



# Compliance Audit Report – 2023/24

## 00LC – Medway Council

<b>Final Grade</b>	Green - Meets requirements
<b>Independent Auditor Organisation</b>	Lindeyer Francis Ferguson
<b>Independent Auditor Name</b>	Jonathan Healey

### Report Purpose and Objectives

The purpose of the Compliance Audit report is to confirm that grant recipients have met Homes England's funding conditions and contractual requirements and have properly exercised their responsibilities as set out in the Capital Funding Guide.

We use the audit findings (which are confidential between Homes England and the grant recipient) to inform our future investment decisions and to reassure the Homes England Chief Accounting Officer that public funds have been properly used.

Where findings have been determined as breaches they are then 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 report. Where applicable the Provider is to use the recommendations to prevent similar breaches from reoccurring in the future and to aid good governance for complying with Homes England's policies, procedures and funding conditions.

Information about the audit process and guidance is available at:  
<https://www.gov.uk/guidance/compliance-audit>

### Compliance Audit Grade and Judgement Summary

<b>Final Grade</b>	Green - Meets requirements
<b>Judgement Summary</b>	On review of the evidence provided, the outcome of the audit has shown the provider has a satisfactory overall performance. A GREEN grade has been assigned. The audit has identified one low level breach with no risk of misapplication of public funds. The recurrence of breaches of a similar nature in future years may result in a failure to meet requirements. The provider should refer to the recommendation listed in the Compliance Audit system. The recommendation will assist the provider in ensuring further breaches of this nature do not reoccur in the future.



## Scheme/Completions details

Scheme ID/ Completion ID	Address/Site ID	Scheme type
1085636	RSAP 152 Pier Road,ME7 1TJ	Next Steps Accommodation - Capital

## Audit Results

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

## Details of Breaches by Scheme/Completion

Where there are breaches identified, remedial action must be taken in accordance with recommendations listed in the Compliance Audit Module to mitigate the potential for re-occurrence.

### Breach 1

Scheme/Completion ID	1085636
Address/Site ID	RSAP 152 Pier Road,ME7 1TJ
Breach severity	Low
Breach description	7. Incorrect IMS data has been entered but there are no value for money implications. Examples might include typographical errors, or a failure to update the system with revised information
Breach comment	The audit has identified that key cost data detailed in the scheme file is more than the values entered in IMS and no variation has been sought. The acquisition cost entered in IMS is less than the acquisition price of the property. We note the Provider notified the Homes England Programme Manager about this error and that IMS has been updated but only did so



	after being notified of the audit.
Recommendation	The provider should review their processes and add the necessary steps to prevent similar issues reoccurring in the future. Please ensure the revised process meets the Capital Funding Guide requirements and funding conditions. The provider is also expected to revise and correct the identified issue in all current grant funded developments. We note the provider's comment that IMS has been updated.

### Provider's Acknowledgement of Report

The contents of this report including all recommendations must be acknowledged by your Board's Chair or equivalent. Confirmation of this acknowledgement must be recorded in the IMS Compliance Audit System by your Compliance Audit Lead no later **than three calendar months** of the report email notification being sent.

Report acknowledged by:

Date:

### 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 Definitions

<b>Green Grade</b>	No high or medium severity breaches identified, although there may be low breaches identified. The Homes England audit report shows that the provider has a satisfactory overall performance but may identify areas where minor improvements are required.
<b>Amber Grade</b>	One or more medium severity breaches identified. The Homes England audit report will show that the provider has failed 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.
<b>Red Grade</b>	One or more high level severity breaches identified, the Homes England audit report shows that the provider has failed to meet some requirements and there has been a risk of misapplication of public funds.