2018/19 IMS Compliance Audit System Guidance
1. Introduction

1.1. What is the Compliance Audit System?

The Compliance Audit System is the programme Homes England uses to gather the information necessary to administer its Compliance Audit Programme. The system is a web based module of IMS, which users access through a standard web browser. The Compliance Audit module requires additional authorities for users to access – so even if you are already an IMS user, your organisation’s IMS Security Administrator will need to assign additional authorities to your IMS account before you are able to access to the Compliance Audit module. The process for this varies for different users (Provider users and Independent Auditors). Please see sections 2.2 and 2.3 below.

1.2. Who is this Guidance for?

This guidance is intended for use by anyone who uses the Compliance Audit System and doesn’t work for Homes England. The Compliance Audit system will be used by the following types of users:

- **Provider’s Compliance Audit Users** – Each provider must have at least one Compliance Audit User. This does not necessarily need to be an employee – for example, if a provider is a member of a partnership, they may wish to nominate someone employed by their Lead Partner to lead the Compliance Audit process on their behalf. The following categories of user are available:
  - Compliance Audit User – providers may set up as many Compliance Audit Users as they require, who have access to view and amend provider information, and perform Compliance Audit tasks such as certifying Independent Auditors and submitting provider responses.
  - The provider’s main Compliance Audit User must be designated on the system as their **Provider Compliance Audit Lead User** – they will receive all system-generated Compliance Audit notifications and will be the main contact for Homes England on the Compliance Audit process. This designation can be changed at any time. While all users, including the Lead User, have equal access to the system, it is recommended that one person (typically the Compliance Audit Lead, but can be any user) assumes responsibility for performing tasks to avoid duplication and error.
  - It is also possible to designate users with read-only access (to view findings, responses, etc. but NOT make any changes or perform tasks). Please consider providing read-only access for any users who do not need to perform system actions.

- **Independent Auditors** – individuals carrying out the audit will need their own user accounts to input findings and supporting evidence – access is provided only for individuals, not the organisation, and multiple Independent Auditor user accounts are permitted.

In addition to this, and to a lesser extent, this guidance is also of use to providers’ security administrators who are responsible for managing IMS user access (see section 2.2).

1.3. What does the guidance cover?

This guidance covers how to use the Compliance Audit system, including user access, audit setup and how different users enter and submit information relating to the audit. It doesn’t cover policy or funding requirements, or offer guidance on the nature of information requirements. If users have any questions on these issues, they should email ComplianceAudit@homesengland.gov.uk in the first instance.
2. Accessing the system and managing users

2.1. Creating provider Compliance Audit users (IMS Security Administrators)

In order to create a Provider Compliance Audit user, the provider’s IMS Security Administrator must assign the “Compliance Audit Provider” Authority to the user’s IMS account in the IMS Security Module. The Compliance Audit Provider Authority enables a user to view and amend provider contact details in the Compliance Audit module, and perform Compliance Audit tasks such as creating, certifying and deleting Independent Auditors and submitting provider responses to the Independent Auditor’s findings. Please ensure that no Roles are given to the user as this will prevent them from accessing the system.
It is also possible to designate set up users with view-only access (to view findings, responses, etc. but NOT make any changes or perform tasks). This access is granted by assigning the **Compliance Audit Provider View-only Authority**. Please consider providing view-only access for any users who do not need to perform system actions. Again, no Roles should be assigned to a user with the Compliance Audit Provider Authority.

2.2. **Accessing the system**

The Compliance Audit system can be accessed through the following link: [https://ims.homesengland.org.uk](https://ims.homesengland.org.uk)

This will take users to the login screen below.
Provider users who already have an IMS account will be able to log in as long as they have been given the appropriate authority by their security administrator (see section 2.2). Independent Auditors will need a user account specific to each provider they are auditing (see section 2.4).

The system is available from 08:00 to 18:30 Monday to Friday, but with Homes England Service Desk support only to 18:00. It is strongly recommended that you use the system during these hours, as system down time can occur outside the standard business hours. Users will be logged out of the system after 30 minutes of inactivity.

Please note that users can reset passwords from this screen using the ‘I’ve forgotten my user ID or password’ link. An email will be sent enabling the user to reset their password. Note the email is only valid for 24hrs. If the user does not reset the password within 24hrs they will need to use the “I’ve forgotten my user ID or password” again to receive another email. For more help with forgotten passwords, please see the Homes England training YouTube channel. There is a video entitled, “Resetting your own password in IMS.”

2.3. Contact details

The main contacts details for the provider are managed from the Provider Contact details screen. This can be accessed through the dashboard screen.
Clicking on this will take users to the following screen.

It is important that all of the contact details in the screen are kept up to date. In particular, if the lead contact leaves their post or is temporarily unavailable, it is important that an alternative contact is entered in their place. This will reduce the risk of the provider missing important communications regarding the Compliance Audit programme.

It is recommended that all the Compliance Audit Leads have an IMS user account with the RP – Compliance Audit Provider authority. Where the lead contact is unavailable and there is no replacement member of staff with a Compliance Audit user ID, the provider Security Administrator should create a new user as per section 2.4.

### 2.4. Creating Independent Auditor users

#### 2.4.1. Who can be an Independent Auditor?

Independent Auditor appointments need to be of an organisation which is regulated by one of the four agreed bodies – ICAEW (Institute of Chartered Accountants in England and Wales), ACCA (Association of Chartered Certified Accountants), RICS (Royal Institution of Chartered Surveyors) or CIPFA (Chartered Institute of Public Finance and Accountancy). See Capital Funding Guide, Programme Management Chapter, paragraph 7.3.7.

It is the responsibility of the Provider Compliance Audit users to ensure that the relevant accreditations and qualifications claimed by the organisation and/or individual auditor are actually held, for example through requesting to see documentary evidence or other means.

At least one (and preferably all) of the individual auditors should have attended, or be booked to attend, one of the Compliance Audit training seminars held by Homes England each summer. If you are in any doubt about this, consult your Contract Manager, who will have access to the register of attendees at seminars.
Independent auditors must not have been involved in the development of any of the schemes selected for audit, and they must not have provided any pre-audit services to the provider. For example, Chartered Surveyors who have been appointed as an Employer’s Agent or as part of the Development Team for a scheme would not be considered to have an appropriate level of independence; nor would it be appropriate for a firm or individual to audit a scheme for which they had previously provided a pre-audit checking service.

2.4.2. How do providers’ Compliance Audit Leads set up Independent Auditors?

The Provider Compliance Audit lead logs into the Compliance Audit system, and is presented with the dashboard screen below. The Compliance Audit lead must complete the screens relating to the first two links on the dashboard – Provider Contact Details and Audit setup. These screens must be completed before the Provider Compliance Audit Lead can set-up an Independent Auditor. The Independent Auditor set up screen is accessed through the ‘Independent Auditor List’ link on the dashboard.

In the example below there are no Independent Auditors present.
To add an Independent Auditor, click on the “Add Independent Auditor” button. The following screen will appear.

Create new Independent Auditor

First name
Security

Surname
Guidance Info

Email address
Testing@test.com

Confirm email address
testing@test.com

Conditions to be confirmed and accepted:

1. You have seen evidence and are satisfied that the person assigned to conduct the audit is suitably qualified, or belongs to an organisation which holds a suitable accreditation, to conduct Compliance Audit, as set out in the Capital Funding Guide – reporting and audit requirements.

2. The appointed Independent auditor is not employed by and is independent of your organisation, and of any other member of a consortium or partnership of which your organisation is a member.

3. Independent auditors must not have been involved in delivery of any project being audited (e.g. as an Employer’s Agent), nor conducted a pre-audit check on any scheme being audited.

4. You are the responsible officer for setting up, amending and deleting Independent Auditor accounts in the Investment Management System (IMS) for your organisation, designating access for one or more Independent Auditors for the sole purpose of the electronic submission of audit findings within the Compliance Audit system.

☐ Accept

Save
Complete screen, filling the first name, surname and email address for the new user. Then, read and accept conditions. By accepting the conditions and saving an IMS Account is created, a message will be displayed on screen to say that this has been completed and a system generated email is sent to the new Independent Auditor user giving details of how they access the system and enabling them to create a password for their new account.

Navigate back to the Independent Auditor List, by clicking on the Independent Audit set-up link at the top right of the screen above. The new account is displayed along with the Independent Auditor User ID (that the Independent Auditor will need to log in to the Compliance Audit System).

Please note, the user account created by this process can also be managed in the IMS security module and can be deleted by the provider's IMS security administrator.
2.4.3 How do Provider’s Compliance Audit Leads certify existing Independent Auditor users?

In some cases, there may be Independent Auditors already present on the Independent Auditor setup page from the previous year’s audit. They will appear like the example above, except that there will be no Provider Certification date. These existing Independent Auditor users can be certified by selecting the relevant name from the list. This then takes the user to the same certification screen above – “Create new Independent Auditor” - which they should complete.
To confirm Provider Certification is complete for the Independent Auditor, navigate back to the Independent Auditor List, by clicking on the Independent Audit set-up link at the top right of the screen.

Only Independent Auditor individuals certified by a provider will be able to access the Compliance Audit system for that provider. Independent Auditor individuals whose accounts are subsequently
deleted from Compliance Audit System or from the IMS Security Module will cease to appear in the Independent Auditor List, and there will be no record of their certification in the system.

2.5. Deleting Independent Auditor users

If the Independent Auditor account is no longer needed it should be deleted. This can be done on the Independent Auditor list screen.

![Independent Auditor List](image)

Pressing the Delete button will remove the Independent Auditor user.

3. Setting up the audit

3.1. Audit setup

Providers will not be able to see the list of their schemes selected for audit until they have completed the actions in section 2 above and certified at least one Independent Auditor user. Furthermore, the list will only be made available from four weeks before the audit start date submitted on the 'Provider audit setup' screen.

Once these conditions are met, Providers will be able to access their scheme list, through the Scheme list link on the dashboard. Clicking on this will take users to the screen shown below.
4. Independent Auditors Conducting the audit

4.1. Self-certification

After the provider Compliance Audit user sets up an Independent Auditor user (see section 2.4 for details), the Independent Auditor will receive an email asking them to self-certify in order to be able to complete the audit.

The Independent Auditor must log in using their details from the email, and select the Independent Auditor Self-certification screen from the dashboard.

The Independent Auditor should then complete the screen.
4.2. How Independent Auditors input findings

From the Dashboard, the Independent Auditor selects scheme list.

Then, the Independent Auditor selects the scheme they wish to enter findings for.
Then, the Independent Auditor selects the relevant question. The following screen will display.

The Independent Auditor selects “Yes” or “No” from the dropdown menu, adds explanatory comments in the comments box, and presses the “save” button.
4.3. How to upload documents

In the question screen, the Independent Auditor clicks the “Upload supporting document” button (add screen shot).

This allows the Independent Auditor to choose a document to upload.
After this, the Independent Auditor can save the question. Please note documents must be in PDF format.

### 4.4. How to submit the audit

Only once the findings have been updated for all questions and for all schemes in the list can the Independent Auditor submit the findings. They will be able to tell if this is the case because the scheme list screen will show all of the “progress donuts” as green.

The audit can be submitted using the link on the above screen or the link on the Dashboard.
To generate a PDF of the Independent Auditor findings for a scheme, go to the checklist for that scheme and click on the link.

The PDF can then be saved and/or printed as preferred. However, users should note that it would be accurate only on the date of downloading and may not include queries that are raised and responses that are submitted later.

5. Responding to Independent Auditor findings and Homes England Queries

5.1. Providers can monitor their Independent Auditor progress

Independent Auditor findings will not be made available to the provider until the Independent Auditor has submitted the audit. However, the provider can check the progress the Independent Auditor’s progress by looking at the “progress donuts” in the scheme list screen.
5.2. How providers respond to Independent Auditor findings and the deadlines for doing so

Following the submission of the audit by the Independent Auditor, the Provider may add their own responses, for example, if they wish to dispute a finding or provide an explanation for it. It is not compulsory for providers to respond, but where they choose to do so, they must complete this within 10 working days of the Independent Auditor submitting the findings. After this deadline has passed, the Provider will still be able to submit responses, but it will be at Homes England’s discretion whether or not to include these in awarding a grading. If the Homes England Lead Auditor submits a query regarding the findings to the Independent Auditor, the Provider Lead User will receive a copy of this query and will also be able to respond if they wish.

The Independent Auditor has 5 working days in which to respond to a query. Once the Independent Auditor has submitted a query response, the provider have a further 5 working days to comment on the Independent Auditor’s response.

Once the Independent Auditor has completed the audit and submitted their findings, the Provider’s Lead User will receive a system notification and the Independent Auditor responses will become visible. Until then, the boxes will remain blank.

Once the Independent Auditor has submitted their findings, the ‘Scheme List’ screen will display the submission date.
Select a scheme on this screen to see its checklist summary, on which the Independent Auditor findings are shown against each question.
Select any question to see the Independent Auditor’s more detailed response, which may include an explanation for their finding and any supporting documents.

Providers may, if they wish, provide a response to the finding in the relevant box on each question screen, as shown above. They may also choose to upload supporting documents using the relevant button on the screen below. The process for doing this is identical to that used by Independent Auditors, outlined in 4.3 above. Please note that all supporting documents must be in PDF format. Ensure you select the ‘Save’ button before leaving this screen.

**Supporting documentation**

<table>
<thead>
<tr>
<th>File name</th>
<th>Description</th>
<th>Uploaded by</th>
<th>Uploaded on</th>
<th>Actions</th>
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<tbody>
<tr>
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<td>Independent Auditor</td>
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<td></td>
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<tr>
<td>Guidace</td>
<td>Rent confirmation</td>
<td>Provider</td>
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<td>Delete</td>
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<td>doc pdf</td>
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Please note – the responses for all schemes being audited are submitted in a single action (see section 5.3). Providers should not submit the responses until they have reviewed the whole audit.

5.3. How providers submit responses

Once a provider has reviewed all of the responses for its audit and added any comments and supporting documents, the provider can then submit the responses. This should be done within 10 working days of the Independent Auditor submitting the audit. After this deadline has passed, the Provider will still be able to submit responses, but it will be at Homes England’s discretion whether or not to include these in awarding a grading.

The responses can be submitted using the link on the scheme list screen or the link on the Dashboard.

This takes users to the following screen, where they must read and accept the conditions, before pressing Submit.
The following screen will be displayed.

Responses are not mandatory but, if providers choose not to respond, they will lose an opportunity to influence the outcome of the audit.

5.4. Generating PDF of Independent Auditor findings and responses and queries

To generate a PDF of the Independent Auditor findings for a scheme, go to the checklist for that scheme and click on the link.
The PDF can then be saved and/or printed as preferred. However, users should note that it would be accurate only on the date of downloading and may not include queries that are raised and responses that are submitted later.

5.5. How providers and Independent Auditors respond to Homes England queries and the deadlines for doing so.

Following the submission of the audit by the Independent Auditor, Homes England Lead Auditors may choose to raise queries regarding the Independent Auditor findings and/or provider responses. These queries will be raised through the Compliance Audit System and notified to users via automated email in the following ways:

- Queries to the Independent Auditor – these are sent to both the Independent Auditor and the Provider, and both are able to respond.
- Queries to the Provider – these are sent to the provider only.

In both cases, there is a 5 working day response period.

The process for responding to queries is the same for both Independent Auditors and Providers.

From the system dashboard menu, selecting the ‘Query summary’ option will open the screen below.

From here, users can select any query from the summary list to view and, if desired, respond. Click on any heading in the summary list to sort the list by that heading.

Unlike for responses to Independent Auditor findings, each query is treated individually and may be responded to separately. Responses are not mandatory but, if users choose to ignore a query directed at them, they will lose an opportunity to influence the outcome of the audit. Responses should be provided within 5 working days of notification of the query, in order to be sure of being taken into account by the Homes England Lead Auditor.

To respond to a query, select the query from the summary screen. The following screen will be displayed.
Click on the appropriate query

Query for question 4 of 22 for scheme ID

Query details

To
Provider

Subject
Missing pages

Query
Submitted on 03/10/2018

Please submit page 3 as this is missing from the attached to show the rent information.

Provider response

Response
Please see new document with all pages.

Supporting documentation

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<tr>
<th>File name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Guidance.pdf</td>
<td>Rent Information</td>
<td>Provider</td>
<td>Delete</td>
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</table>

Save Submit response Upload supporting document
Fill in the relevant response box (Independent Auditor or provider), add any supporting documents using the “Upload Supporting Documents” button, and click on “Submit Response”. Please note supporting documents must be uploaded in PDF format.

6. Receiving and acknowledging the report

6.1. How providers are notified of the report

Once the Homes England Lead Auditor releases the report from the Compliance Audit System, a notification email is sent to the Provider’s lead contact, development director and chief executive. 5 working days later, a second email is sent to the provider’s development director, chief executive and board chair (or, for LAs, Leader or Executive Member with responsibility for housing).

It is then the provider’s responsibility to download the PDF of the report from the Compliance Audit System, sign it off at an appropriate board meeting and acknowledge it in the Compliance Audit System.

6.2. Generating PDF of report

From the Dashboard, select Audit reports.

[Image of Compliance Audit interface]

The provider is presented with a list of their audit reports dating back to 2016/17.

Select the report for the relevant year. The system will present the details of their report on screen.
Click on the “Download report as a PDF” button. The report can then be saved and/or printed, and presented to the provider’s board for approval.

6.3. How providers acknowledge the report in the system

From the Dashboard, select Audit reports.

The provider is presented with a list of their audit reports dating back to 2016/17.
Select the report for the relevant year. The system will present the details of their report on screen.

Click on the “Acknowledge Report” button. The Provider will need to complete all the details on the report acknowledgement screen. (Please note the date of board/committee meeting where report was acknowledged cannot be a future date).
Compliance Audit 2017/18

Compliance audit report

This report was released to the provider on
The provider has not acknowledged the report

Final Grade: Green - Meets requirements
Independent auditor
Findings submission date: 30/11/2017
Homes England lead auditor
Homes England head of home ownership and supply

Report Objectives and Purpose

Compliance Audits check Provider compliance with Homes England’s policies, procedures and funding conditions. Standardised checks are made by independent Auditors on an agreed sample of Homes England schemes funded under affordable

[Buttons: Acknowledge report, Download report as PDF]

Acknowledgement of final report for 2017/18

The contents of the annual report should be acknowledged by your Board’s Chair or equivalent within one calendar month of receiving notification of the report.

Name of board/committee acknowledging report
Test

Date of board / committee meeting where report was acknowledged
01/10/2018
The Provider must then confirm that the report has been acknowledged before they can submit.

After the report has been acknowledged, the report status will change from 'Report Issued – Provider acknowledgement required' to 'Report Acknowledged' and details of the acknowledgement will now be displayed in the PDF version of the report.

6.4. **Recommendations**

The Homes England Lead Auditor may include recommendations in the audit report. These will contain a deadline date by which providers should have completed the recommendation.

When the provider is ready to complete a recommendation, they should access it through the Audit Recommendations link on the Dashboard.
This will open the following screen (add screen shot).

The provider will then be able to search for open, closed and referred actions.

Providers will then be able to select individual recommendations and enter details and/or upload documents.
Please note document must be uploaded in PDF format.

Emails will be sent to provider contacts via the Compliance Audit System when recommendations are referred back to them by Homes England.