



Rosehill Housing Association

Internal Audit 2025/26

Follow Up Review

November 2025

Overall Conclusion

Strong

Table of Contents

Section	Page number
1. Executive Summary	4
2. Audit Arrangements	9
Appendices:	
A. Partially Implemented Recommendations	11
B. Grading Structure	15
C. Assignment Plan	17

Disclaimer

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'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. Even sound systems 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

Purpose of Review

The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work provides the Audit and Risk Committee with assurance that prior year recommendations are implemented within the expected timetables.

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

Scope of Review

Our objective for this review was as follows:

| The Association has appropriately implemented any outstanding internal audit recommendations made in prior years.

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

1. Executive Summary

Conclusion

Overall Conclusion: Strong

Following our review, we can provide a strong level of assurance that the Association has endeavoured to implement internal audit recommendations made in 2024/25 and earlier years. This is highlighted as five out of seven recommendations were concluded to be fully implemented, and the remaining two recommendations were concluded to be partially implemented. Please refer to **Appendix A** for further information.

Summary of Recommendations

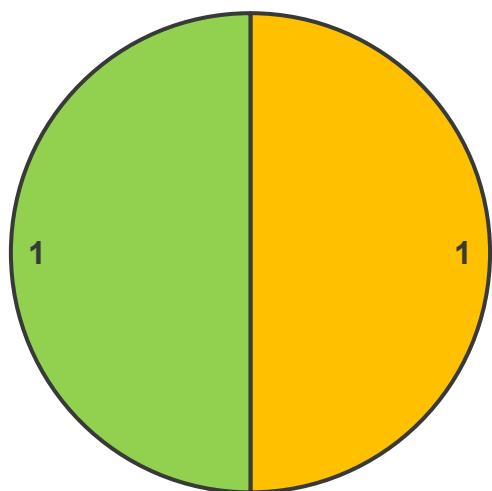
Grading of Recommendations	High	Medium	Low	Total
Appendix A - Partially Implemented Recommendations	-	1	1	2
Fully Implemented Recommendations	-	2	3	5

We have not included fully implemented recommendations as an appendix, however details of these recommendations are available upon request

1. Executive Summary

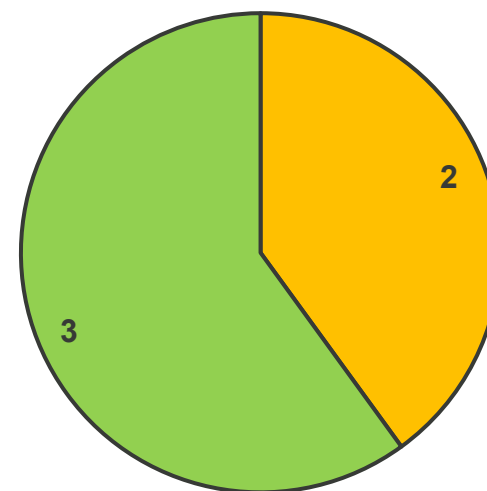
Summary of Recommendations by Grade

Partially Implemented



■ High ■ Medium ■ Low

Fully Implemented



■ High ■ Medium ■ Low

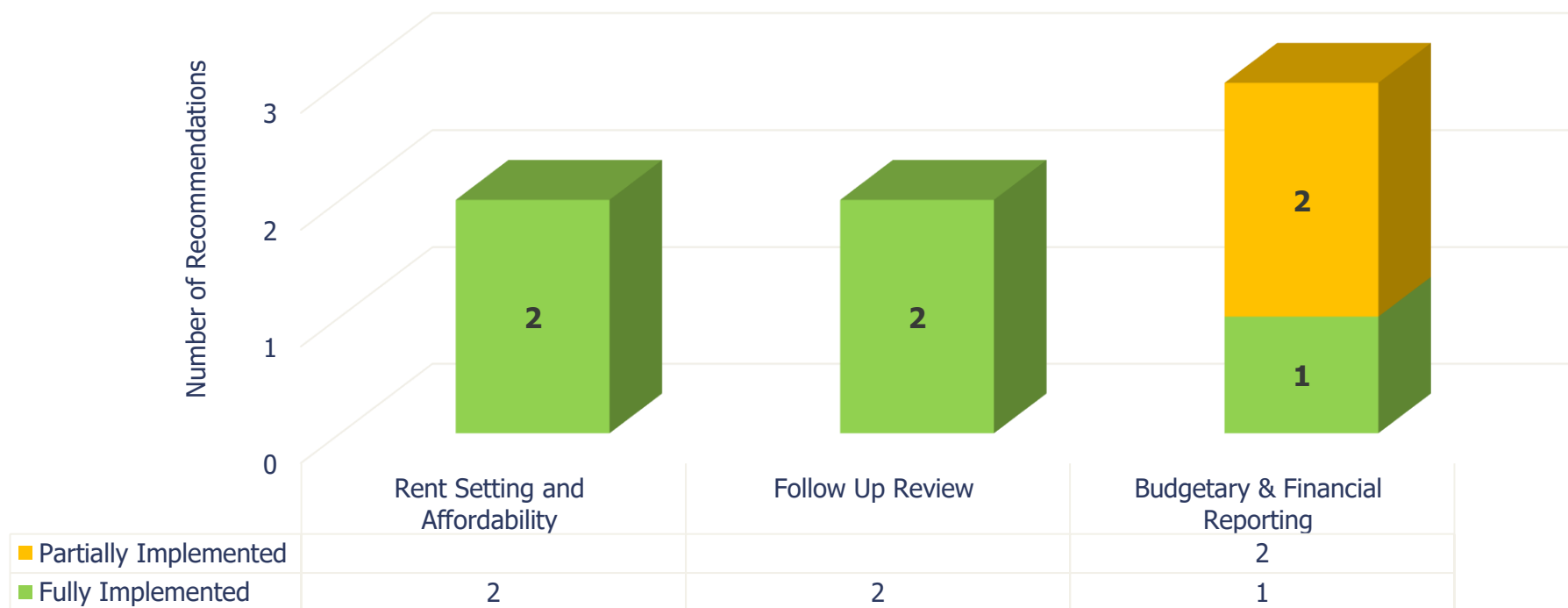
1. Executive Summary

Implementation of Recommendations – Summary of Implementation

Audit Area	Total	Partially Implemented	Fully Implemented
Rent Setting and Affordability (October 2024)	2	-	2
Follow Up Review (October 2024)	2	-	2
Budgetary & Financial Reporting (February 2025)	3	2	1
Total	7	2	5
Percentage of Total	100%	29%	71%

1. Executive Summary

Breakdown of Recommendations by status of implementation, from 2024/25 and earlier years



2. Audit Arrangements

The table below details the dates of our fieldwork and the reporting of the audit area under review.

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 and Risk Committee	10 February 2026
No of audit days	1

2. Audit Arrangements

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
Auditors:	Ailsa Gourlay	Internal Auditor	amg@wbg.co.uk
	Aaron McGookin	Internal Auditor	am@wbg.co.uk

Rosehill Housing Association			
Key Contact	Geri Mogan	Director	geri.mogan@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.

Appendix A

Partially Implemented Recommendations

A. Partially Implemented Recommendations



Reporting to Budget Holders, Budgetary & Financial Reporting, February 2025

Original Finding

During our review, we discussed the reporting arrangements in place for Budget Holders with the Finance Manager, where it was identified that Budget Holders do not receive reports regarding their budgets. We do note that for the 2025/26 budget the Finance Manager plans to develop departmental budgets to allow Budget Holders to easily navigate their own budgets.

As part of our review, we distributed a survey to budget holders where we identified key areas for improvement regarding the receipt of reports by Finance, uncertainty around actions when variances occurs and the lack of frequent meetings with Finance.

Following our root cause analysis, we note that this is not in place due to historically inconsistent resourcing with the Finance Team and a lack of clearly communicating the role and responsibilities of budget holders.

Original Recommendation

We recommend that the Finance Manager begins reporting quarterly to the Budget Holders and holds timely meetings with them to ensure effective scrutiny of departmental budgets and budget variances.

Ref	Finding from our 2025/26 Follow Up	Grade	Recommendation
1.	The Finance Manager has developed a quarterly reporting programme for budget holders, however at the time of our audit, meetings had yet to be held with budget holders. The Finance Manager advised that these will be distributed by December 2025.	Medium	We recommend that the Association complete the planned Budget Holder reports in line with agreed timeframes.
Management Response			Responsibility and Implementation Date
Budget holder reports now being issued in conjunction with the quarterly management accounts. This was complete by 15/11/2025 and will continue in operation.			<i>Implementation Date: 15/11/2025</i> <i>Responsible Officer: Liam Donnachie</i>

A. Partially Implemented Recommendations



Omniledger System, Budgetary & Financial Reporting, February 2025

Original Finding

During our review, we found that the Association currently do not utilise their Omniledger System to log and monitor their budget. Instead, the budget is outlined on an excel spreadsheet. We reviewed the budget and found that the Excel spreadsheet contains 87 tabs, making it challenging for budget holders to navigate and monitor their budgets effectively.

We do note from our discussions with the Finance Manager that the Association is currently in the market of procuring a new system to input the budget. Following our root cause analysis, we note that this is not in place due to historically inconsistent resourcing with the Finance Team and a lack of clearly communicating the role and responsibilities of budget holders.

Original Recommendation

We recommend for the Association to input the budget into the Finance System once procured, and to continue with distributing departmental budgets to Budget Holders in the interim.

Ref	Finding from our 2025/26 Follow Up	Grade	Recommendation
2.	The procurement process for a new Finance System has been completed, with the Association transitioning to HomeMaster. The implementation date is yet to be confirmed; however, it is part of the Association's plan to input the budget into their new system.	Low	We recommend that the Association continue their efforts to transition to HomeMaster, and to utilise the tools of this system to to log and monitor their budget.

A. Partially Implemented Recommendations



Omniledger System, Budgetary & Financial Reporting, February 2025

Management Response

The Association is in the process of implementing the new system. This will be implemented and operational in the first quarter of the 2026/27 financial year. Additionally, WBG carried out the budgetary review prior to commencement of the next cycle. The budget cycles are no longer on single files and are broken into departmental areas as cost centres and combined as a single set of financial reports for the Management Committee. This has now taken place on two budget cycles. Regardless of the system implementation, the budget; training, creation, and of changes should now be able to be effectively carried out by the key areas of expenditure in Rosehill, the system will improve the efficiency and timeliness of these changes.

Responsibility and Implementation Date

Implementation Date: 31/12/2025

Responsible Officer: Liam Donnachie

Appendix B

Grading Structure

B. Grading Structure

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

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, some 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

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

Grading	Risk	Classification
High	High Risk	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	Medium Risk	Significant issue or weakness which should be addressed by the Association as soon as possible
Low	Low Risk	Minor issue or weakness reported where management may wish to consider our recommendation

Appendix C

Assignment Plan

C. Assignment Plan

Purpose of review

The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit and Risk Committee with assurance that prior year recommendations are implemented within the expected timescales.

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

Scope of review

Our objective for this review is as follows:

- | The Association has appropriately implemented any outstanding internal audit recommendations made in prior years.

Audit Approach

Our approach to the review will be:

- | To discuss with management and staff, the status of any outstanding recommendation raised in prior years and where appropriate, undertake testing to confirm their status.

Potential Key Risk

The potential key risk associated with the area under review is:

- | The Association does not address the areas of concern which may significantly affect its ability to continue to operate.