title'; orb. defective title indemnity insurance in favour of the grant recipient, with a limit of indemnity equal to at least firm scheme grant for the site?	Yes	
7	Have both of the following been achieved prior to the first grant claim: <ul style="list-style-type: none">a. the main building contract has been signed and dated, and	Yes	



	b. contractual possession of the site has passed to the contractor?		
8	Taking into account agreed extensions of time in line with building contract provisions, was the completion certificate/independent certification issued before the date of final PCF grant claim?	Yes	
9	Has Provider's group insurance been updated to include new scheme(s) during development and thereafter for its Full Replacement Value?	Yes	
10	Does key cost data entered in 'Schemes' area of IMS ('capital details', 'scheme milestones' and 'scheme development code' screens) along with any updates in the Profile line, match scheme file evidence?	Yes	

IMS data

	Question	IA Findings	Provider responded?
11	Is evidence available to confirm that submitted scheme details of number of homes, scheme types, tenancies, size, needs categories, occupancy and location accord with the approved scheme details and those held on file?	Yes	
12	Interim payment (Acquisition and/or Start on Site)/final cost (Practical Completion) claims – were IMS scheme details submitted in accordance with published guidelines set out in the relevant contract and CFG?	Yes	
13	Are IMS rent figures the same as the actual rents charged?	Yes	

Quality and regulation

	Question	IA Findings	Provider responded?
14	Were all necessary planning consents obtained by Practical Completion? i.e.	Yes	



	<ul style="list-style-type: none">a. Was detailed planning permission granted prior to initial grant claim?b. Were all reserved matters/conditions precedent signed off by the planners prior to the completion of the development?		
15	Was the final certification required under building regulations obtained prior to development completion?	Yes	
16	Where required, were other specified consents obtained for the relevant works?	Yes	
17	Where there is documented evidence of factors that may adversely affect mortgageability, have relevant expert reports been obtained? For example: <ul style="list-style-type: none">a. NHBC Buildmark certification/equivalent.b. Valuationc. Structural reportd. Site investigatione. Solicitor's report	Yes	
18	Whole Life Costs – is there evidence of assessment?	No	
19	Has one of the following been adopted: <ul style="list-style-type: none">a. 2012 Construction Commitments (Affordable Housing Provider version) principles orb. subsequent Clients Commitments Best Practice Guide been adopted?	No	
20	Where there are variations to agreed submitted standards, have these been authorised by Homes England?	No	

Management

	Question	IA Findings	Provider responded?
21	Where the Provider has entered into a management agreement with a managing agent, is it satisfied that:	No	



<ul style="list-style-type: none">a. The agent is viable?b. Aims are compatible?c. Capacity, experience and resources are available, in line with responsibilities?		
22 Do the management agreement terms allow the Provider to: <ul style="list-style-type: none">a. Retain overall responsibility for scheme financial control?b. Monitor property condition and occupancy?c. Let rented homes on a written tenancy agreement between the Provider and the occupant?d. Issue SO leases to purchasers?	No	

Audit question 1 of 22 for scheme ID 739172

Independent auditor's findings

Were the conditions within the relevant contract complied with?

Note: Funding conditions have been incorporated into SOAHP, AHP, Care & Support Contracts for 2016-21 and 2015-18, so annual sign-off of separate funding conditions is no longer required.

Check SOAHP/AHP/Care & Support Contract which should be in place and completed prior to the drawdown of funds. While it is good practice to keep a copy on file, the record on IMS of it having been signed is sufficient evidence that a contract is in place. The general presumption should be in favour unless there are clear indications to the contrary.

Yes

Reason and explanation

The file shows that Primrose Hill was delivered under the AHP 2015-2018 and appears to confirm that Funding conditions were complied with. No project specific conditions were imposed. The file shows that scheme compliance is monitored through the Council's Asset Management Group. Agreement on file –dated 26.2 16. –first grant claim date in IMS shows 30.11.16.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 2 of 22 for scheme ID 739172

Independent auditor's findings

Has a comprehensive scheme file been provided containing all relevant documents as set out on the Compliance Audit web page?

Check for documentation omissions e.g. dated valuation, consultants appointment etc. CFG - Programme Management - Reporting and audit requirements - 7.3.1 comprehensive scheme file

Yes

Reason and explanation

The file includes all relevant contract documentation with a full checklist using the compliance audit web page as an management and audit trail---all evidence provided and accessed ---all ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 3 of 22 for scheme ID 739172

Independent auditor's findings

Is there a valid valuation report for the site/property acquired, undertaken by a valuer with an appropriate RICS qualification?

Refer to the list of requirements on the Compliance Audit web page.

Please note that a valuation figure is required even for historic purchases, where these are "acquisition and works" schemes.

A valuation is not required for "works only" schemes.

Validity periods may vary according to changes in RICS guidance and individual practices. IAs must ascertain whether the valuation was valid at exchange of contracts.

Written confirmation that an out of date valuation remains valid would be sufficient provided that it is an official letter from the valuer, for example on headed paper and/or bearing company stamp.

CFG - Programme Management - Reporting and audit requirements - 7.3.1 comprehensive scheme file

No

Reason and explanation

The file and IMS shows that this is a works and fees scheme only no land value was included in as part of the scheme --and no valuation.
Site already owned and registered in the Council's Ownership on freehold title since 28.7.2015.
Confirmed ---all ok.

Provider's response

Response to independent auditor's findings (optional)



Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			

Audit question 4 of 22 for scheme ID 739172

Independent auditor's findings

For affordable and social rent properties – do rents being charged meet the requirements set out in the CFG?

See requirements set out in CFG – 4. Housing for Rent

Yes

Reason and explanation

Tenancy agreements and extracts from the North Notts Local Housing Allowance documents demonstrate that rents charged in line with and conforms to the CFG --Housing for Rent. Evidence provided as stated –it would appear that the requirements have been met. All ok .

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 5 of 22 for scheme ID 739172

Independent auditor's findings

For owned and leased properties, has the provider obtained a secure legal interest, as defined in the AHP Contract/CFG, prior to first grant claim?

For owned properties: Check exchange/completion dates of purchase contracts.

Check for solicitor based evidence that completion has taken place at the agreed sum and confirmation is dated post completion. Are completion certificates or proof of ownership dated before first grant claim?

For lease properties: Check for solicitor's written confirmation that any letter is legally binding and the term of the lease is in accordance with published guidance.

For lease and repair properties, ensure the lease covers a minimum five year term.

Was a lease signed on agreed terms before first grant claim? If not, confirm in comments section if there was a legally binding letter confirming agreement to lease.

For Empty Homes, ensure grant recovery rules fully applied and check that solicitor has confirmed a grant recovery mechanism within the lease.

CFG - Finance - Grant Claims and Payments - 3.1 (includes guidance as to the definition of secure legal interest and provisions covering where Providers do not own the land).

Yes

Reason and explanation

The land has been registered in the Council's Ownership on freehold title since 28.7.15 - title documents confirm.
The SOS claim was made on 30 .11. 16.--i.e. made after ownership had been secured.
All ok .

Provider's response

Response to independent auditor's findings (optional)



Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 6 of 22 for scheme ID 739172

Independent auditor's findings

Does the land/property have either of the following:

- a. 'good title'; or
- b. defective title indemnity insurance in favour of the grant recipient, with a limit of indemnity equal to at least firm scheme grant for the site?

Checks to include freehold, leasehold and any empty homes.

Check solicitor's report on title or lease if one has been prepared, and a copy of the Land Registry extract.

Please note that, where an acquisition grant claim is being made, the provider must have either the freehold or long leasehold interest prior to drawing down grant. A conditional interest and/or indemnity insurance would be insufficient.

CFG - Procurement and Scheme Issues - Acquisition - 5.3 Property title

Yes

Reason and explanation

Title documents confirm good and marketable title with no restrictions which would prevent the development.
A report from the Council's solicitor confirms no legal constraints which would prevent development. Solicitor confirms that covenants on part of site now obsolete and remainder vested in Council following transfer from Town Council.
All ok.

Provider's response

Response to independent auditor's findings (optional)



Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 7 of 22 for scheme ID 739172

Independent auditor's findings

Have both of the following been achieved prior to the first grant claim:

- a. the main building contract has been signed and dated, and
- b. contractual possession of the site has passed to the contractor?

Check site possession date recorded in signed and dated building contract. Letter of intent unacceptable. If dates do not reconcile, record detail and reason.

Where the building contract is signed by a legal entity other than the provider, for example a development company, this may be acceptable where the entity is a wholly controlled subsidiary. The IA should establish whether the provider has sufficient oversight of the entity's board and control over its business decisions.

Please note that, where the first grant claim is an acquisition tranche, the provider will need to have the freehold or long leasehold interest, not merely a conditional interest, prior to drawing down grant.

Yes

Reason and explanation

JCT Design and Build Contract held with hard copy contract file was signed on 13th April 2016 contractual possession the same day.
First claim of funds 30.11.16.
All ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
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No Data



Audit question 8 of 22 for scheme ID 739172

Independent auditor's findings

Taking into account agreed extensions of time in line with building contract provisions, was the completion certificate/independent certification issued before the date of final PCF grant claim?

Check certificate date against final cost/PCF claim date and that it corresponds to the building contract.

Check that CFG definition of Partial Possession/Practical Completion met prior to final grant claim

CFG – Programme Management – 4.2.7 and CFG – Finance – 3.6

Yes

Reason and explanation

Practical completion was achieved on 18/4/17 with a Practical Completion Certificate of the same date.
IMS shows that final grant was paid on the same day of the claim -28.4.17.
All ok --claim made after the PC event.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			

Audit question 9 of 22 for scheme ID 739172

Independent auditor's findings

Has Provider's group insurance been updated to include new scheme(s) during development and thereafter for its Full Replacement Value?

In some cases, alternative arrangements may be in place, such as using the contractor's insurance during development, or a group insurance that covers a portfolio value rather than specific property. Such arrangements may be sufficient, where they provide adequate insurance cover for the Full Replacement Value.

CFG – Procurement and Scheme Issues - 3.4

Yes

Reason and explanation

Email from the Council's Senior Technical Officer responsible for Insurance outlining the insurance position on file and confirms properties insured for £535k ---and replacement value confirmed.
All ok .

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 10 of 22 for scheme ID 739172

Independent auditor's findings

Does key cost data entered in 'Schemes' area of IMS ('capital details', 'scheme milestones' and 'scheme development code' screens) along with any updates in the Profile line, match scheme file evidence?

Check IMS final cost information against supporting filed evidence to confirm accuracy of data entry and eligibility of costs. (Record detail, e.g. dates and payments from IMS screen data).

IMS should match the cost figures known at time of scheme handover/final claim; and the evidence on file should support the figures entered into IMS. Once costs are finalised (which could be months later) differences can be recorded in the Scheme Comment on IMS; or, if this is not available, in the Profile line.

CFG - Programme Management - Scheme administration and data collection - 3.4

Yes

Reason and explanation

The file supplies and confirms the following evidence:

Scheme Milestone in IMS:

IMS Planning permission – 24.6.16 -Planning consent granted on 22.4.16.Final cost event date 28th April 2017.Practical Completion was 18th April 2017.

Scheme Codes:No specific codes recorded in IMS other than:Considerate Construction with a final score of 35.

Scheme cost data entered on IMS as follows:

IMS - £811,834-the contract value.

Contract and appraisal evidence at SOS shows that the gross and net contract sum matches the IMS entries:

Wks ---629409

o/c ---182425

Total -811834

Revised final account forecasts inputted as the scheme develops and variations

IMS – v6 - £902,591.12 (08.09.16 Change Instruction)The Employers Agent final account statement confirms the final account at - £902,591.12

Scheme codes and milestone/events match the IMS entries...all as stated.

All ok.



Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 11 of 22 for scheme ID 739172

Independent auditor's findings

Is evidence available to confirm that submitted scheme details of number of homes, scheme types, tenancies, size, needs categories, occupancy and location accord with the approved scheme details and those held on file?

Check IMS submission against building contract details, scheme approval and PC approval. (Record detail, e.g. dates and payments from IMS screen data.)

Yes

Reason and explanation

The scheme submitted was for 6 unit affordable rent scheme including:
1 x 2 bed 4 person bungalow
5 x 2bed 4 person houses
The unit details in IMS align with the JCT Build Contract, particularly the appended contract layout plan and accommodation schedule . This also confirms the size of the units in IMS correspond with the contract.
The contract and site plan accord with the IMS entries for type, occupancy, needs group and size ---all ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 12 of 22 for scheme ID 739172

Independent auditor's findings

Interim payment (Acquisition and/or Start on Site)/final cost (Practical Completion) claims – were IMS scheme details submitted in accordance with published guidelines set out in the relevant contract and CFG?

Ensure payment date(s) entered in IMS milestones correspond to relevant documentation.

Firm scheme details to be submitted not less than 5 days prior to the projected Start on Site date, unless agreed with Homes England (in which case, confirm documentation seen, its date and who has authorised). Exceptions apply for schemes brought forward to 14-15.

Yes

Reason and explanation

The land has been registered in the Council's Ownership on freehold title since 28.7.15 & 22.2.06 respectively.
JCT Design and Build Contract held with hard copy contract file signed on 13th April 2016 with possession of the site from this date.
The SOS interim claim was made on 30.11.2016
Practical completion was achieved on 18th April 2017 with a Practical Completion Certificate issued by BDC's Contract Administrator on 18th April 2017.
Final cost event date 28th April 2017
It is clear that claims were made after the events...so, all ok and it would appear that claims have been submitted in line with published procedures.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 13 of 22 for scheme ID 739172

Independent auditor's findings

Are IMS rent figures the same as the actual rents charged?

Check IMS rent figures against tenancy agreement. If they do not match:

- a. state actual rents and those on IMS.
- b. note % of discrepancy and whether more or less than actual.
- c. confirm any reason for discrepancy.
- d. include Provider explanation – and be aware of IMS 52.12 week rent rules and potential inclusion of service charges.

Yes

Reason and explanation

IMS rent figures included in the IMS submission =2 bed - £92.98
 The tenancy agreements confirm an actual rent of:
 2 bed - £100.73
 The difference is due to Bolsover utilising 4 free week rent periods but dividing the same amount over 48 weeks as opposed to 52. E.g.
 $£92.98 \times 52 = £4835.04$
 $£100.73 \times 48 = £4835.04$
 Confirmed –all ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 14 of 22 for scheme ID 739172

Independent auditor's findings

Were all necessary planning consents obtained by Practical Completion? i.e.

- a. Was detailed planning permission granted prior to initial grant claim?
- b. Were all reserved matters/conditions precedent signed off by the planners prior to the completion of the development?

Providers may use the 'deemed discharge' route to confirm that planning conditions are no longer outstanding.

Ensure all necessary consents obtained at an appropriate stage of the development. If not, seek evidence that:

- a. steps have been taken to obtain them
- b. the delay is only due to late issue by the Local Planning Authority, and
- c. there is no known reason why consents won't be given or issued. In the event of planning consent not being granted before audit, note the detail of planning condition discharge outstanding (if applicable) and attach planning approval notice for reference.

Yes

Reason and explanation

Planning consent granted on 22 April 2016.
Final cost claim/event date made 30. 11. 16...clearly after planning consent was granted..
Condition discharge letter on file.Conditions were pre-start –and discharged at that stage.
Practical Completion was 18th April 2017.

All ok .



Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 15 of 22 for scheme ID 739172

Independent auditor's findings

Was the final certification required under building regulations obtained prior to development completion?

Check for earlier submission approval/correspondence, pertinent certified dates and third party certification e.g. NHBC Buildmark, if appropriate, to confirm sign off.

If building regulations sign off has not been achieved at time of audit, note the regulation to be discharged and reason for non-discharge.

Yes

Reason and explanation

Building Regs Cert dated 13th April 2017 with a date of final inspection 13th April 2017.
Practical Completion was 18th April 2017
Confirmed –all ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 16 of 22 for scheme ID 739172

Independent auditor's findings

Where required, were other specified consents obtained for the relevant works?

Check if other consents apply and if they were obtained e.g. party wall award, listed building consent, permission to demolish, Environment Agency remediation plan etc.

Yes

Reason and explanation

The RP advises that no other specified consents were required on this scheme.
The file appears to confirm this.
All ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 17 of 22 for scheme ID 739172

Independent auditor's findings

Where there is documented evidence of factors that may adversely affect mortgageability, have relevant expert reports been obtained? For example:

- a. NHBC Buildmark certification/equivalent.
- b. Valuation
- c. Structural report
- d. Site investigation
- e. Solicitor's report

Check filed documentation, noting which documents have been seen and their date.

House builder warranties/CML cover notes must be available on completion.

Yes

Reason and explanation

LABC Warranties are in place and on file for all of the plots, issued on the 18th April 2017:
A valuation report is not required, the land has been registered by the Council since 28.7.15 & 22.2.06 respectively. A report from the Council's solicitor confirms the land has no legal constraints which would prevent development.
The land has 'Good Title' confirmed on file.
A site investigation report was undertaken on BDC's behalf.
Nothing to suggest that mortgageability would be affected.
All ok .

Provider's response

Response to independent auditor's findings (optional)



Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 18 of 22 for scheme ID 739172

Independent auditor's findings

Whole Life Costs – is there evidence of assessment?

Whole life costs are not required on IMS but are recommended. Where whole life costs data has been submitted on IMS, check that calculations exist to support their accuracy.

(For Empty Homes schemes, check relevant components have been specified for the required longevity of the refurbished scheme.)

No

Reason and explanation

The IMS submission confirms that WLC is not applicable to this scheme.
Confirmed ---all ok .

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 19 of 22 for scheme ID 739172

Independent auditor's findings

Has one of the following been adopted:

- a. 2012 Construction Commitments (Affordable Housing Provider version) principles or
- b. subsequent Clients Commitments Best Practice Guide been adopted?

Please see link to best practice guide:

http://constructingexcellence.org.uk/wp-content/uploads/2017/04/Client-Commitments-Final_May-2014.pdf

Further detail is available at:

<http://constructingexcellence.org.uk/resources/client-commitments/>

Check supporting filed evidence to indicate that the principles have been considered strategically and are being adopted appropriately as a result, i.e. implemented and actively monitored at a proportionate scale.

Developer partners do not have to adopt the 2012 Construction Commitments, though where they do, this should be noted as it remains good practice.

CFG - Finance - Funding Conditions

No

Reason and explanation

In delivering the wider B@Home Programme BDC advise that they have not adopted the 2012 Construction Commitments.
However, their own good practice principles accord with the aims and objectives of the same.
Client leadership – BDC take a strategic approach to delivery of Council Housing by developing a programme of development branded B@Home.
Procurement and integration – As a Local Authority the Councils constitution and procurement practices ensure transparency.
Health and safety – BDC appointed a Principal Designer with frequent H&S Reports.
Design quality – The B@Home Design team attended a BDC Planning team led, Built for Life 12 and 'Successful Places' training session to ensure those principals and are embedded in the B@Home scheme designs.
Other elements of the construction commitment principals are demonstrated and monitored under



the Considerate Construction Scheme.

All noted and all confirmed –it seems that BDC adhere to the 2012 CCs as a matter of good practice in their own way.
All ok .

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 20 of 22 for scheme ID 739172

Independent auditor's findings

Where there are variations to agreed submitted standards, have these been authorised by Homes England?

Check files against submitted and agreed standards in IMS to ensure that any variations have been agreed by Homes England. (Record documentation seen, who has authorised this and date authorised.)

No

Reason and explanation

BDC advise that no variations to submitted standards have been requested from the HCA. Noted and confirmed that this would appear to be the case. –all ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 21 of 22 for scheme ID 739172

Independent auditor's findings

Where the Provider has entered into a management agreement with a managing agent, is it satisfied that:

- a. The agent is viable?
- b. Aims are compatible?
- c. Capacity, experience and resources are available, in line with responsibilities?

Check filed evidence and IMS submission to substantiate.

No

Reason and explanation

The management of the social housing stock is an 'in house' function of the Council and managed by the Housing Department.
No management agency agreement.
All ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Audit question 22 of 22 for scheme ID 739172

Independent auditor's findings

Do the management agreement terms allow the Provider to:

- a. Retain overall responsibility for scheme financial control?
- b. Monitor property condition and occupancy?
- c. Let rented homes on a written tenancy agreement between the Provider and the occupant?
- d. Issue SO leases to purchasers?

No

Reason and explanation

The management of the social housing stock is an 'in house' function of the Council and managed by the Housing Department.
 No management agency agreement.
 All ok.

Provider's response

Response to independent auditor's findings (optional)

Supporting documentation

File name	Description	Uploaded by	Uploaded on
No Data			



Compliance Audit Report – 2017/18

17UC – Bolsover District Council

Provider Code	17UC
Provider Name	Bolsover District Council
Final Grade	Green - Meets requirements
Independent Auditor	4Point2 Limited
Homes England Lead Auditor	Richard Panter
Homes England Head of Home Ownership and Supply	Dilys Jones

Report Objectives and Purpose

Compliance Audits check Provider compliance with Homes England's policies, procedures and funding conditions. Standardised checks are made by Independent Auditors on an agreed sample of Homes England schemes funded under affordable housing programmes. Any findings, which may be a result of checks not being applicable to the scheme or an indication of procedural deficiency, are reported by the Independent Auditor to both the Provider and Homes England concurrently. The Homes England Lead Auditor reviews the findings and records those determined to be 'breaches' in this report. Breaches are used as the basis for recommendations and final grades for Providers. Grades of green, amber or red are awarded; definitions are provided at the end of this document.

Further information is available at: <https://www.gov.uk/guidance/compliance-audit>.

Confidentiality

The information contained within this report has been compiled purely to assist Homes England in its statutory duty relating to the payment of grant to the Provider. Homes England accepts no liability for the accuracy or completeness of any information contained within this report. This report is confidential between Homes England and the Provider and no third party can place any reliance upon it.



Compliance Audit Grade and Judgement

Final Grade	Green - Meets requirements
Judgement Summary	Scheme 707375 has been audited and no breaches have been found. The auditor reports comprehensive information on file. Overall it is considered that for this scheme the provider meets requirements GREEN GRADE - and has met the requirements as laid out in the Capital funding guide

Audit Results

Number of Schemes Audited	1
Number of Breaches Assigned	0
Number of High Severity Breaches	0
Number of Medium Severity Breaches	0
Number of Low Severity Breaches	0



Provider's Acknowledgement of Report

The contents of this report should be acknowledged by your Board's Chair or equivalent. Confirmation of this acknowledgement should be record in the IMS Compliance Audit Module by your CA Provider Lead on behalf of your Board's Chair. Online acknowledgement should be completed within one calendar month of the report email notification being sent.

Report acknowledged by:

Date:

Compliance Grade Definitions

Green Grade	The Provider meets requirements: Through identifying no high or medium breaches, the Compliance Audit Report will show that the Provider has a satisfactory overall performance, but may identify areas where minor improvements are required.
Grade Amber	There is some failure of the Provider to meet requirements: Through identifying one or more high or medium breaches, the Compliance Audit Report will show that the Provider fails to meet some requirements, but has not misapplied public money. The Provider will be expected to correct identified problem(s) in future schemes and current developments.
Grade Red	There is serious failure of the Provider to meet requirements: Through identifying one or more high level breaches, the Compliance Audit Report will show that the Provider fails to meet some requirements and there is a risk of misuse of public funds. The Provider will be expected to correct identified problem(s) in future schemes and current developments.