

For Discussion

Agenda Item: 6
Date of Meeting: 10/02/26

To: The Audit & Risk Sub-Committee

From: The Director

Subject: Internal Audit 2024/25 and 2025/26: Recommendations – Progress Report

1. Introduction and Purpose

- 1.1 The purpose of this report is to provide a progress report on any outstanding recommendations from audits carried out in 2024/25 and any new recommendations from audits carried out in 2025/26.
- 1.2 The Sub-Committee is asked to note that both audits (and follow up audit) scheduled for 2025/26 have been completed. Committee considered the IA Report, for the first audit carried out which related to the Annual Assurance Statement, at its November meeting. It achieved a “strong” assurance rating, which is the highest rating and there were no recommendations identified. The second audit on Value for Money and the follow-up audit were carried out in November. The reports for both of these are being presented at the meeting by the Internal Auditor from Wbg.

2. Progress Report

Outstanding Recommendations 2024/25

- 2.1 At the time of the follow-up audit carried out in November 2025, there were 2 recommendations outstanding from the Budgetary and Financial Reporting audit carried out in February 2025. Appendix 1 shows the progress with these recommendations and Committee will see that both recommendations are now deemed complete.

New Recommendations – Internal Audit 2025/26

- 2.2 The table in the following page shows the recommendations identified from the 2 audits completed for the current year.

Audit Area	No. of recommendations	Recommendations	Action to be undertaken and timescale
Annual Assurance Statement	0	N/A	N/A
Value for Money	2 x 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. 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.	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. Implementation Date: by end of September 2026 Completed - 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. Implementation Date: January 2026

3. Risk

- 3.1 We have considered risk in relation to Internal Audit and have identified the main risks under the following risk categories and the measures we have taken to mitigate such risks.

Risk Category	Mitigating Measure
Governance: • Failure to carry out Internal Audit; • Failure to implement recommendations from Internal Auditor	• Internal Audit Services are tendered every 3-4 years; • 3 year Programme approved by A&R Sub-Committee, from which annual programme is approved by A&R Sub-Committee; • 2 audits plus follow up audit carried out each year; • Audit Reports presented by Internal Auditor at next available meeting; • Progress reports with implementation of audit recommendations presented at sub-committee meetings.
Legislative and Regulatory: As above and, Failing to meet Regulatory Requirements (Standard 4)	As above

4. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Carrying out Internal Audits and ensuring recommendations are implemented	7) Achieve the highest standards in all that we do

5. Application of our Core Values

Area	Related Core Value(s)
Carrying out Internal Audits and ensuring recommendations are implemented	Accountable and Compliant; Efficient and Responsible; Excellent and Committed

6. Compliance and Assurance

- 6.1 Having a system for internal audit which acts as a health check as to the effectiveness of our systems, policies and procedures contributes to good governance within Rosehill. Having Internal Audit means we are compliant with Regulatory Requirements as follows:

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	Standard 4 – The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. Guidance 4.4 – The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit. Guidance 4.6 – The RSL has an internal audit function. The governing body ensures the effective oversight of the internal audit programme by an audit committee or otherwise. It has arrangements in place to monitor and review the quality and effectiveness of internal audit activity, to ensure that it meets its assurance needs in relation to regulatory requirements and the Standards of Governance and Financial Management. Where the RSL does not have an audit committee, it has alternative arrangements in place to ensure that the functions normally provided by a Committee are discharged.

6.2 Evidence Bank

Evidence	Assurance Exercise Location
Progress Report for 10/02/26 meeting and attachment	Regulatory Standard 4 – Guidance 4.4 and 4.6

7. Summary

- 7.1 The sub-committee is being asked to consider the progress report (Appendix 1 attached) on any outstanding recommendations from audits carried out in 2024/25. As reported at the November meeting, there were no recommendations identified for the audit on the Annual Assurance Statement. The second audit on Value for Money and the follow-up audit were completed in November. The reports are being presented at the meeting by the Internal Auditor. The Sub-Committee will note that the audit resulted in a strong rating, which is the highest assurance rating that is given. There were two low recommendations from the Value for Money audit and the table within Section 2 of this report, shows the planned action to address these recommendations and the timescale for doing so.
- 7.2 Risk is considered at Section 3.
- 7.3 Section 4 shows how having an internal audit function links to the delivery of our strategic objectives.
- 7.4 Section 5 shows how having an internal audit function links to the application of our core values.
- 7.5 Section 6 shows how we are complying with Regulatory requirements.
- 7.6 Committee is asked to consider this report and the progress with the implementation of the outstanding recommendations from previous audits. Committee is invited to discuss anything arising from this report.