



Ministry of Housing,  
Communities &  
Local Government

<b>Procedural Compliance Voluntary Right to Buy Midlands Pilot</b>	 <b>Homes England</b>
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**For use by 'Independent Auditors' undertaking self-assessment compliance audits under the Framework Delivery Agreement (FDA) procedures**

The purpose of this audit is to demonstrate compliance with the terms of the Voluntary Right to Buy Pilot in the Midlands. Information gathered will only be used for this specific purpose in order to meet basic audit checks.

The checklist identifies specific checks to be undertaken in order to demonstrate compliance and determine whether all procedural requirements have been met to support a claim for payment as part of the Voluntary Right to Buy Pilot.

<b>Audit Year</b>		<b>Date of audit visit</b>	
<b>Scheme name and address</b>		<b>Scheme IMS number</b>	
<b>Payment date</b>	If N/A enter comment - (enter latest final cost event recorded in IMS or N/A)		
<b>Provider name</b>		<b>Provider HCA registration code</b>	
<b>Independent auditor business name</b>		<b>Full contact details of checklist completer</b>	

In addressing the checks set out below please answer either 'Yes' or 'No' as appropriate.

Where checks are considered not to be applicable to the scheme then a 'No' response should be inserted and justifying comments made. The Comments box should also be used to explain deficiencies or shortfalls in supporting documentation.

Where a Registered Provider has sold a property to a tenant of another Registered Provider under portability (under which a tenant can purchase another property if they themselves are eligible but their existing property is exempt), the auditor should ensure that there is evidence that either the provider has themselves adequately met all the requirements set out in Item 1-8 below, and/or they have received written confirmation that these requirements have been met by another provider.

**The Auditors report should summarise all of the findings and instances where specific checks were considered to be not applicable.**

Item	Scheme file documents	Y / N	Comments
1	<p>Is there a board minute approving the Registered Provider's agreement to participate in the pilot?</p> <p><b><u>Auditor notes</u></b>  <i>Check the Registered Provider's files for a copy of the relevant board minute.</i></p>		
2	<p>Has the Registered Provider maintained a scheme file containing relevant documents?</p> <p><b><u>Auditor notes</u></b>  <i>Check the relevant type of filing systems i.e. paper arch files, electronic files etc. as required.</i></p>		
3	<p>Has the tenant's application form been correctly completed and signed by the tenant?</p> <p><b><u>Auditor notes</u></b>  <i>Check that the application is on file and it is signed and dated by the eligible tenant/s.</i></p>		
4	<p>Did the Registered Provider issue an offer notice form providing details of the term of sale and is this offer on file?</p> <p><b><u>Auditor notes</u></b>  <i>Check that the offer notice is on the Registered Provider's file or is available to view on an electronic system.</i></p>		

5.	<p>Does the Registered Provider have written, publically available policies on VRTB which covers all of the following:</p> <ul style="list-style-type: none"> <li>• The eligibility criteria</li> <li>• Property exclusions</li> <li>• Porting</li> <li>• How to complain</li> <li>• How fraud will be dealt with</li> <li>• Replacements (does not need to be publically available)</li> </ul> <p><b><u>Auditor notes</u></b></p> <p><i>The answer should be yes if the Registered Provider has policies for all listed above on VRTB which are available to view.</i></p>		
<b>6</b>	<b>Is there evidence on file that:</b>		<b>Comments</b>
6a.	<p>The tenant is a qualifying tenant at the point of application, in accordance with the eligibility requirements as set out in <a href="#">the Voluntary Right to Buy – Midlands pilot guidance May 2018</a>.</p> <ul style="list-style-type: none"> <li>• <i>The tenant has been a public sector or social housing sector tenant for a total of at least 3 years</i></li> <li>• <i>The tenant holds an un-demoted secure, assured, or a Localism Act fixed term tenancy</i></li> <li>• <i>The tenant has demonstrated that the property is their main home and they have resided in it for at least the last 12 months</i></li> <li>• <i>Any additional applicants can also demonstrate that it is their main home and has been resident for at least the last 12 months</i></li> <li>• <i>The tenant has the right to reside in the UK and can demonstrate that they meet immigration status checks</i></li> <li>• <i>Are resident in the Midlands.</i></li> </ul> <p><b><u>Auditor notes</u></b></p> <p><i>Check the Registered Provider’s policy for additional eligibility restrictions, and check both policies against tenant’s details. Answer yes only if all apply</i></p>		
6b	<p>The tenant(s) did/were not:</p> <ol style="list-style-type: none"> <li>1. <i>have the statutory right to buy or the preserved right to buy;</i></li> <li>2. <i>subject to the mortgage rescue scheme</i></li> <li>3. <i>residents of Almshouses or Co-ops</i></li> <li>4. <i>have rent arrears (applicable at the point of purchase only, unless HA’s own policy states otherwise)</i></li> </ol>		

	<p>5. <i>subject to bankruptcy proceedings or unfulfilled credit arrangements</i></p> <p>6. <i>committed antisocial behaviour, for which the Registered Provider has initiated legal proceedings</i></p> <p>7. <i>subject to legal proceedings</i></p> <p>8. <i>already own a property at the point of application and have not ended the ownership before the completion of VRTB</i></p> <p>9. <i>shared ownership tenants</i></p> <p>10. <i>occupy only a room or rooms in a shared house or flat; and</i></p> <p>11. <i>subject to other exceptions set out in the association's policy on qualification criteria.</i></p> <p><b><u>Auditor notes</u></b></p> <p><i>Check the Registered Provider's policy for additional eligibility restrictions, and check both policies against tenant's details. Answer yes only if all apply</i></p>		
6c.	<p>The property is not excluded in accordance with the Registered Provider's policy on property exclusions?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check against the list of eligible, ineligible and excluded properties</i></p>		
6d.	<p>An open market valuation has been obtained from a RICS qualified surveyor and is valid at the date of the offer to the tenant?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check that a copy of the valuation is on file on headed paper.</i></p>		
6e.	<p>The correct purchase price has been calculated taking account the tenant's entitlement to a discount under the scheme?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check for evidence on file of the discount calculation.</i></p>		
6f.	<p>Anti-fraud checks have been carried out?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check for evidence on file that fraud checks have been carried out, as per the provider's published policy.</i></p>		
<b>7</b>	<b>IMS Data and Grant Claiming</b>		<b>Comments</b>
7a	<p>In order to submit a claim the Registered Provider must certify that the completion has taken place. Is there written evidence of the completion date on file?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check that the purchase completion certificate is on file or a letter from the solicitors is available to view confirming completion has taken place and that this</i></p>		

	<i>took place prior to the completion submission on IMS.</i>		
7b	<p>Are the receipts (from the sale) and the compensation payments (minus any transaction costs and debt repayment) held in a separate account to be spent on replacement homes?</p> <p><b><u>Auditor notes</u></b></p> <p><i>Check that the RP has a separate account and that the correct net proceeds (as calculated in IMS) have been transferred to that account.</i></p>		
<b>Independent Auditor (IA) signature</b>	Checklist completer	<b>Date</b>	
<b>IA in charge</b>	Authorised signatory	<b>Date</b>	

## Breach Severity Level

The following table sets the actions to be taken in the event of a breach.

Breach	Type of Failure	Action
Low	Relevant documents not evident on file. Data not evident on internal systems.	Association to produce relevant paperwork / or evidence of data.
Medium	Systematic failure to evidence paperwork / data or adherence to procedures.	Association to produce evidence that corrective action has been taken to rectify procedural issues.
High	<p>Incorrect claim made for compensation, i.e. wrong amount claimed in IMS in relation to actual discount calculated.</p> <p>Claim for compensation made against a non-existent sale.</p>	To seek reimbursement of all or part of the grant through in the first instance 'Dispute Resolution' (as per the Project Agreement).