



Wolverhampton Homes Annual General Meeting

21 September 2023

Time 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes

Venue The Boardroom, Wednesfield Office, Alfred Squire Road,
Wednesfield, WV11 1XU

Membership

Parveen Brigue
Victor Browne
Councillor Jonathan Crofts
Hajrija Dergic
Steve Finegan
Joy McLaren
Councillor Rita Potter
Councillor Susan Roberts MBE
Councillor Zee Russell

Information

If you have any queries about this meeting, please contact:

Contact The Business Assurance team
Tel/Email 01902 552956; WHSBusinessAssurance@wolverhamptonhomes.org.uk
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Copies of other agendas and reports are available from:

Website <https://wolverhamptonintranet.moderngov.co.uk>

Agenda

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|--|
| 1 | Apologies |
| 2 | Declarations of interest |
| 3 | Welcome and introductions |
| 4 | City of Wolverhampton Council - Shareholder update (Verbal)- John Roseblade, Director of City Housing and Environment |
| 5 | Wolverhampton Homes - ALMO update (Verbal) - Shaun Aldis, Chief Executive - Wolverhampton Homes |

EXTERNAL AUDIT ITEMS

- | | |
|---|--|
| 6 | Draft Audit Findings Report 2022 - 2023 - James McLarnon, Grant Thornton External Audit Partner (Pages 3 - 34) |
| 7 | Informing the Audit Risk Assessment 2022 - 2023 - James McLarnon, Grant Thornton External Audit Partner (Pages 35 - 62) |

FOR INFORMATION

- | | |
|---|---|
| 8 | Minutes of previous Annual General Meeting - 10 October 2022 (Pages 63 - 70) |
| 9 | Matters arising |

FOR DECISION

- | | |
|----|--|
| 10 | Annual Strategic Financial Arrangements - Julie Haydon, Company Secretary (Pages 71 - 82) |
| 11 | Governance Arrangements - Julie Haydon, Director - Corporate Services (Pages 83 - 98) |



The Draft Audit Findings for Wolverhampton Homes Limited

For the year ended 31 March 2023

Issue date: 14 September 2023

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Private and Confidential

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Dear Sirs

Audit Findings for Wolverhampton Homes Limited for the 31 March 2023

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with the Audit Business Assurance Committee.

As an auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at www.grantthornton.co.uk/en/about-us/leadership-and-governance/transparency-report/

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Jim McLarnon

Director
For Grant Thornton UK LLP

Chartered Accountants

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Section 1: Introduction and status of the audit

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Introduction and status of the audit

Engagement Lead introduction

The audit of the financial statements is substantially complete and our intention is to finalise as far as possible outstanding areas listed adjacent by the date of the Audit Business Assurance Committee meeting on 4th October 2023.

As a result of audit procedures performed to date, we have noted some none minor non-compliances with IFRS 15 and IFRS 9, which we do not anticipate will have a significant impact on the financial statements.

We have also noted that in the other information, no report on carbon emissions as required by the Streamlined Energy Carbon Reporting (SECR) regulations or statements in compliance with s172 of the Companies Act have been included in the draft financial statements. It has been assessed that Wolverhampton Homes Limited meets the criteria for a large company and therefore the SECR report and s172 statement is deemed to be required. We will discuss these requirements with management to ensure the final accounts are compliant.

No material findings have been noted that influence the figures in the financial statements.

Recap of our audit approach




- Our final materiality is £1,371,500 (2022: £1,300,000) with our basis for materiality remaining consistent with the prior year.
- There have been no changes in our audit risk assessment

Changes in our audit strategy

- There has been no change in our audit strategy

Status of the audit

The table below can summarise our key outstanding areas:

- | | |
|---|---|
|  | <ul style="list-style-type: none"> • Journals testing – we encountered initial difficulty in processing of the journals report in our inflo software and have sought the assistance of our digital audit team in order to resolve this issue • Lease liabilities – we are currently reconciling the lease liability disclosed in the accounts to the financial statements • Payroll – we are currently following up on queries to our substantive analytical review of payroll |
|  | <ul style="list-style-type: none"> • Pensions – we are awaiting the results of work undertaken by the auditor of West Midlands Pension Fund in order to assess the impact of any findings on the defined benefit pension scheme • Review of management’s assessment of going concern – we have received the letter of support from CWC and management’s high level paper but are awaiting detailed supporting information • IT audit findings – we have recently received the finalised IT audit report on the controls in place over the Agresso ledger system from the CWC audit team and will the impact of any findings. |
|  | <ul style="list-style-type: none"> • Receipt of the signed financial statements • Receipt of the signed letter or representation • Update of our post balance sheet events review to the date of sign off |

Subject to satisfactory completion of the above points, we anticipate issuing a clean audit opinion.

Status

- Significant elements outstanding – high risk of material adjustment or significant change to disclosures
- Some elements outstanding – moderate risk of material adjustment or significant change to disclosures
- Not considered likely to lead to material adjustment or significant change to disclosures

Section 2: Audit findings

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01. Introduction and status of the audit

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Our approach to materiality

As communicated in our Audit Plan dated 8 June 2023, we determined materiality at the planning stage based on gross Revenue. At year-end, we have reconsidered planning materiality based on the final financial statements. Materiality was not amended as no factors were identified that indicated a need to change materiality and the difference in calculation based upon draft 2022/23 financial statements was marginal.

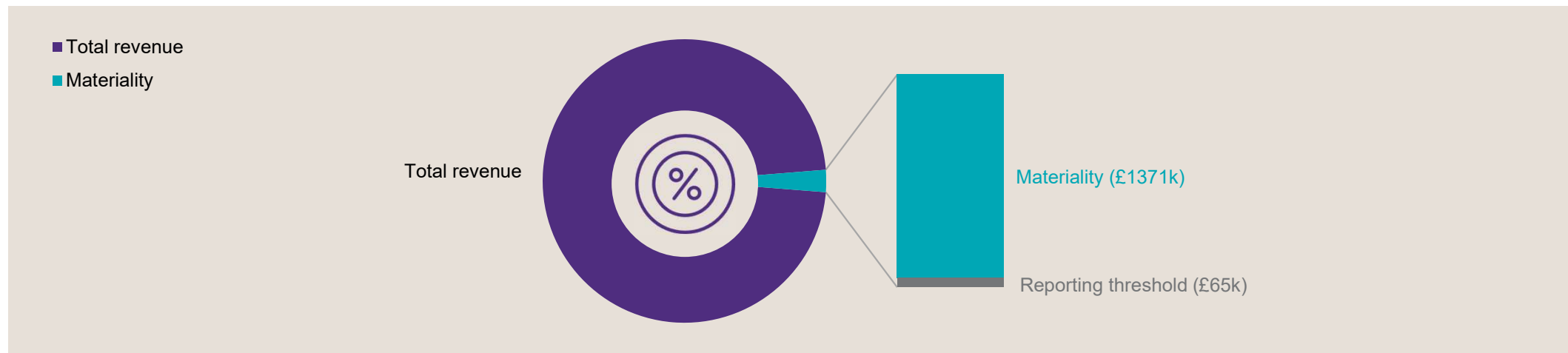
A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £1,372k based on professional judgment in the context of our knowledge of the entity, including consideration of factors such as owner expectations, industry developments, financial stability and reporting requirements for the financial statements.
- We have used 2.5% of total revenue as the basis for determining materiality.
- Revenue has been chosen as the benchmark as the purpose of the company is not profit orientated and therefore this is deemed less appropriate.
- The basis for calculating materiality in the prior period.

Reporting threshold

- We will report to you all misstatements identified in excess of £65k, in addition to any matters considered to be qualitatively material.



Significant risks

Management override of controls

Risk identified

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

As an engagement team, we discussed the risk of fraud and identified journal entries and significant estimates as areas of potential management override of controls.

Audit procedures performed

Our audit procedures included:

- evaluating the design and implementation of relevant controls around the financial reporting process;
- challenging management's key judgements and estimates and considering whether these judgements and estimates are individually or cumulatively indicative of management bias;
- making inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity; and
- using our data analytic software ('Inflo') to interrogate journal entries, with particular focus on those journal entries that exhibited unusual characteristics. Once this is complete, a sample of high risk journal entries will then tested to supporting documentation.

Key observations

No issues have been noted to date, however as noted on page 5, our work in this area is ongoing and we will report our findings to those charged with governance in the final audit findings report.

Significant risks (continued)

Valuation of the pension fund

Risk identified

The company's employees are included in the local government pension schemes (LGPSs), which is a defined benefit scheme. Under IFRS, the company is required to carry out an actuarial valuation of the assets and liabilities of these schemes on an annual basis and to include the net amount in the year-end financial statements.

The company's pension fund net liability/ surplus, represents a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.

As a result of improving funding levels and changes in the underlying assumptions, many Local Government Pension Schemes are reporting a surplus of assets over liabilities for the first time in 2023. IFRS sets out the criteria for recognition of such surpluses as assets and states that this can only be recognised where future economic benefits are available to the entity, in the form of a reduction in future contributions or a cash refund. This represents a novel and complex accounting area that requires management judgement and expertise, and further increases the risk in relation to the estimate.

Audit procedures performed

Our audit procedures included:

- Assessing the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation
- Assessing the accuracy and completeness of the information provided by the entity to the actuary to calculate the estimate
- Testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuary
- Undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of our internal actuary (as auditor's expert) and performing any additional procedures suggested within the report;
- Performed analytical procedures on scheme assets and liabilities
- Obtained assurance from the auditor of the pension fund in relation to the controls regarding fund asset valuation – currently outstanding
- Consideration of management's assessment in relation to the recognition of a net surplus on the pension fund at 31 March 2023

Key observations

No issues have been identified to date, however as noted on page 5, our work in this area is ongoing and we are currently awaiting response from the pension fund auditor in relation to work undertaken on the West Midlands Pension Fund. We will report our findings to those charged with governance in the final audit findings report.

Significant risks (continued)

The revenue cycle includes fraudulent transactions

Risk identified

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

The risk of fraud in the management fee has been rebutted as this provides limited opportunity for manipulation and as such the management fee element of revenue does not present a significant risk. We have not rebutted this risk for other external sources of income received by the company.

Audit procedures performed

Our audit procedures included:

- Reviewing and testing of revenue recognition policies
- Documenting our understanding of the controls in place around revenue recognition
- Performance of substantive testing, agreeing sample items from the ledger to supporting information of provision of services and evidence of receipt.

Key observations

No issues have been identified as a result of audit procedures performed in relation to the significant risk of fraud in revenue recognition.

Other risks identified

Risk identified

Non-pay expenses

The use of estimates in accruals for un-invoiced costs presents a risk of error.

Audit procedures

Our audit procedures included:

- Substantive testing of a sample of expenditure transactions within the financial year
- Review of the calculation of significant accruals and other liabilities, including agreement to supporting documentation
- Review of payments made after the year end date for potential unrecorded liabilities

Key observations

No issues have been identified as a result of audit procedures performed in relation to non-pay expenditure.

Other findings - Going Concern

Going concern commentary

Management's assessment process

We obtained management's letter of going concern which sets out the basis on which the Directors conclude that the company is a going concern, namely:

- The Business Plan 2019-2023
- Cash flow forecasts showing ample headroom; and
- Financial support guaranteed by the parent entity, City of Wolverhampton Council.

Auditor commentary

We consider the basis of management's assessment to be appropriate and note that this covers at least 12 months from the anticipated signing date.

We are yet to receive the supporting cash flow forecast for review of judgements and assumptions made by management that underpin this statement. On receipt, we will consider the forecasts tolerance to stress testing of reasonably possible downside scenarios and a reverse stress test to determine what would break the model and exhaust cash headroom.




Concluding comments

Auditor commentary




No issues have been identified to date, however as noted on page 5, our work in this area is ongoing and we are currently awaiting the detailed assessment performed by management to support the going concern assumption. We will report our findings to those charged with governance in the final audit findings report.

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Other findings – accounting policies

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	<p>Revenue is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.</p> <p>Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.</p> <p>Sales of goods are recognised when goods are delivered, and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer</p>	<ul style="list-style-type: none"> The wording of the revenue policy does not evidence compliance with IFRS 15. The policy should make reference to the identification and fulfilment of performance obligations and indicate whether the fulfilment is over a period of time or at a point in time. This however is not likely to have an impact on the figures in the financial statements but should be enhanced to ensure compliance with the financial reporting standard. 	
Judgements and estimates - Provision for bad debt	<p>A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate</p>	<ul style="list-style-type: none"> The entity has used the incurred loss model under the previous version of IAS 39 rather than the expected credit loss model under IFRS 9 for the provision for bad debt. As a result, the provision for bad debt may be slightly understated however we are comfortable this is unlikely to be material. 	
Judgements and estimates – Defined benefit pension scheme	<p>For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.</p>	<ul style="list-style-type: none"> The policy is in line with our expectation and the financial reporting standard 	

Assessment

-  Marginal accounting policy which could potentially be open to challenge by regulators
-  Accounting policy appropriate but scope for improved disclosure
-  Accounting policy appropriate and disclosures sufficient

Other findings – internal controls

1	Transaction cycle or business model	Finding	Recommendation
	Bank reconciliations	While we were able to agree the balance per the bank to independent confirmation obtained, the bank reconciliations provided for audit do not take the form of traditional bank reconciliations whereby the balance per the ledger is reconciled to the bank through uncleared payments and receipts, but rather the form of transaction listing.	Bank reconciliation procedures should be revisited to ensure that it is clear what reconciling items are present at each month end so that management can monitor the clearance of these items and investigate any issues. Management response

Other findings – Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Agresso	ITGC assessment (design and implementation effectiveness only)	TBC	TBC	TBC	TBC	TBC

As noted on page 5, assessment of IT audit work undertaken by the Council engagement team has been recently received (14/09/2023) and therefore we will assess the impact of these findings on Wolverhampton Homes Limited and report our findings in the final audit findings report.

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Assessment

- Significant deficiencies identified in IT controls relevant to the audit of financial statements
- Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- Not in scope for testing

Other findings – new matters arising

This section provides commentary on other key areas which were considered during the course of the audit that do not pertain to significant or other risks previously communicated in the Audit Plan.

Issue	Commentary	Auditor view and conclusion
<p>1 SECR reporting</p>	<p>The Streamlined Energy and Carbon reporting policy was implemented on 1 April 2019.</p> <p>The reporting requirements are applicable to listed and large unquoted companies, the latter being the category that would most bring Wolverhampton Homes Limited into scope.</p>	<p>The reporting policy requires that a qualifying entity reports on:</p> <ul style="list-style-type: none"> • UK energy use, as a minimum gas, electricity and transport • associated greenhouse gas emissions • comparative figures • at least one emission intensity ratio • narrative on energy efficiency measures; and • details of methodology used <p>The draft other information does not include the required disclosures and as noted on page 5, we will discuss these requirements with management to ensure that the final accounts are compliant with the regulations.</p>
<p>2 Companies (Miscellaneous Reporting) Regulations 2018</p>	<p>On the 18 July 2018, the BEIS committee published the final form of the Companies (Miscellaneous Reporting) Regulations 2018.</p> <p>These Regulations introduce the "s172 statement" for large companies and requirements for certain companies to report on stakeholder engagement, as well as requirements for private companies of a significant size to disclose information about their corporate governance arrangements.</p> <p>The Regulations are effective for companies with financial years beginning on or after 1 January 2019.</p>	<p>The regulations require that a qualifying entity includes a statement in the strategic report on:</p> <ul style="list-style-type: none"> • how directors have complied with their fiduciary duties • how directors have engaged with employees and taken account of their interests • how directors have engaged with suppliers, customers and others in business • how the directors have considered the impact of the entity's operations on the community and the environment <p>The draft other information does not include the required disclosures and as noted on page 5, we will discuss these requirements with management to ensure that the final accounts are compliant with the regulations.</p>

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Other communication requirements

Issue	Commentary
① Matters in relation to fraud	<ul style="list-style-type: none"> We are not aware of any alleged, suspected or actual fraud that occurred during the year or that would have an impact on the current year financial statements
② Matters in relation to related parties	<ul style="list-style-type: none"> We are not aware of any related parties or related party transactions which have not been disclosed
③ Matters in relation to laws and regulations	<ul style="list-style-type: none"> The principal laws and regulations with which the company complies include the Companies Act of 2006. We are not aware of any significant incidences of non-compliance
④ Written representations	A standard letter of representation will be requested from management, a draft of this letter has been provided in the agenda pack.
⑤ Confirmation requests from third parties	We have written to the company's bank to confirm balances held at the year end and confirmation has been received.
⑥ Disclosures	Our review found omissions in the draft financial statements in relation to SECR reporting and s172 statements as noted on page 16.

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Misstatements

As a result of audit procedures performed to date, no adjusted or unadjusted misstatements have been identified. In addition to this, there are no unadjusted misstatements in the prior year that have an ongoing impact on the financial statements.

Section 3: Independence, ethics, fees and non-audit services

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Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Company that may reasonably be thought to bear on our integrity, independence and objectivity
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below set out the total fees for audit services charged from the beginning of the financial year.

No non-audit services have been provided to the company.

The fees below reconcile to the financial statements

Audit Fees

Audit of Company	£ 36,900
Total	£ 36,900

This covers all services provided by us and our network to the group/company, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence. (ES 1.69)

Section 4: Additional insights

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Auditing developments

Revised ISAs

There are changes to ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'. A new standard was also issued, International Standard on Quality Management (ISQM) (UK) 2 'Engagement Quality Reviews' and although the standard is new, most of the requirements relating to engagement quality reviews resided in other standards .

The changes will impact audits of financial statement for periods commencing on or after 15 December 2022.

A summary of the impact of the key changes on various aspects of the audit is included below:

Area of change	Impact of changes
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Definition of engagement team	The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor. <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Engagement Quality (EQ) Review	The new standard extends the scope of engagement subject to EQ reviews which require us to review our criteria for determining which engagements require an EQ review as an appropriate response to address quality risk. The standard has also enhanced robustness of the requirements for the eligibility of EQ Reviewers and the performance of EQ reviews.
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.

Definition of EQ review – An objective evaluation of the significant judgements made by the engagement team and the conclusions reached thereon, performed by the EQ reviewer and completed on or before the date of the engagement report.

Environmental, Social and Governance (ESG) reporting

The Financial reporting Council's (FRC) update to its '2021 Statement of Intent on ESG'*

We draw attention to the FRCs communication [News | Financial Reporting Council \(frc.org.uk\)](https://www.frc.org.uk/news/2023/01/23/esg-statement-of-intent-what-next) issued in January 2023 which includes the update [ESG Statement of Intent - What's Next \(frc.org.uk\)](https://www.frc.org.uk/news/2023/01/23/esg-statement-of-intent-what-next)

1. Why are we communicating this to you?

Improving transparency on climate and wider ESG risks and opportunities, and related governance activities and behaviours, is a key priority of the FRC's ESG strategy. Management and Those Charged With Governance should consider the detail of the update, given the prominence placed on this area by the FRC for 2023 and beyond, how it may affect you and the actions that need to be taken.

2. What will the FRC's key areas of focus be in 2023 regarding ESG reporting?

- ESG Data – how and where to find it and use it effectively
- Materiality disclosures – what should be considered when determining what are material issues?
- Support for FRS102 Preparers
- What are the ESG reporting requirements of the Corporate Governance Code?
- The link between investors and ESG reporting

3. What does the update address?

- Areas where ongoing challenges in ESG reporting remain
- Actions for preparers to produce decision relevant information
- The FRC's plans to engage with the market to ensure that stakeholder needs are met as demand for ESG information continues to evolve

4. What resources relating to ESG reporting and governance do the update include?

To assist in navigating what remains a challenging and evolving reporting landscape, several links are included throughout the update on a wide range of material produced by the FRC.

*The FRC published its first Statement of Intent on ESG in 2021, which identified underlying issues with the production, audit and assurance, distribution, consumption, supervision and regulation of ESG information. Since then, it has undertaken a significant number of initiatives both in the UK and internationally, to assist and support its wide range of stakeholders and drive best practice in high-quality and comparable ESG reporting and disclosure.

Climate change – Roles and responsibility of management

Climate change is topical for investors and other stakeholders as the effects of climate change are increasingly visible and has the potential to impact to some degree an increasing number of entities of all nature and sizes in various industries. This is either directly, or indirectly through their supply chain, customer base, financing, insurance and laws and regulations through global and local policy actions.

This has led to a growing demand by stakeholders for climate-related information for decision making. Reporting needs to consider both aspects – how a company is considering climate-related impacts on its business model, its risks and opportunities as well as the impact the company has on the environment. This, together with the financial statements impacts of climate-related considerations now and in the future, provides a key insight for investors and other stakeholders. It helps to understand the future the company faces, and the future it intends to help bring about.

While there are specific disclosure requirements that are applicable to certain entities depending on whether they are quoted companies or exceed certain size thresholds, the duty that a director has to promote the success of the company (Section 172 of the Companies Act 2006) means that the effect of climate risk on the financial statements affects all companies preparing financial statements in the UK. Refer to 'more information on Summary – current 'climate-related' reporting requirements for companies reporting in the UK'.

In the Financial Reporting Council 'FRC Climate Thematic' published in November 2020, they highlighted detailed findings and expectations on corporate reporting. The full report can be accessed at [frc.org.uk](https://www.frc.org.uk).

One of the expectations that the FRC has from companies in relation to financial statements is ensuring that

- Material climate change risks and uncertainties discussed in narrative reporting have been appropriately considered in the financial statements-both impact on numbers and narrative disclosures
- Narrative reporting is not inconsistent with the financial statements

Better disclosures present a coherent linkage between narrative reporting and accounting judgements and estimates and may explain why apparently significant risks have not had a material impact on the financial statements where a reader of the financial statements may expect them to do so.

We encourage management to stay abreast of developments in this area, as guidance and reporting requirements will continue to evolve in the coming years.

In conclusion, our auditor objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and report on whether the financial statements are prepared, in all material respects, in accordance with the financial reporting framework. If climate change impacts the entity, the auditor needs to consider whether the financial statements appropriately reflect this. This requires consideration of factors presenting a potential risk of material misstatement of the financial statements as a result of climate change. Where risks are identified, auditors need to determine an appropriate audit response to determine if they have a material impact on the financial statements.

Summary – current ‘climate-related’ reporting requirements for companies reporting in the UK

	Category of company				
	Small private	Medium private	Large private	AIM	Main market
Directors’ report	✓	✓	✓	✓	✓
• SECR report			✓	If large	✓
• Stakeholder engagement			✓	If large	✓
Strategic report ¹		✓	✓	✓	✓
• s172 statement			✓	✓	✓
• Environmental matters					✓
• Non-financial and sustainability report (‘TCFD-aligned’) ²			> 500 employees and > £500m sales	> 500 employees	> 500 employees
TCFD report					✓ ³
Viability report					✓
Financial statements ⁴	✓	✓	✓	✓	✓

Notes

1. Forthcoming (possibly in the strategic report) – [Exposure Draft on IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#) and [Exposure Draft IFRS S2 Climate-related Disclosures](#)
2. For accounting periods starting on or after 6 April 2022
3. For accounting periods starting on or after 1 Jan 2021 (Premium listed) and 1 Jan 2022 (most standard listed)
4. [FRS 102 Factsheet 8 \(frc.org.uk\)](#) and [IFRS standards and climate related disclosures_IASB](#)

Streamlined energy and carbon reporting (SECR)

The SECR framework

The SECR requirements came into force on 1 April 2019 and extended existing greenhouse gas reporting already in place for UK Quoted companies, to UK registered, unquoted, large companies as defined in the Companies Act 2006

Size limits	Two out of:
Turnover	>£36m
Balance sheet	>£18m
Employees	>250

Large Limited Liability Partnerships (LLPs), which are already required to undertake energy audits under Energy Savings Opportunities Scheme (ESOS) Regulations also fall within scope of the SECR framework. Companies using 40,000kWh or less energy in the 12 month reporting period are exempt. Public organisations, charities or voluntary bodies fall outside this legislation unless they operate as companies or LLPs and are above the relevant reporting thresholds.

The SECR was developed with the intention of making environmental reporting more consistent and to encourage more businesses to realise the benefits of measuring their environmental performance. Measurement is often the first step in reducing energy and other resource consumption and can assist businesses in gaining a better understanding of these increasingly important environmental challenges.

Group reporting

If reporting at the group level, when making energy and carbon disclosures, information of any subsidiaries included in the consolidation must also be taken into account. However, there is the option to exclude any information relating to a subsidiary which the subsidiary would not be obliged to include if reporting on its own account.

Furthermore, a subsidiary might not be obliged to include the energy and carbon information in its own accounts and reports, if it is included in the group report of a parent undertaking.

What needs to be reported in the financial statements?

The minimum requirements are as follows:

- UK energy usage with comparatives (global energy usage for quoted companies)
- UK Scope 1 and 2 greenhouse gas emissions with comparatives (global for quoted companies)
- Methodology of how the data has been collated and prepared
- Intensity metric (for example “kWh/headcount” or “kWh/revenue”)
- Narrative commentary on action taken in the year to improve energy efficiency

In addition to this, voluntary Scope 3 greenhouse gas emissions disclosures are encouraged.

These disclosures need to be made in the directors' report. Where energy usage and carbon emissions are of strategic importance to the company, disclosure may be included in the strategic report instead of the directors' report.

FRC Thematic Review

In September 2021, the FRC published their thematic review on SECR. The key findings from this review is that more needs to be done to make the disclosures understandable and relevant for users:

- Reports did not always provide sufficient information about the methodologies used to calculate the emissions and energy use information
- It was not always clear which entities were included in groups' SECR disclosures
- More thought is needed about how to integrate these disclosures with narrative reporting on climate change, where relevant, and make them easier for users to navigate
- It was sometimes unclear whether the ratios selected were the most appropriate for the entities' operations
- Disclosures about energy efficient measures did not always clearly describe the 'principal measures' taken by the entity in the current year
- The extent of third party assurance obtained over the SECR information was not adequately explained in most cases

The thematic review report provides a number of best practice examples, along with the expectations of the FRC for good SECR disclosures.

Section 5: Appendices

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01 Introduction and status of the audit

02 Audit findings

03. Independence, ethics, fees and non-audit services

04. Additional insights

05. Appendices

Delivering audit quality – proven success in regulatory inspections

You are working with a firm who has quality at the heart of their audit culture; a firm with a consistent track record in driving quality; and the first firm ever to have 100% of files reviewed in the highest quality gradings bracket awarded by the Financial Reporting Council (FRC) – for two consecutive years.

Consistently delivering high-quality results

- In 2022, we were the first firm to ever be awarded the highest quality gradings bracket for 100% of files reviewed by the FRC. We're delighted that this is consistent for the 2022-23 findings.
- The graph to the right shows Grant Thornton is the only firm to have all files reviewed in the highest quality gradings bracket awarded ("Good or limited improvements required"). It also shows the progress of our quality journey, following the enhancements and investments we've made in recent years.
- Furthermore, this year's report by the FRC includes findings from the ICAEW's Quality Assurance Department (QAD) where, again, 100% of those reviewed for our firm are in the highest bracket awarded.

[Click here](#) to see the latest annual Audit Quality Inspection for our firm, as published by the regulator, the FRC, on 6 July 2023.

Continued commitment to audit quality

We've established a 2025 audit strategy focussed around further enhancing our audit practice to ensure we continuously deliver high-quality audits through:

- **Creating an environment which allows us to excel in our chosen markets, consistently.** We've structured our audit practice to enable our teams to work across one of three markets (public interest, private capital, or entrepreneurial services), so our people have both the experience and enthusiasm to audit similar businesses.
- **Delivering exceptional results in four key areas of Quality, Inclusion & Diversity, Environmental, Social, Governance and People Experience.** Our people and our client relationships are our greatest asset and we've cultivated a strong audit culture.
- **Investing in talent, technology and infrastructure.** We continually re-invest in the very best people, technology and infrastructure to instil a mindset of continuous improvement.

FRC's Audit Quality Inspection and Supervision Report Findings 2022-23 (%), July 2023



The FRC have introduced 'targeted activity' – extracted directly from the report, the FRC state: "targeted activity: reduce inspection and supervision activity at firms where we have seen sufficient and sustained improvements in audit quality. This enables us to invest resources elsewhere, including at firms where quality improvements have been insufficient". We're delighted that, our firm, as a result, will see less inspections in future years.

What has the FRC said about us?

Our firm is immensely proud of the "good practice" areas highlighted by the FRC in our recent inspections, all of which remain integral to ensure we continue to deliver outstanding quality:

- Use of specialists, including at planning phases, to enhance fraud risk assessment
- Effective deployment of data analytical tools, particularly in the audit of revenue
- Robust challenge and effective assessment around capitalisation of costs, and consistency in assumptions used around valuations
- Clear oversight at group level when working with component auditors, including detailed review of working papers and evidencing interactions with component teams

We also welcome the FRC's comments around our own Internal Quality Monitoring process as "good practice" and other areas highlighted around our challenging of accounting around complex areas; holding discussions with those outside the finance team to provide broader audit evidence, and detailed and effective communication to Audit Committees.

Delivering audit quality – Quality Management Approach

Our Quality Management Approach (QMA) is structured around a number of components and is designed to meet the requirements of International Standard on Quality Management (UK) 1 as well as several other standards. The objectives of the QMA are:

- to deliver a risk-based approach to continually improving quality
- for individuals to see quality is more than just basic “tick box” compliance. Quality is at the centre of everything we do and allows us to meet our stakeholder’s expectations
- to design, implement and operate a system of quality management that provides the firm with reasonable assurance that:
 - the firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements and
 - engagement reports issued by the firm or engagement partners are appropriate in the circumstances
- to establish and maintain a robust monitoring, reporting, root cause and remediation programme
- to ensure the firm is resilient and can identify and respond to changes in the regulatory environment.

The components of the QMA have a number of detailed objectives and requirements designed to meet the overall objectives noted above. We identify risks to the achievement of these objectives and requirements and have developed and implemented responses to these risks. Our responses are designed around our

- Underlying structures
- Policies
- Processes and
- controls

The risks identified are rated according to the firms risk taxonomy and risk rating model

The QMA has a range of monitoring activities embedded within it but is also subject to a detailed review and testing process on an annual basis. The QMA provides consistency in the quality of our audits through the breadth and depth of our responses to quality risks. Our quality components are outlined below.

Our quality components are outlined below.

Culture

We create a culture where quality is embedded in everything people do

Leadership and governance

We behave ethically and meet the expectations of our regulators and society

People

We recruit, develop and nurture people from all backgrounds. We ensure they have the skills, ability, confidence and enthusiasm to deliver quality work across the business

Risk assessment, mitigation and resilience

We manage risk and build our resilience to support the firm’s strategy and deliver quality in all our work

Operating environment and new initiatives

We monitor our operating environment for changes impacting quality. We consider quality, risk and legal requirements for new initiatives, including digital solutions, services and market offerings

Reputation

We behave ethically and meet the expectations of our regulators and society

Technology and data

We have a digital mindset. We manage our information and records to protect confidentially, maintain their integrity, ensure accessibility and support work done

Take On

We only accept and continue work with clients aligned to our purpose, where we can deliver quality and only once all legal, commercial and ethical requirements have been met.

Delivery

We provide clear and easy to understand policies and procedures to guide and support our people to deliver quality assignments. We challenge each other, prior to providing assignment delivery, to ensure our work meets our high quality standards

Monitoring, reporting and root cause analysis

We monitor processes and controls on an ongoing basis. Reporting and root cause analysis allow us to take appropriate actions to address issues and focus on continuous quality improvement.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●
Expected modifications to the auditor's report, or emphasis of matter		●

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.



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Informing the audit risk assessment for Wolverhampton Homes 2022/23

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between Wolverhampton Home's external auditors and Wolverhampton Home's Audit Business Assurance Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit Business Assurance Committee under auditing standards.

Background

Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit Business Assurance Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit Risk Business Assurance Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit Business Assurance Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit Business Assurance Committee and supports the Audit Business Assurance Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the entity's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

Purpose

This report includes a series of questions on each of these areas and the response we have received from Wolverhampton Home's management. The Audit Business Assurance Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

General Enquiries of Management

Question	Management response
1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2022/23?	<p>Net pension liability estimates have the potential to significantly impact financial statements due to the fact they are based on material assumptions.</p> <p>The company continues with its 'Our Future' service redesign across the whole company, looking at new ways of working, taking learning from the response to Covid-19 and to improve efficiency.</p>
<p>2. Have you considered the appropriateness of the accounting policies adopted by Wolverhampton Homes?</p> <p>Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>Accounting policies are reviewed throughout the year by the City of Wolverhampton Councils Financial Team.</p> <p>There have been no known events or transactions that have caused WH to change or adopt new accounting policies.</p> <p>No changes to new accounting policies are anticipated.</p>
3. Is there any use of financial instruments, including derivatives? If so, please explain	Yes, WH has receivables and payables which will be disclosed in the notes to the accounts.
4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?	None known.

General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	None known.
6. Are you aware of any guarantee contracts? If so, please provide further details	None known.
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	None known.
8. Other than in house solicitors, can you provide details of those solicitors utilised by Wolverhampton Home's during the year. Please indicate where they are working on open litigation or contingencies from prior years?	<p>In terms of use of solicitors this has been via the City of Wolverhampton Council Legal department, and the following:</p> <p>Trowers & Hamlins –10 Colmore Row, Birmingham, B3 2QD –used to provide information, advice and legal representation with regard to employment tribunal claims.</p> <p>D&N Solicitors –15 King Street, Wolverhampton, WV1 1ST – used a couple of times throughout 2022/2023 for the purpose of advising on settlement agreements.</p> <p>Xperthr subscription – via LexisNexis Risk Solutions Group, LNRS Data Services Limited – Registered address Quadrant House, The Quadrant, Sutton, SM2 5AS - used legal helpline various times throughout 2022/2023.</p>

General Enquiries of Management

Question	Management response
9. Have any of the Wolverhampton Home's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	None of WH's service providers have reported any fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements.
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	<p>Arcadis - commercial support - Arcadis office address - Arcadis UK 1st Floor, Cornerblock, 2 Cornwall Street, Birmingham. B3 2DX</p> <p>Barrow and Parker Ltd, HR Consultancy, Marston House, 5 Elmdon Lane, Marston Green, Solihull, B37 7DL - commissioned to deliver management and leadership development programmes and review of HR policies. - commissioned to deliver management and leadership development programmes and review of HR policies.</p> <p>Jacobs - architectural design requirements - 7th Floor, 2 Colmore Square, 38 Colmore Circus, Birmingham, B4 6BN.</p> <p>West Midlands Employers, Sandwell Council House, Freeth Street, Oldbury, B69 3DB - commissioned external investigating officer for a grievance investigation.</p> <p>Xperthr subscription – via LexisNexis Risk Solutions Group, LNRS Data Services Limited – Registered address Quadrant House, The Quadrant, Sutton, SM2 5AS - used legal helpline various times throughout 2022/2023.</p>
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	None known.

Fraud

Matters in relation to fraud

ISA (UK) 240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit Business Assurance Committee and management. Management, with the oversight of the Audit Business Assurance Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Business Assurance Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As Wolverhampton Home's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud,
- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit Business Assurance Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit Business Assurance Committee oversees the above processes. We are also required to make inquiries of both management and the Audit Business Assurance Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from Wolverhampton Home's management.

Fraud risk assessment

Question	Management response
<p>1. Has Wolverhampton Home's assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the entity's risk management processes link to financial reporting?</p>	<p>This is considered low risk to Wolverhampton Homes Ltd – there is a clear division of duty between Wolverhampton Homes operational activities and the preparation of financial accounts by the City of Wolverhampton Homes accountancy team (via a Service Level Agreement). This is in conjunction with Wolverhampton Homes managers for financial monitoring, budget setting, account preparation and final accounts all consider the risk of material misstatement. Where any errors or issues are identified, this would be reported immediately to management.</p>
<p>2. Are the entity aware of the risks of fraud that may be evident in the entity? This includes the risks of fraud that are specific to the entity's business sector.</p>	<p>Wolverhampton Homes Ltd continue to work to minimise the risks of Housing Tenancy Fraud. Work is undertaken to investigate all instances of potential tenancy fraud –this is delivered via a Service Level Agreement by Internal Audit, City of Wolverhampton Council. Regular monitoring reports are provided to management and Committee of the outcomes of investigations / number of properties reclaimed. With the exception of tenancy fraud which has no impact on WH accounts, other areas highlighted as a particular fraud issue are around payments, payroll, cyber fraud etc. These are included in the key financial audits and Fraud Risk Register. There is an active Fraud risk register in place covering all areas of the business.</p>
<p>3. Are you aware of any instances of actual, suspected or alleged fraud within Wolverhampton Home's as a whole, or within specific departments since 1 April 2022 that affect/have affected the entity? If so, please provide details</p>	<p>No material fraud reported this financial year. Fraud reporting is a standing agenda item on the Audit and Business Assurance Committee. Operational Risk Registers feed into the strategic Corporate Risk Register - which is also a standing item at Audit and Business Assurance Committee. This is also regularly reviewed by the Senior Management Team. WH continue to monitor a separate Fraud Risk Register. Tenancy fraud is dealt with separately by the City of Wolverhampton Councils Tenancy Fraud team (via a Service Level Agreement).</p>

Fraud risk assessment

Question	Management response
<p>4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?</p>	<p>WH governance arrangements ensure risks including fraud are dealt with by management. A fraud update is presented to every Audit and Business Assurance committee. Employee updates where required. Operational Risks Register managed by the Senior Leadership team.</p>
<p>5. Have you identified any specific fraud risks? If so, please provide details</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within Wolverhampton Homes where fraud is more likely to occur?</p>	<p>A separate independent Fraud Risk Register is in place and the areas identified include:</p> <ul style="list-style-type: none"> - Payroll - Cyber Security - Procurement - Covid-19 - Bank mandate fraud - Housing Tenancy - Theft - Insurance - Money laundering - Grants/welfare <p>Tenancy Fraud remains the biggest area of risk for WHL, however this has no impact on WH accounts and this is monitored closely with the use of Tenancy Fraud investigators. Appropriate controls are in place. The Fraud risk register has been developed and WH work with the council to address tenancy fraud.</p>
<p>6. What processes do Wolverhampton Homes have in place to identify and respond to risks of fraud? What other controls are in place to help prevent, deter or detect fraud? Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process?(For example because of undue pressure to achieve a financial targets) If so, please provide details</p>	<p>There is a service level agreement in place with the City of Wolverhampton Councils Counter Fraud team which sits within Audit Services. The company promotes an anti fraud culture, with Risk and Fraud awareness on our internal training plans. WH participate in the governments National Fraud Initiative.</p> <p>Processes to identify fraud – there are robust systems in place which are regularly audited. Company policies available to identify fraud e.g. Whistleblowing / See It, Report It. Management reviews are undertaken which include areas of compliance. Data matching exercise undertaken to identify fraud. WHL are also part of the National Fraud Initiative.</p>

Fraud risk assessment

Question	Management response
<p>7. How do you assess the overall control environment for Wolverhampton Homes, including:</p> <ul style="list-style-type: none"> the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)? If so, please provide details</p>	<p>Audit services have given an unqualified opinion on the adequacy and effectiveness of the company's internal control systems. Internal reviews are undertaken and internal audit report where appropriate on areas of concern. Recommendations will be made in order to improve weaknesses and are followed up at a later date. Reports are presented to each Audit and Business Assurance Committee.</p> <p>There are not any known areas where there is a potential to override controls or inappropriately influence over the financial reporting process.</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>None known.</p>

Fraud risk assessment

Question	Management response
<p>9. How does Wolverhampton Homes communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>WH has policies and procedures to help raise awareness of and combat fraud:</p> <ul style="list-style-type: none"> • See it, report it policy • Whistle blowing policy <p>Where appropriate these documents are supported by internal training provided to employees. The public facing website identifies contact for any suspected fraud which the public wish to report. Employees learn about business processes and ethical behaviour through:</p> <ul style="list-style-type: none"> • Code of conduct • Induction training • Procurement procedures • Additional polices e.g. Gifts and Hospitality <p>No current issues have been reported within this year.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Senior Managers who have powers to influence decisions are potentially the highest risk posts in terms of fraud and corruption.</p> <p>All staff are required to complete a declaration of interest form, abide by their professional standards, and to adhere to company policies.</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>None known.</p> <p>Conditions of contract with third parties are in place to mitigate fraud risk.</p> <p>Mitigated risks by completion of the annual data match. Employee policies in place.</p>

Fraud risk assessment

Question	Management response
<p>12. What arrangements are in place to report fraud issues and risks to the Audit Risk & Assurance Committee?</p> <p>How does the Audit Risk & Assurance Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<p>A quarterly fraud update is presented to Audit and Business Assurance Committee including details of any recent investigations.</p> <p>Committee also review any fraud related policies and the fraud risk register. Internal Audit consider the possibility of fraud as part of all audit work.</p> <p>Every internal audit considers the risk of fraud. WHL are part of the national fraud initiative. Internal Audit are available (in confidence) with members of the committee and also employees. Whistle blowing policy is in place and available. There is also an independent Whistle blowing contact and telephone line is available independently for reporting issues directly to the City of Wolverhampton Council. Staff have received fraud awareness and risk management training.</p>
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>None known.</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>None known.</p>

Law and regulations

Matters in relation to laws and regulations

ISA (UK) 250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit Business Assurance Committee, is responsible for ensuring that Wolverhampton Home's operations are conducted in accordance with laws and regulations, including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit Business Assurance Committee as to whether the body is in compliance with laws and regulations. Where we become aware of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
<p>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Wolverhampton Homes have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the entity's regulatory environment that may have a significant impact on the entity's financial statements?</p>	<p>A number of controls are in place. Management place reliant on these controls. In addition there is an annual programme of work from Audit Services with Internal audit reports that include adherence to legal requirements where applicable. Management have implemented appropriate procedures to ensure all laws and regulations are applied which have been developed by housing professionals. Increased involvement with Housing Regulator.</p> <p>The Service Level Agreement with City of Wolverhampton Council covers advice for legal services, Internal Audit, H&S and procurement – with professionally qualified staff at both. Senior housing officers are members of Chartered Institute of Housing and are expected to maintain a working knowledge of current legislation. Where necessary independent Legal advice is obtained.</p>
<p>2. How is the Audit Risk & Assurance Committee provided with assurance that all relevant laws and regulations have been complied with?</p> <p>Is Management aware of any non-compliance with any laws and regulations?</p>	<p>The findings and recommendations from Audit services are presented to Audit and Business Assurance committee. Adherence to laws are considered as part of each internal audit review, additionally individual managers provide assurance within their area of expertise that laws are being applied e.g. Big 6 compliance. Professional accountancy staff support WH via a service level agreement to ensure financial probity and this is supported via the full and proper year end accountancy processes.</p>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2022 with an on-going impact on the 2022/23 financial statements? If so, please provide details</p>	<p>None known.</p>
<p>4. What arrangements does management have in place to identify, evaluate and account for litigation or claims?</p>	<p>Any instance of litigation would be referred to the Chief Executive and the Company Secretary for consideration.</p>
<p>5. Has management identified possible litigation and claims which may give rise to a risk of material misstatement?</p>	<p>None known.</p>

Impact of laws and regulations

Question	Management response
<p>5. What arrangements does Wolverhampton Homes have in place to identify, evaluate and account for litigation or claims?</p>	<p>These can be identified as part of the financial reporting processes.</p> <p>Any instance of litigation would be initially referred to the Chief Executive and the Company Secretary for consideration.</p>
<p>6. What knowledge does Wolverhampton Homes have over the potential litigation or claims that are affecting the entity?</p>	<p>None known.</p>
<p>7. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details.</p>	<p>None known.</p>

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Related Parties

Matters in relation to Related Parties

Wolverhampton Homes are required to disclose transactions with bodies/individuals that would be classed as related parties. These may include:

- bodies that directly, or indirectly through one or more intermediaries, control, or are controlled by Wolverhampton Homes ;
- associates;
- joint ventures;
- a body that has an interest in the authority that gives it significant influence over the company;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the company, or of any body that is a related party of the company.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the entity's perspective but material from a related party viewpoint then the entity must disclose it.

ISA (UK) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in Wolverhampton Home's 2021/22 financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> the nature of the relationship between these related parties and Wolverhampton Homes whether Wolverhampton Homes has entered into or plans to enter into any transactions with these related parties the type and purpose of these transactions 	None known.
<p>2. What controls does Wolverhampton Homes have in place to identify, account for and disclose related party transactions and relationships, including changes from the prior period?</p>	<p>There is a Declaration of Interest form in place, which is completed by employees and members of the Board. Annual Data Matching completed each year.</p> <p>Main Shareholder is the City of Wolverhampton Council.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	Not applicable. Full systems and processes in place regarding our operational activities with the City of Wolverhampton Council
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	Not applicable.

Going Concern

Matters in relation to Going Concern

The audit approach for going concern is based on the requirements of ISA (UK) 570.

Going Concern

Question	Management response
1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Wolverhampton Homes will no longer continue?	There is a Medium Term Financial Strategy in place. Core business is covered by the Management Agreement in place with the City of Wolverhampton Council which in turn stipulates the delivery of services. Regular meetings take place with the council and the company to ensure business needs are being met under the requirements of the Management Agreement.
2. Are management aware of any factors which may mean for Wolverhampton Homes that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?	No – the management are not aware of any factors.
3. With regard to the statutory services currently provided by Wolverhampton Homes, does Wolverhampton Homes expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Wolverhampton Homes to cease to exist?	Yes, the company will continue to deliver services for the future under the management agreement.
4. Are management satisfied that the financial reporting framework permits Wolverhampton Homes to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?	Yes, the company are satisfied – the financial reporting is completed under the service level agreement with the City of Wolverhampton Council. None identified.5.
5. Whether events or conditions, that individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern were identified?	

Accounting estimates

Matters in relation to accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess a body's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the body's risk management process identifies and addresses risks relating to accounting estimates;
- The body's information system as it relates to accounting estimates;
- The body's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Business Assurance Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates

We would ask the Audit Business Assurance Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Accounting Estimates - General Enquiries of Management

Question	Management response
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	None known.
2. How does the entity's risk management process identify and address risks relating to accounting estimates?	There is a full process in place for discussing any estimates with the Senior Management team and the City of Wolverhampton Finance team.
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	This is completed by regular monitoring and in conjunction with the key financial staff, and WHL senior managers.
4. How do management review the outcomes of previous accounting estimates?	There is a programme of quarterly meetings are established with senior management and the Board. Regular monthly meetings in place with operational budget managers and the CWC finance team.
5. Were any changes made to the estimation processes in 2022/23 and, if so, what was the reason for these?	Ongoing established procedures followed.

Accounting Estimates - General Enquiries of Management

Question	Management response
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	Use of CWC accountancy professional team.
7. How does the entity determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	Ongoing discussions with Senior Management team and Head of Service and CWC accountancy team.
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	Procedures in place to regularly monitor estimates and forecasts / regular reporting to senior management and Board.
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements. 	Quarterly reporting to Board based on financial information. Regular review by the senior management team of financial information.

Accounting Estimates - General Enquiries of Management

Question	Management response
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	None known.
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	Yes.
12. How is the Audit Risk & Assurance Committee provided with assurance that the arrangements for accounting estimates are adequate ?	The audit findings report from the statutory accounts will include any misstatements identified in the audit.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Land and buildings-depreciation and impairment	Fixed assets are depreciated annually calculated on straight line basis by component. An impairment review is performed annually to determine whether an impairment is required.	Knowledge of stock investment team Local review of property values	Profession stock investment team N/A	Low degree of uncertainty due to assets being new and unlikely to decrease in value A 5 yearly valuation will be carried out	No
Measurement of Financial Instruments	Trade Receivables are classified as loans and receivables are initially recognised at fair value. They are subsequently measures at their amortised cost using the effective interest method less any provision for impairment. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.	Knowledge by the management team and assess the potential risk in credit losses.	N/A	A provision for impairment is made where there is objective evidences, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate.	No.
Pension Fund (LGPS) Actuarial gains/losses	The Actuarial gains and losses figures are calculated by the actuarial expert Barnett Waddingham. These figures are based on making % adjustments to the closing values of assets/liabilities.	The entity responds to queries raised by the administering body.	The entity are provided with an actuarial report by Barnett Waddingham (LGPS).	The nature of these figures forecasting into the future are based upon the best information held at the current time and are developed by experts in their field.	No.
Accruals	We use standard accruals accounting – accruals are based on expenses incurred that have not yet been paid.	Monthly Management accounts provides rigorous analysis so that any accruals are highlighted and actioned throughout the year.	N/A	N/A	No.



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M I N U T E S



Meeting: Wolverhampton Homes Annual General Meeting

Date: Monday 10 October 2022

Venue: WV Active, Aldersley Board Room

Time: 13:30

MEMBERS IN ATTENDANCE: -

Angela Davies	-	Chair – Tenant Board Member
Councillor Asha Mattu	-	Board Member – Councillor
Councillor Jonathon Crofts	-	Board Member – Councillor
Councillor Rita Potter	-	Board Member – Councillor
Hajrija Dergic	-	Board Member – Independent
Steve Finegan	-	Vice Chair – Independent Board Member
Victor Browne	-	Board Member – Tenant

STAFF IN ATTENDANCE – WOLVERHAMPTON HOMES: -

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Director – Corporate Services (Company Secretary)
Angela Barnes	-	Director – Homes and Communities
Darren Baggs	-	Assistant Director – Housing
Kevin Manning	-	Assistant Director – Strategic Management
Nicky Devey	-	Head of Business Services
Jackie Wilkinson	-	Executive Assistant (minutes)
Melissa Oates	-	Business Assurance Officer

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL (CWC): -

John Roseblade	-	Temporary Director of City Housing and Environment
Jo McCoy	-	Head of Financial Management

EXTERNAL AUDITORS IN ATTENDANCE: -

Bill Devitt	-	Grant Thornton, External Audit Partner
William Guest	-	Grant Thornton, External Audit

OBSERVERS IN ATTENDANCE: - CITY OF WOLVERHAMPTON COUNCIL (CWC): -

Andrew Bryant - Service Lead – Landlord Services
 Lynda Eyton - Client Relationship Manager - Housing Management Agents

<p>1.0</p> <p>1.1</p>	<p>Apologies</p> <ul style="list-style-type: none"> - Derek Allen – Independent Member - Joy McLaren – Tenant Member - Mike Porter – Tenant Member - Parveen Brigue – Independent Member - Councillor Zareena Russell 	
<p>2.0</p> <p>2.1</p>	<p>Declaration of Interest</p> <ul style="list-style-type: none"> - Angela Davies – Tenant Member - Victor Browne – Tenant Member <p>Noted: No specific conflict of interest identified.</p>	
<p>3.0</p> <p>3.1</p>	<p>WH – Welcome and introduction</p> <p>Board members were notified of the attendees and observers present.</p>	
<p>4.0</p> <p>4.1</p>	<p>City of Wolverhampton Council – Shareholder Update – John Roseblade</p> <p>Information was shared by the Shareholder regarding the continued positive joint working arrangements between Wolverhampton Homes (WH) and the City of Wolverhampton Council (CWC). Noted as follows:</p> <ul style="list-style-type: none"> - The relationship between CWC and WH is strong, and it is important it continues that way. With an ever growing demand on social housing both nationally and locally, the continued collaboration between CWC and WH will ensure the needs of residents are supported. - The Council has recently launched a Financial Wellbeing Strategy and will work with partners, including Wolverhampton Homes to help support customers in tackling poverty and to improve the financial wellbeing of residents. - CWC and WH have developed a strong partnership over the years, and it is important to review how the partnership can continue to provide effective, resilient and value for money housing management and services on behalf of the Council. - The current management agreement between CWC and WH is in place until 2028, with the break clause in 2023 offering an opportunity to review the existing arrangements, therefore 	

	CWC have engaged the independent services of Campbell Tickell to provide a strategic review of the management agreement and the services that WH undertake on the Council's behalf.	
5.0	Wolverhampton Homes – ALMO Update – Shaun Aldis Chief Executive	
5.1	<p>Further details were shared on the specific priorities that will continue throughout the coming 12 months:</p> <ul style="list-style-type: none"> - <u>Regulation</u> – Charter for Social Housing Residents / Building Safety Act / Fire Safety Act. - <u>Homelessness</u> – Looking at increased prevention activity and what a robust housing advice offer may look like. - <u>Safe and healthy homes</u> - Continued delivery of the Capital Programme across the City including the transformational projects at both Heath Town and the Tarrans Estate. - <u>Income Maximisation</u> - continuing a robust approach to income management, developing a culture where WH work with customers to tackle any barriers to enable them to sustain their tenancies. - <u>More and better homes</u> - supporting the increase to the housing offer across the city. The Help to Own scheme has been a success and WH continue to roll out the small sites' schemes. - <u>Domestic Abuse</u> – WH have been awarded DAHA accreditation. - <u>Home Improvement Agency</u> – More flexibility now available to utilise the grant process to ensure people are supported to live independently for longer in their own homes. WH will also consider joint working with partners including health and social care in relation to hospital discharge and admissions. - <u>Customer contact and access / Digital Agenda</u> – this gives opportunity for innovation and new ways of working to ensure the provision of one touch services which are modern and seamless for our staff and customers, taking the learning from the pandemic to deliver critical services to our customers. 	
6.0	Minutes of previous Annual General Meeting – 03 September 2021	
6.1	The minutes of the previous Annual General Meeting, 03 September 2021 were agreed as a true record.	
7.0	Matters arising	
7.1	There were no matters arising.	

External Audit Items	
8.0	Audit Findings Report 2021 - 2022 – Bill Devitt – Grant Thornton. William Guest
8.1	Board members were provided with an overview of the financial statements for year ended 31 March 2022.
8.2	It was confirmed that the audit opinion will be unqualified, with no material uncertainty on the value of WH's investment property. Final information is awaited on the West Midlands Pension Scheme in order to finalise the accounts, which will be submitted by 31 December 2022.
8.3	Clarification was requested by the Chief Executive in relation to council owned companies to ensure that there are no risks / issues for either WH or CWC. Grant Thornton confirmed that there are no concerns in relation to material significant risks, testing is carried out on a large sample basis and no risks were identified. Subsidiaries are legal entities that are appropriate for Council's and WH is appropriate to act in this role as an ALMO.
For Decision	
9.0	Annual Strategic Financial Arrangements – Julie Haydon, Company Secretary
9.1	Board members were provided with details on a number of areas and were asked to approve the following: <ul style="list-style-type: none"> • Draft Financial Statements for the year ended 31 March 2022. • Wolverhampton Homes Letter of Representation 2021 – 2022. • Wolverhampton Homes Letter of Going Concern – September 2022.
9.2	Board Members were asked to note the: <ul style="list-style-type: none"> • Letter of Support from the City of Wolverhampton Council – September 2022.
9.3	Board queried the Annual Strategic Financial Arrangements report, page 42 / 43 and highlighted a potential anomaly between the Audit Report and the Strategic Report in relation to the reserve balance. It states a reserve of £5.6m in the Audit Report and £5.3m in the Strategic Financial Arrangements report, and £5.8 fixed assets at the end of the previous financial year, whereas the Audit report says £6.0m.
9.4	CWC advised that this is likely to be because of slight rounding differences and confirmed they would investigate further and amend accordingly.


<p>9.5</p> <p>9.5.1</p>	<p>Grant Thornton advised that the accounts issued in the papers are not the final version and are still in draft so further checks and edits will be carried out.</p> <p>Action – Grant Thornton to review and amend figures as required relating to 9.3.</p> <p>Board Members approved the:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2021 - 2022 2. Wolverhampton Homes (WH) Letter of Representation 3. Wolverhampton Homes (WH) Letter of going concern <p>The Shareholder ratified the following decisions and documents:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2021 - 2022 2. Wolverhampton Homes (WH) Letter of Representation 3. Letter of Going Concern 4. Letter of Support – City of Wolverhampton Council 	<p>ND</p>
<p>10.0</p> <p>10.1</p>	<p>Governance Arrangements and Articles of Association – Julie Haydon, Company Secretary</p> <p>Board members were appraised of the work undertaken to review the company’s governance arrangements which have been revised and updated in line with best practice and legislation.</p> <p>Board Members approved:</p> <p>Updated Terms of Reference in line with the Wolverhampton Homes Governance Structure:</p> <ul style="list-style-type: none"> • Board • Audit and Business Assurance Committee • Communities and Service Delivery Committee <p>Board Members noted:</p> <ul style="list-style-type: none"> • Financial Regulations (final version) • Ongoing Governance arrangements 	
<p>11.0</p> <p>11.1</p>	<p>Confirmation of Board Membership – Nicky Devey, Head of Business Services</p> <p>Board members and the Shareholder representative were provided with confirmation of Board member changes that have occurred since the last Annual General Meeting held in September 2021, which were as follows:</p>	

	<ul style="list-style-type: none"> Terminated appointment of Paul Appleby as Director on 30 May 2022 Appointment of Jonathon Crofts as a Director on 01 June 2022 	
11.2	The Shareholders were asked to confirm that membership of the Board, following today's Annual General Meeting shall be:	
11.3	<p><u>Councillor Board Members</u> Councillor Asha Mattu Councillor Jonathon Crofts Councillor Rita Potter Councillor Zareena Russell</p>	
11.4	<p><u>Tenant Board Members</u> Angela Davies Joy McLaren Michael Porter Victor Browne</p>	
11.5	<p><u>Independent Board Members</u> Derek Allen Hajrija Dergic Parveen Brigue Steve Finegan</p> <p>Resolved: John Roseblade, on behalf of the shareholder confirmed the membership of the Board as detailed in this report</p>	
12.0	Electing the Chair – Nicky Devey, Head of Business Services	
12.1	Angela Davies, Tenant member confirmed an expression of interest in continuing the role of Chair of the Board	
12.2	This was formally proposed by Steve Finegan and seconded by Councillor Rita Potter.	
	Resolved: Angela Davies is confirmed as Chair of Wolverhampton Homes Board for 2022 - 2023	
13.0	Electing the Vice Chair – Nicky Devey, Head of Business Services	
13.1	Steve Finegan confirmed an expression of interest in continuing in the role of Vice Chair of the Board.	
13.2	This was formally proposed by Councillor Asha Mattu and seconded by Hajrija Dergic, Independent Member.	
	Resolved: Steve Finegan is confirmed as Vice Chair of Wolverhampton Homes Board for 2022 - 2023	

14.0	Electing the Committee Chairs – Nicky Devey, Head of Business Services	
14.1	Electing the Chair of Wolverhampton Homes Audit and Business Assurance Committee	
14.1.2	Steve Finegan, Independent member, confirmed an expression of interest in continuing in the role of Chair of the Audit and Business Assurance Committee.	
14.1.3	This was formally proposed by Councillor Rita Potter and seconded by Councillor Jonathon Crofts. Resolved: Steve Finegan confirmed as Chair of the Audit and Business Assurance Committee for 2022 - 2023	
14.2	Electing the Chair of Wolverhampton Homes Communities and Service Delivery Committee	
14.2.1	Joy McLaren, Tenant member confirmed an expression of interest in continuing in the role of Chair of the Communities and Service Delivery Committee.	
14.2.2	This was formally proposed by Hajrija Dergic, Independent Member and seconded by Victor Browne, Tenant Member. Resolved: Joy Maclaren confirmed as Chair of Communities and Service Delivery Committee for 2022 - 2023	
15.0	Any other business	
15.1	No items of any other business were raised.	
16.0	Date of next Annual General Meeting	
16.1	September 2023 - date to be confirmed.	

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Board Report

	Agenda Item 10
	<p>21 September 2023 Annual Strategic Financial Arrangements</p>
	AGM Report
Status:	For Decision
Author and job title:	Julie Haydon, Company Secretary
Contact No:	07870 363036
Recommendations:	<p>Board Members are asked to approve the:</p> <ol style="list-style-type: none"> 1. WH Letter of Going Concern – September 2023 <p>and to note the:</p> <ol style="list-style-type: none"> 2. Draft WH Letter of Representation – 2022 - 2023 3. Letter of Support from the City of Wolverhampton Council – September 2023 <p>The Shareholder is asked to ratify the following decisions and documents:</p> <ol style="list-style-type: none"> 4. WH Letter of Going Concern – September 2023 5. WH Letter of Representation – 2022 - 2023
Key risks and contentious issues:	<p>Failure to approve the company’s annual accounts in line with Companies House requirements.</p> <p>The company is limited by guarantee as governed by its Articles of Association and hence is required to ensure compliance with appropriate regulation and legislation.</p>

	The external audit process is a critical element of the company's Business Assurance framework.
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Management Summary

1.0 Purpose

1.1 The purpose of the report is to seek Board and Shareholder approval for the:

- Agreement of the WH Letter of Going Concern – September 2023

and for the Board and Shareholder to note the:

- Draft WH Letter of Representation – 2022 - 2023
- Letter of Support from the City of Wolverhampton Council - September 2023

See Appendices 1, 2 and 3.

2.0 Background

2.1 The Company's Articles of Association determines the arrangements for approval of the company's annual accounts at each Annual General Meeting including the associated letter of representation.

3.0 Financial Statements 2022 - 2023

3.1 The draft Financial Statements will be presented in due course to the Wolverhampton Homes Board to review and provide comments in order for due diligence to be applied.

3.2 The draft Letter of Representation is provided in connection with the audit of the financial statements of Wolverhampton Homes Ltd for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

3.3 Grant Thornton are the appointed external auditors for the period of the 2019 - 2023 Business Plan and it is to be noted that Grant Thornton continue to be the appointed external auditors for the City of Wolverhampton Council (CWC) for the same period.

4.0 Financial and value for money implications

4.1 The final audited accounts are the key financial documents that underpin the company in relation to sound financial management.

5.0 Legal and regulatory implications

5.1 The final accounts and the external audit process are key to the ongoing governance arrangements.

6.0 Human resources implications

6.1 There are no human resources implications identified within this report.

7.0 Health and safety implications

7.1 There are no health and safety implications identified within this report.

8.0 Equalities implications

8.1 Has an Equality Impact Assessment been carried out: **Not applicable**

9.0 Impact on the environment and community

9.1 There are no impacts on the environment and community identified within this report.

10.0 Long term consequences for the company

10.1 It is imperative that the company adheres to financial regulations and accounting requirements.

10.2 It is noted that the Board of Wolverhampton Homes Limited, approve in their opinion, Wolverhampton Homes Limited has adequate resources to continue in its operational existence for the foreseeable future.

11.0 Impact on business relationships with suppliers, customers and others

11.1 The shareholder is required to ratify the decisions and documents as detailed within this report.

12.0 List of Appendices

12.1 Appendix 1 – Letter of Going Concern – September 2023

12.2 Appendix 2 – Wolverhampton Homes Letter of Representation 2022 – 2023

12.3 Appendix 3 – Letter of Support – City of Wolverhampton Council – September 2023

Our Ref WH/LOGC2023

Grant Thornton UK LLP
Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Wednesfield Housing Office
Alfred Squire Road
Wolverhampton
WV11 1XU

05 September 2023

To whom it may concern,

Wolverhampton Homes Limited
Letter of Going Concern – September 2023

The Company's business activities, together with the factors that are likely to affect its future developments, performance and position are set out within the Business Plan 2019 - 2023 alongside the annual Delivery Plan and Performance Suite.

The Company has a medium-term financial plan in place which provides adequate resources to finance invest to save initiatives, along with its day to day operations.

This is based on the arrangements in place with the City of Wolverhampton Council for the delivery of housing management and maintenance services as set out in the Management Agreement.

The cash flow forecasts provide management with assurance that the Company can meet its liabilities as they fall due.

On this basis, the Board of Wolverhampton Homes Limited, approve in their opinion, Wolverhampton Homes Limited has adequate resources to continue in its operational existence for the foreseeable future, being a period of at least 12 months after the date on which the Financial Statements are signed.

For this reason, it continues to adopt the going concern basis in the Financial Statements. The Chief Executive, Company Secretary, Head of Business Services and the Board are responsible for preparing the Financial Statements Report, and the Financial Statements in accordance with applicable law and regulations.

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

The Companies Act 2006 and the Housing Act 1996 require the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing those Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Senior Management Team is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Yours faithfully

Signed on behalf of the board of Wolverhampton Homes Ltd

Steve Finegan – Acting Chair of Wolverhampton Homes Board



Shaun Aldis – Chief Executive



Julie Haydon – Company Secretary



Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Grant Thornton UK LLP
17th Floor
103 Colmore Circus
Birmingham
B3 3AG

Wednesfield Housing Office
Alfred Squire Road
Wolverhampton
West Midlands
WV11 1XU
01902 552956

Date: TBC

Dear Grant Thornton UK LLP,

**Wolverhampton Homes Limited
Financial Statements for the Year Ended 31 March 2023**

This representation letter is provided in connection with the audit of the financial statements of Wolverhampton Homes Limited for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial statements in accordance with of UK-adopted international accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- ii We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- iii The methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council
and limited by guarantee, registered in England and Wales no.5441967

- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of of UK-adopted international accounting standards.
- v All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed.
- vi The financial statements are free of material misstatements, including omissions.
- vii Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK-adopted international accounting standards.

Information Provided

- viii We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- ix All transactions have been recorded in the accounting records and are reflected in the financial statements.
- x We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xi We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xii We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- xiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xiv We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

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xv We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Yours faithfully,

Shaun Aldis
Chief Executive

Julie Haydon
Director & Company Secretary

Signed on behalf of the board of Wolverhampton Homes Ltd Commercial in confidence Chief Executive Director & Company Secretary

DRAFT

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
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The Directors
Wolverhampton Homes Limited
29 Market Street
Wolverhampton
WV1 3AG

16 August 2023

Dear Sirs

Wolverhampton Homes Limited

Management Agreement

The current Management Agreement runs to end of 31 March 2028. At present, we have no intention of ending this agreement before that date.

Management fee and similar income

The management fees for the year ended 31 March 2023 payable by the City of Wolverhampton Council to Wolverhampton Homes Limited amounted to £42.5 million. Other income earned by Wolverhampton Homes Limited from the City of Wolverhampton Council in respect of the year ended 31 March 2023 was £14.8 million.

These fees have been derived in the manner required in accordance with the Management Agreement between the City of Wolverhampton Council and Wolverhampton Homes Limited.

We confirm that the management fee payable under the Management Agreement will be set at an adequate level to enable Wolverhampton Homes Limited to continue to provide the services under the management agreement. The level of the management fee will be arrived at through joint process, taking into account the financial needs of Wolverhampton Homes Limited, the resources adjudged to be available within the Council's Housing Revenue Account and the Council's medium term financial strategy. The management fee approved for 2023-2024 is £45 million.

Amounts due from/to Wolverhampton City Council

We confirm that as at 31 March 2023, Wolverhampton Homes Limited is owed by the City of Wolverhampton Council a net balance of £4,629,000, comprising an amount due to the City of Wolverhampton Council of £3,856,000 and an amount owed by the City of Wolverhampton Council of £8,485,000.

Continued.....

Confirmation of continuing support

We confirm that we intend to support financially Wolverhampton Homes Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2023 to enable it to meet its liabilities as they fall due.

We undertake to inform you immediately in the event that circumstances change in a manner such that it would or might no longer be open to us to continue to provide such financial support.

Yours faithfully



Claire Nye
Director of Finance
Tel. Office: 01902 550478

[E-mail: Claire.Nye@wolverhampton.gov.uk](mailto:Claire.Nye@wolverhampton.gov.uk)
City of Wolverhampton Council

Board Report

	Agenda Item 11
	21 September 2023 Governance Arrangements
	AGM Report
Status:	For Decision
Author and job title:	Julie Haydon, Director – Corporate Services (Company Secretary)
Contact No:	01902 552956
Recommendations:	<p>Board members and the Shareholder are asked to approve the:</p> <ol style="list-style-type: none"> 1. Confirmation of Board Membership and election of Chair(s) 2. Terms of Reference in line with the Wolverhampton Homes Governance Structure: <ul style="list-style-type: none"> • Board • Communities and Service Delivery Committee • Audit and Business Assurance Committee <p>Board members are asked to note the:</p> <ol style="list-style-type: none"> 3. Company’s ongoing Governance Arrangements
Key risks and contentious issues:	That the Board and Committees of Wolverhampton Homes are structured to ensure Board Members are able to discharge their leadership responsibilities; make strong and effective strategic decisions; and to hold Senior Management to account for the operational delivery of Wolverhampton Homes business.

	<p>The Board must provide adequate assurance to its shareholder and wider stakeholder groups that it is effective in its operation and able to respond effectively to the anticipated future regulatory framework.</p> <p>It is important that the work of the Company is underpinned by effective governance arrangements and the appropriate framework. The Articles of Association specifically underpin those arrangements.</p>
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Management Summary

1.0 Purpose

- 1.1 Wolverhampton Homes is required to have a strong governance structure in place to provide assurance to Board members that the company is delivering in line with the company's Articles of Association.
- 1.2 In line with the Company's Articles of Association, this report seeks Board confirmation of the Board membership and election of Board and Committee Chair(s), and Board Vice-chair alongside the approval for the Board and Committee's Terms of Reference at Appendix 1 to 4 respectively.
- 1.3 Board are asked to note the Company's ongoing Governance arrangements. It is confirmed that there have been no items escalated to Board from either Audit and Business Assurance Committee or Communities and Service Delivery Committee over the last 12 months.

2.0 Background

- 2.1 Wolverhampton Homes has in place a 4-year Business Plan 2019 - 2023 detailing its key strategic objectives and service delivery priorities. This Business Plan takes account of the primary issues identified within the Social Housing White Paper.
- 2.2 The core objectives of the 4-year Business Plan 2019 - 2023 are themed as follows:
 - Enhanced community and customer focus
 - Providing safe and secure homes
 - Supporting people to sustain their tenancies and homes
- 2.3 Board are required to undertake an annual review of the associated Terms of Reference which underpin the delivery of both the current and future regulatory and statutory framework that Board Members and Wolverhampton Homes work within.

3.0 Governance Framework

- 3.1 The Governance Structure comprises of Wolverhampton Homes Board, Audit and Business Assurance Committee, and the Communities and Service Delivery Committee.
- 3.2 When required, additional confidential matters can be added to any of the above agendas to support effective and timely decision making if needed.

4.0 Management Agreement – Break Clause

- 4.1 The Management Agreement details the services provided by Wolverhampton Homes on behalf of the City of Wolverhampton Council and was subject to review, as part of the break clause, in 2023.

4.2 The Campbell Tickell (Management Consultancy) review has been completed and the final report has been presented through the City of Wolverhampton Council governance framework, with details of the outcome to be provided to Board.

5.0 Performance Management Framework Audit

5.1 Wolverhampton Homes' continues to work with Housemark in relation to the performance management framework.

5.2 In collaboration with the shareholder, Wolverhampton Homes is progressing a joint working approach with the Data and Analytics team to support a focus on data quality and to inform decision making. This will see the creation of a shared evidence base of housing data to be able to satisfy regulatory compliance, whilst providing the council with full assurance that the data held reflects one version of the truth.

6.0 Financial and value for money implications

6.1 Wolverhampton Homes takes a proactive approach to Value for Money activity.

6.2 Wolverhampton Homes is required to maintain its financial activity to ensure it continues to operate as a Going Concern.

7.0 Legal and regulatory implications

7.1 The governance framework underpins the Articles of Association ensuring that the Board of Wolverhampton Homes operates within the Companies governance requirements to meet its legal obligations.

8.0 Human resources implications

8.1 There are no immediate implications within this report.

9.0 Health and safety implications

9.1 Board Members have significant responsibilities for health and safety for Wolverhampton Homes as an employer, and through the delivery of operational services.

10.0 Equalities implications

10.1 Has an equality impact assessment been carried out? **Not applicable**

10.2 Explanation: In the context of the report but will be applied to any Board recruitment or development programmes.

11.0 Impact on the environment and community

11.1 Effective governance of the company ensures a framework is in place to enable Board to be clear in its strategic decision making.

12.0 Long term consequences for the company

- 12.1 The Articles of Association enable a planned and consistent approach to ensuring business decisions are presented and considered appropriately and in a timely manner by the relevant Board or Committee. This supports the company in responding to the changing operating and regulatory environment.
- 12.2 Wolverhampton Homes to continue to support the CWC, in the delivery of its strategic aims under the management agreement.

13.0 Impact on business relationships with suppliers, customers and others

- 13.1 In fulfilling its governance and business requirements Wolverhampton Homes aims to engage with customers to understand their needs to ensure services are designed with that in mind.
- 13.2 Wolverhampton Homes continues to provide opportunities for the customer voice to be heard through a range of platforms including customer involvement panels to support further understanding of what impacts customer satisfaction.

14.0 Impact on Wolverhampton Homes' Management System

- 14.1 Will any new policy or policy updates have an impact on the management system? **No**

15.0 Appendices

- 15.1 Appendix 1: Confirmation of Board Membership and election of Chair(s)
- 15.2 Appendix 2: Terms of Reference - Wolverhampton Homes Board
- 15.3 Appendix 3: Terms of Reference - Wolverhampton Homes Communities and Service Delivery Committee
- 15.4 Appendix 4: Terms of Reference - Wolverhampton Homes Audit and Business Assurance Committee

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Appendix 1 - Confirmation of Board Membership and election of Chair(s)

The shareholder is asked to:

1. Confirm the membership of the Wolverhampton Homes Board as detailed within this report.
2. Confirm the Chair(s) and Vice Chair(s) of Wolverhampton Board and Committees.
3. Note the removal of Board Champions.

The Company's Articles of Association determine the arrangements for the rotation, retirement and selection of Board members. The organisation is required by Companies House to adhere to these arrangements. This also meets the expectation of the shareholder under the Management Agreement.

The roles of the Board Chair and Vice Chair, and the Committee Chair(s) will be formally considered on an annual basis at the Annual General Meeting. Should there be an in-year Board member resignation, recruitment would take place in line with the Articles of Association.

At each Annual General Meeting, the Board and Committee Chair(s) and Vice Chair(s) are nominated and confirmed for the following year.

Details of Membership

Since October 2022 to date, the following changes to membership of the Board have taken place:

- **Termination of appointment** of Angela Constance Davies as a director on 29 December 2022
- **Appointment** of Mrs Susan Roberts as a director on 26 May 2023
- **Termination of appointment** of Councillor Asha Mattu as a director on 30 May 2023
- **Termination of appointment** of Derek James Allen as a director on 19 June 2023
- **Termination of appointment** of Michael Porter as a director on 14 September 2023

Membership of Wolverhampton Homes Board:

The Shareholder is asked to confirm that membership of the Board, as of today's Annual General Meeting shall be:

Councillor Board Members

Jonathon Crofts
Rita Potter
Susan Roberts
Zareena Russell

Tenant Board Members

Christopher Lue
Joy McLaren
Sazini Malaba
Victor Browne

Independent Board Members

Criag Royall
Hajrija Dergic
Hannah Semple

Recruitment will take place for a further Independent member commencing October 2023.

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Wolverhampton Homes Board Terms of Reference	
Committee Structure	
The Board consists of twelve members, with four members representing each area:	<ul style="list-style-type: none"> - Councillor - Independent - Tenant
Committee Leadership	
Chair	Appointed via Board nomination process at the Annual General Meeting (AGM).
Deputisation	Chair or Vice Chair of the Board or nominated member of the Committee.
Co-opt arrangements	Permitted as required as per the current Articles of Association.
Termination	The Board retain the power to terminate members of the committee in accordance with the current Articles of Association.
The Board Chair also assumes responsibility for:	<ul style="list-style-type: none"> - Annual review of the Board Terms of Reference - Membership on the Board for Independent and Tenant members. - Obtaining Board approval of members.
Terms	
Frequency of meetings	Four times per year (quarterly basis).
Attendance	Committee members are required to attend all meetings. Any member of the committee absent for three consecutive meetings without special leave of absence will automatically lose their place on the committee.
Quorum	<ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member <p>Wolverhampton Homes Senior Management, Senior Leaders and other staff as required.</p>
Decision making	<p>Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.</p> <p>The Committee will receive input and presentation as necessary in order to be able to discharge its responsibilities.</p> <p>The agenda, meeting materials and previous minutes should be made available</p>

at least 5 working days in advance of each meeting. Each meeting will be minuted.

Responsibilities

The Board provide strategic decision making within the business objectives and Company's Articles of Association and the NHF Code of Governance in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes. This includes overseeing the financial interests of the Company, compliance with all relevant legislation as a provider of services and in line with its responsibilities to report to the City of Wolverhampton Council, Companies House and to all relevant regulatory agencies. This includes the monitoring of the company's performance against the current Business Plan and / or delivery plans, and holding to account the Senior Management in the delivery of priorities to ensure:

- a continued focus on strategic medium term financial planning, transformation plans, finances, investments and reserves
- consideration of strategic Human Resources issues such as service redesigns, revised business plans or business cases for change.
- monitoring of the business assurance framework such as the corporate risk register.
- Approval of the Annual Internal Audit Programme.
- Progress against compliance or improvement action plans arising from performance reviews, Health and Safety, Internal and External Audit or other external assessment.
- Scrutiny of risks and compliance through regular monitoring.
- Wolverhampton Homes are effective in meeting regulatory and statutory requirements against the Consumer Standards and other new and emerging regulation.
- Independent specialist Audit advice is obtained as required.

Board will undertake this by:

- establishing and agreeing the overarching Business Assurance framework, strategic health and safety policy, internal and external audit requirements.
- ensuring the company meets its legal and statutory requirements under the management agreement and that it undertakes due diligence on behalf of its shareholder, the City of Wolverhampton Council.
- agree annual delivery plans in line with the company's business plan.
- making key decisions, recommendations, and interventions on priority areas.
- approving the acquisition and disposal of business activity.
- ensuring organisational design supports the attainment of strategic objectives.
- setting the risk appetite and ensuring appropriate controls are in place.
- providing Procurement approval and authorisation for tender / notice to award
- planning for board member succession (with statutory constraints).
- receiving and reviewing feedback from customer feedback mechanisms and committee recommendations to inform the decision-making process.
- input and presentation as necessary in order to be able to discharge its responsibilities.

Committee Performance

An annual report shall be produced to demonstrate the committee's accountability to the Board, its effectiveness and detailing the committee activity for the previous year.
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Wolverhampton Homes Communities and Service Delivery Committee Terms of Reference	
Committee Structure	
Six members – two from each	<ul style="list-style-type: none"> - Councillor - Independent - Tenant
Committee Leadership	
Chair	Appointed via Board nomination process at the Annual General Meeting (AGM).
Deputisation	Chair or Vice Chair of the Board or nominated member of the Committee.
Co-opt arrangements	Permitted as required.
Termination	The Board retain the power to terminate members of the committee in accordance with the Articles of Association.
Terms	
Frequency of meetings	Four times per year (quarterly basis).
Attendance	Committee members are required to attend all meetings. Any member of the committee absent for three consecutive meetings without special leave of absence will automatically lose their place on the committee.
Quorum	<ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member <p>Wolverhampton Homes Senior Management, Senior Leaders and other staff as required.</p>
Decision making	<p>Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.</p> <p>The Committee will receive input and presentation as necessary in order to be able to discharge its responsibilities.</p> <p>The agenda, meeting materials and previous minutes should be made available at least 5 working days in advance of each meeting. Each meeting will be minuted.</p>
Responsibilities	
The committee provide strategic decision making within the business objectives and Company's Articles of Association and the NHF Code of Governance in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes.	

This includes the monitoring of the company's performance against the current Business Plan and / or delivery plans, incorporating service performance, customer feedback and satisfaction, customer scrutiny and Community Development by way of ensuring:

- there is a robust framework to achieve continuous improvement and excellent service delivery to customers.
- escalation to Board meeting agendas, matters it defines relevant or where there are cross cutting implications.
- reviewing of performance data against key performance indicator targets
- scrutiny of customer feedback and learning, to ensure learning is applied to service improvement.
- the views of tenants are at the heart of the decision-making process to reflect the 'customer voice' is effectively heard.
- Wolverhampton Homes are effective in meeting regulatory and statutory requirements.

Committee Performance

An annual report shall be produced to demonstrate the committee's accountability to the Board, its effectiveness and detailing the committee activity for the previous year.

Wolverhampton Homes Audit and Business Assurance Committee Terms of Reference	
Committee Structure	
Six members – two from each	<ul style="list-style-type: none"> - Councillor - Independent - Tenant
Committee Leadership	
Chair	Appointed via Board nomination process at the Annual General Meeting (AGM).
Deputisation	Chair or Vice Chair of the Board or nominated member of the Committee.
Co-opt arrangements	Permitted as required.
Termination	The Board retain the power to terminate members of the committee in accordance with the current Articles of Association.
Terms	
Frequency of meetings	Four times per year (quarterly basis).
Attendance	Committee members are required to attend all meetings. Any member of the committee absent for three consecutive meetings without special leave of absence will automatically lose their place on the committee.
Quorum	<ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member <p>Wolverhampton Homes Senior Management, Senior Leaders and other staff as required.</p>
Decision making	<p>Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.</p> <p>The Committee will receive input and presentation as necessary in order to be able to discharge its responsibilities.</p> <p>The agenda, meeting materials and previous minutes should be made available at least 5 working days in advance of each meeting. Each meeting will be minuted.</p>
Responsibilities	
The committee provide strategic decision making within the business objectives and Company's Articles of Association and the NHF Code of Governance in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes.	

This includes the monitoring of the company's performance against the current Business Plan and / or delivery plans, incorporating service performance, customer feedback and satisfaction, customer scrutiny and Community Development by way of ensuring:

- There is a robust framework to achieve continuous improvement and excellent service delivery to customers.
- Escalation to Board meeting agendas, matters it defines relevant or where there are cross cutting implications.
- Review and approval of the Annual Internal Audit Programme.
- Scrutiny of risks and compliance through regular monitoring.
- Wolverhampton Homes are effective in meeting regulatory and statutory requirements against the Consumer Standards.
- Progress against compliance or improvement action plans arising from performance reviews, Health and Safety, Internal and External Audit or other external assessment.
- Independent specialist Audit advice as required.

Committee Performance

An annual report shall be produced to demonstrate the committee's accountability to the Board, its effectiveness and detailing the committee activity for the previous year.