



Rosehill Housing Association Limited

Internal Audit 2025-26

Value for Money
November 2025

Overall Conclusion

Strong

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Value for Money

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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Rosehill Housing Association Limited's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

1 Executive summary

Overview

Purpose of review

We undertook a review to consider the adequacy of the value for money arrangements in place at Rosehill Housing Association (the Association). Specifically, our review considered how the Association were enhancing financial stewardship, service quality and long-term sustainability and how the Association demonstrated value for money for its tenants.

This review formed part of our 2025/26 Internal Audit annual Plan.

Scope of review

Our objectives for this review were to assess if:

- | The Association has a robust Value for Money Framework in place that is communicated effectively throughout the Association and to its tenants.
- | The Association's Value Money Framework is effectively linked with the strategic planning processes of the Association.
- | The Association has robust financial planning arrangements in place where value for money forms a key part of the annual budgeting process. We considered how value for money is reviewed as part of the annual rent consultation process.
- | The Association has robust processes to ensure that value for money is considered throughout operations. This included reviewing arrangements in place in relation to procurement and service delivery.
- | The Association has developed an adequate report that outlines their approach to achieving value for money where this is presented to the Management Committee.

1 Executive summary

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Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation of scope.

1 Executive summary

Background

Value for money (VfM) is the concept of ensuring that an organisation achieves the maximum quality for the cost. The importance of value for money is ever increasing in the current financial climate with organisation's financial resources becoming increasingly scarce.

Business Plan and Asset Management Strategy

VfM is embedded within the Association's Business Plan rather than through a standalone strategy. It is considered as part of long-term planning and the annual review that informs the Annual Plan. The Business Plan outlines how the Association ensures efficient use of resources, robust procurement decisions, and long-term contracts that balance cost control and quality.

Within the Asset Management Strategy, the Association notes that rental income is largely fixed, placing emphasis on balancing cost and quality in asset expenditure. Procurement for works and professional services is undertaken in line with the Procurement and Tendering Policy, with professional services (e.g., architectural and quantity surveying roles) procured through framework agreements to support consistency and long-term cost benefits.

The Association has identified that a specific, standalone value for money framework would be a helpful addition in clearly setting out its approach and expectations. Through our review, we also noted that the existing documentation within the Business Plan could be strengthened to provide more explicit guidance on value for money objectives, responsibilities, and measurement of outcomes. Please see **Section 3: Detailed Recommendations** for further information.

Planned Maintenance

The Business Plan also includes the Association's approach to planned maintenance procurement. The Association historically chose to package similar works into single contracts across multiple years of the planned maintenance programme. In addition, longer term contracts are in place for gas servicing, reactive repairs to heating systems, and framework arrangements for professional services. The stated aim of this approach is to achieve value for money by reducing annual procurement costs, minimising consultants' fees on a project-by-project basis, and maximising efficiencies associated with higher volume, longer term contracts.

1 Executive summary

We completed an analysis of the Association's supplier spend profile from November 2024 – October 2025. We found one supplier with a spend of over £100,000 from April 2025, has not been included on the contract register at the time of our review. Please see **Section 3: Detailed Recommendations** for further information.

Strategic Objectives

Value for Money (VfM) is considered throughout the planning process and has been developed as one of the Association's Strategic Objectives. The Strategic Objectives were originally developed in conjunction with the Association's Business Plan in 2021.

Building on existing objectives, the Association defined the following Strategic Objectives:

1. Provide high quality and affordable homes.
2. Engage effectively with tenants and service users.
3. Deliver value for money.
4. Be innovative and risk aware.
5. Build and contribute to effective partnerships.
6. Use our resources efficiently and effectively.
7. Achieve the highest standards in all that we do.

To support the achievement of these Strategic Objectives, the Association has a management and monitoring framework in place, which tracks progress against key activities and priorities, highlights issues, and identifies solutions or remedial actions as required.

- | Section Plans – Derived from the year's priorities and activities, Section Plans are produced for each of the main business areas: Governance & Corporate Services; Housing Services; Technical Services; and Finance Services. Progress with these plans, including operational key targets, is monitored by the Management Committee on a quarterly basis.
- | Work Plans – Individual work plans are produced from the Section Plans, developed collaboratively within teams to ensure comprehensive and meaningful tasks for all staff.

During our review, we examined the Technical Services Department's Section Plan and the associated Head of Department work plan. We were able to confirm that these plans translate high-level objectives from the Business Plan into specific, measurable activities and outcomes, which are reviewed quarterly by the Management Committee as part of the Association's monitoring framework.

1 Executive summary

Reporting to the Management Committee

The Association's Management Committee meets monthly, and Value for Money is considered through discussions of the financial implications of development and maintenance projects. VfM is also reported as part of the Association's Annual Return on the Charter (ARC) submission, where Indicator 21 measures the "Percentage of tenants who feel the rent for their property represents good value for money." The Tenant Satisfaction Survey, from which this indicator data is derived, was last completed in 2022 and is scheduled to be repeated at the start of 2026.

Our review also identified that VfM is not specifically reported to the Management Committee in a way that provides assurance that Value for Money is being achieved. Please see **Section 4: Observations** for further information.

1 Executive summary

Work Undertaken

In line with each objective, we undertook the following work:

Objective 1. The Association has a robust Value for Money Framework in place that is communicated effectively throughout the Association and to its tenants.

- | We reviewed the Association's Business Plan for the years 2021–2026 to assess whether Value for Money is appropriately embedded within the strategic direction of the Association.

Objective 2. The Association's Value Money Framework is effectively linked with the strategic planning processes of the Association.

- | We discussed with the Director and Technical Services Manager the arrangements in place to integrate Value for Money within strategic planning.
- | We reviewed the Association's Strategic Objectives to assess whether Value for Money principles are clearly aligned with organisational priorities.

Objective 3. The Association has robust financial planning arrangements in place where value for money forms a key part of the annual budgeting process. We consider how value for money is reviewed as part of the annual rent consultation process.

- | We discussed the budgeting process with the Finance Manager to understand how Value for Money considerations are incorporated.
- | We reviewed the Association's 2025/26 Budget to confirm evidence of Value for Money within financial planning.
- | We reviewed the Management Accounts from December 2024, March 2025 and June 2025 to assess if Value for Money performance is monitored throughout the year.

Objective 4. The Association has robust processes to assess whether value for money is considered throughout operations. This included reviewing arrangements in place in relation to procurement and service delivery.

- | We reviewed the Purchasing, Procurement and Tenders Policy to assess how Value for Money principles are embedded in procurement practices.

1 Executive summary

- | We reviewed a sample of tender reports to confirm that Value for Money assessments were completed as part of the tender evaluation process.
- | We completed analysis of the total supplier spend profile from November 2024 – October 2025.

Objective 5. The Association has developed an adequate report that outlines their approach to achieving value for money where this is presented to the Management Committee.

- | We discussed the reporting arrangements in place with the Director and Technical Services Manager to understand how Value for Money is communicated to the Management Committee.
- | We reviewed the ARC Report presented to the Management Committee for 2024/25 to assess whether key performance indicators in relation to Value for Money are being met.
- | We reviewed the Management Committee reports and meeting minutes from 2025/26 to assess whether Value for Money is included in the narrative and discussions presented to the Management Committee.

1 Executive summary

Conclusion

Overall conclusion

Overall Conclusion: Strong

Following our review, we can provide a strong level of assurance surrounding the processes in place to ensure value for money. We have identified two low graded recommendations for improvement, and two observations for consideration. Please see **Section 3: Detailed Recommendations** and **Section 4: Observations** for further information.

Summary of recommendations

Grading of recommendations

	High	Medium	Low	Total
Value for Money	0	0	2	2

As can be seen from the above table there were no recommendations made which we have given a grading of high.

1 Executive summary

Areas of good practice

The following is a list of areas where the Association is operating effectively and following good practice.

1.	The Association effectively report to their Management Committee surrounding their KPIs and performance through their Annual Return on the Charter report. In addition, Value for Money considerations are embedded within the Management Committee reporting structure. Each report includes a Delivery of Strategic Objectives section, which links the activity being reported on to the relevant strategic objectives.
2.	In setting the annual budget, the Association takes into consideration its strategic objective of achieving Value for Money, ensuring that financial planning supports both operational needs and the efficient use of resources.
3.	Value for Money principles are embedded throughout the Association's business planning process, ensuring that strategic objectives relating to value for money are clearly linked to measurable operational activities. Regular monitoring and review of departmental section plans, and individual work plans provide effective oversight and promote continuous improvement across service delivery.
4.	The Association's rent consultation process includes appropriate financial viability, tenant affordability and benchmarking analysis. During the consultation, tenants were presented with information demonstrating that even with the higher proposed rent increase, the Association's charges would remain below the national average for Registered Social Landlords (RSLs), thereby evidencing the value for money provided.

1 Executive summary

The following is a list of areas where the Association is operating effectively and following good practice.

5.	During our review of the Association's Purchasing, Procurement & Tenders Policy we found that there was appropriate coverage of value for money where this was emphasised throughout the document.
6.	The Association has a detailed Asset Management Plan within their existing Business Plan that effectively outlines the Association's approach to maintaining, investing and developing their properties. Value for Money was sufficiently considered during the development of the plan.
7.	The Association utilise the services of Reid Associates to procure major works. The Association are provided with a comprehensive report which ensures that tendering is carried out in line with public procurement requirements, that competition is maintained, and that detailed evaluation findings are documented. These reports provide assurance that contracts are awarded based on a balanced assessment of price and quality, supporting the Association's commitment to achieving value for money.
8.	The Association has a robust process in place for self-assessment, whereby compliance is evidenced through detailed spreadsheets outlining key strengths, validation of these strengths, and supporting evidence. The Association submitted its 2025 Assurance Statement on 29 October 2025.

2 Detailed recommendations

Value for Money Framework			
Ref.	Finding and Risk	Grade	Recommendation
1.	The Association should have a Value for Money (VfM) framework in place which clearly sets out how value for money is defined, measured, and demonstrated across the Association. This should include the processes for monitoring efficiency, economy, and effectiveness, as well as responsibilities for oversight and reporting to the Management Committee. Our review found that the Association does not currently have a formal Value for Money framework in place. Instead, value for money is referenced within the Association's Business Plan; however, this has been identified by the Association as lacking the level of detail expected of a specific framework. The absence of a Value for Money framework appears to stem from competing organisational priorities, with focus being directed towards operational and strategic planning rather than the formalisation of value for money arrangements. Without a formal Value for Money framework, there is a risk that the Association may be unable to demonstrate that resources are being used efficiently and effectively. This could result in missed opportunities for cost savings or service improvements and may	Low	The Association should develop and implement a formal Value for Money framework that clearly defines how value for money will be achieved, measured, and reported. This framework should set out key objectives, performance indicators, and responsibilities for monitoring and reporting progress to the Management Committee. It should also be reviewed annually to ensure alignment with strategic priorities and regulatory expectations.

2 Detailed recommendations

	also reduce transparency and accountability to stakeholders and the Regulator.		
Management response			Responsibility and implementation date
A Value for Money Framework will be developed in the coming period to pull together all elements of VfM. Once developed this framework will have an annual review scheduled.			<i>Responsible Officer:</i> Technical Services Manager <i>Implementation Date:</i> End September 2026

2 Detailed recommendations

Contract Register			
Ref.	Finding and Risk	Grade	Recommendation
2.	The Association should maintain a complete and up to date contract register that records all active maintenance contracts. This ensures that contract arrangements are visible, effectively monitored, and managed in line with procurement and regulatory requirements. Our review found that two contractors with whom the Association currently holds maintenance contracts were not included on the contract register. We were able to confirm these contracts are active and were procured for in 2025. Our assessment of the root cause is that these are new contracts which were overlooked when updates to the contract register were last made. There is currently no formalised process that ensures all newly approved or awarded contracts are routinely added to the register. Without a complete and accurate contract register, there is a risk that contract performance, compliance, and renewal dates may not be effectively monitored. This could lead to lapses in contract management, reduced value for money, or non-compliance with procurement requirements.	Low	We recommend that the Association ensure that the contracts register is updated for all newly awarded or approved contracts. Periodic reviews of the register should also be undertaken to ensure its completeness and accuracy.

2 Detailed recommendations

Management response	Responsibility and implementation date
Contract Register has been updated. Process put in place to update after every contract award. Contract Register will be checked quarterly to ensure updates in the period have been made.	<i>Responsible Officer:</i> Technical Services Manager <i>Implementation Date:</i> January 2026

3 Observations

The following is a list of observations from our review

- | | |
|----|---|
| 1. | As part of our recommendation regarding the development of a dedicated Value for Money (VfM) Framework, the Association may wish to consider producing a specific VfM report to be presented to the Management Committee. This report could summarise how value for money is being achieved across key areas of activity, highlight performance against relevant indicators, and outline actions taken to improve efficiency and effectiveness. |
| 2. | During our review of the Association's most recent Tenant Satisfaction Survey, we found that the majority of tenants were satisfied that the services provided represented good value for money. We note, however, that this survey was last completed in 2022. The Association has planned to conduct the next survey, with fieldwork scheduled to commence in January 2026. |

4 Audit arrangements

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit & Risk Committee meeting.

Audit stage	Date
Fieldwork start	10 November 2025
Closing meeting	14 November 2025
Draft report issued	28 November 2025
Receipt of management responses	28 January 2026
Final report issued	2 February 2026
Audit & Risk Committee	10 February 2026
Number of audit days	3

5 Key personnel

We detail below our staff who undertook the review together with the Association staff we spoke to during our review.

Wbg			
Partner	Graham Gillespie	Partner & Head of Internal Audit	gg@wbg.co.uk
Director	Stephen Pringle	Director of Internal Audit	sp@wbg.co.uk
Manager	Siobhan Archibald	Internal Audit Manager	sma@wbg.co.uk
Auditor	Ailsa Gourlay	Internal Auditor	amg@wbg.co.uk

Rosehill Housing Association Limited			
Key Contacts:	Geri Mogan	Director	geri.mogan@rosehillhousing.co.uk
	Sandra Hunter	Technical Services Manager	sandra.hunter@rosehillhousing.co.uk
	Liam Donnachie	Finance Manager	liam.donnachie@rosehillhousing.co.uk
Wbg appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.			

A Grading structure

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance Classification	
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

A Grading structure

For each recommendation, we assign a grading either as High, Medium, or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit & Risk Committee and addressed by Senior Management of the Association as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the Association as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

We will undertake a review to consider the adequacy of the value for money arrangements in place at the Association. Specifically, our review will consider how the Association are enhancing financial stewardship, service quality and long-term sustainability and how the Association is demonstrating value for money for its tenants.

This review forms part of our 2025/26 Internal Audit annual Plan.

Scope of review

Our objectives for this review are to assess if:

- | The Association has a robust Value for Money Framework in place that is communicated effectively throughout the Association and to its tenants.
- | The Association's Value Money Framework is effectively linked with the strategic planning processes of the Association.
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- | The Association has robust processes to ensure that value for money is considered throughout operations. This will include reviewing arrangements in place in relation to procurement and service delivery.
- | The Association has developed an adequate report that outlines their approach to achieving value for money where this is presented to the Management Committee.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- | Discussion with key personnel to establish the current arrangements in place.
- | Evaluating these arrangements to confirm their adequacy.

Review of the value for money strategy and determine if it is fit for purpose.

Potential key risks

The potential key risks associated with the area under review are:

- | The Association does not have a robust Value for Money Framework in place and is not communicated effectively throughout the Association and to its tenants.
- | The Association's Value Money Framework is not effectively linked with the strategic planning processes of the Association.
- | The Association does not have robust financial planning arrangements in place where value for money does not form a key part of the annual budgeting process.
- | The Association do not have robust processes to ensure that value for money is considered throughout operations.
- | The Association has not developed an adequate report that outlines their approach to achieving value for money where this is presented to the Management Committee.