

## PUBLIC MINUTES

**of the Homes England Audit & Risk Committee meeting  
held at 9.30am on Thursday 4 July 2019 at Windsor House, London**

## Present:

Stephen Bell  
Teresa O'Neill  
Simon Dudley  
Ceri Smith

**In attendance:**

Nick Walkley	Chief Executive
Lynda McMullan	Chief Finance Officer
Chris Kinsella	Interim Chief Finance Officer
Mark Gray	Chief Risk Officer
Maria Craig	Director of Internal Audit
Paul Scott	Head of Internal Audit
Isabella Freeman	General Counsel
Jane Castor	Finance Director
Adam Cooper	Head of Help to Buy Accounting
Rory Smith	Assistant Board Secretary
Sajid Rafiq	Director, National Audit Office
Sarah Dickinson	Audit Manager, National Audit Office

01/07/19 There were apologies from Aileen Murphie and Jo Chiverton.

02/07/19 The Chair welcomed Lynda McMullan, the new Chief Finance Officer, and thanked Chris Kinsella for his stewardship of the Finance department as the Interim Chief Finance Officer.

## Item 1 NAO Audit Completion Report

03/07/19 The Executive Director, NAO presented the report which presented the NAO's findings from the audit of Homes England's 2018-19 financial statements. He advised the Committee that the NAO anticipated recommending to the Comptroller and Auditor General that he should certify the 2018-19 financial statements with an unqualified audit opinion, without modification. The audit was nearing completion and he led the Committee through a list of outstanding issues. Both the NAO and Homes England were working at full capacity to clear these as soon as possible. He informed Members there was nothing of significant concern.

04/07/19 The Executive Director, NAO reflected on the key audit findings.

05/07/19 The Director, NAO discussed the implementation of IFRS9. The impact of the changes overall hadn't been material. Members noted that it had taken a significant amount of

effort and resource from both Homes England and the NAO to reach this conclusion. The Chair stated, on behalf of the Committee, his pride in the Finance team's effort to achieve a clean audit in relation to the agency's implementation of IFRS9. It was clear that the agency currently had a minimal viable product and there was still a lot of work required going forward. He believed the PwC report on the current model, which made a number of forward-looking recommendations, would be useful in this regard. The Committee and Executive joined the Chair in recognising that the Finance team were due praise and appreciation for the enormous effort made.

SR/LM

06/07/19 The Director, NAO gave a roundup of other findings in the report highlighting that the annual report and accounts had been prepared to a high standard although a draft of the governance statement could be prepared earlier in the year to ease its sign off at year end. He then discussed the management letter which would be brought formally to the September meeting. The Chief Finance Officer asked that she had an introductory meeting with the Director, NAO.

07/07/19 The Committee **NOTED** the paper.

**Item 2 Amendments made to the Agency's 2018/19 Annual Report and Financial Statements**

08/07/19 The Director of Finance presented the paper which illustrated the amendments made to Homes England's 2018/19 Annual Report and Financial Statements subsequent to the ARC meeting on 25 June 2019.

09/07/19 The Finance Director identified the amendments that had been made. Specific mention was made to the updated Risk section within the annual report, following feedback that the agency's risks could be articulated with more clarity. Changes had been made to the Annual Report to ensure compliance with the Financial Reporting Manual and Members noted that updates to disclosures had also been made.

10/07/19 The Chair requested a further change in wording such that the report was clear that the agency was still embedding the 3LOD model. Members were content with the changes to the report and commended the clarity of the Risk section.

11/07/19 The Director of Finance confirmed that there would be further minor amendments to the Annual Report & Accounts. As such she would be requesting that the Board delegate authority to the Accounting Officer to make such minor changes as may be required.

12/07/19 The Committee **RECOMMENDED** that the Board approved the Agency's Annual Report and Accounts incorporating these changes, for the year ended 31 March 2019.

**Item 3 Unadjusted Errors**

13/07/19 This paper was withdrawn

**Item 4 ARC Annual Report to the Board**

14/07/19 The Chair of the Audit & Risk Committee presented the Committee's Annual Report to the Board. The purpose of the paper was to give the Homes England Board assurance as to the work completed by the Committee during the year which supported its comments on the Governance Statement and the rest of the Annual Report and Accounts.

15/07/19 The Chair summarised the report which would be presented to the Board immediately after Committee. He noted that in overall terms good progress was being made, but there

was still a long way to go. He specifically drew attention to his comments that in his view there had been ongoing problems with achieving quorum and even more so with consistency of membership, creating key person dependency.

16/07/19 The Committee **NOTED** the report and recommended that it was presented to the Board.

**Item 5 Any Other Business**

17/07/19

The Committee then thanked all who had presented to and supported its work over the year.

18/07/19 There was no other business.

**Date of next meeting:** 26 September 2019

**Chairman's signature:**

**Date:**