

# Rosehill Housing Co-operative

Internal Audit Plan  
2023/24

+ September 2023





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## Background

Wylie & Bisset LLP were re-appointed as Internal Auditors by the Management Committee with effect from 1 October 2021 for a period of 3 years until 30 September 2024.

## Internal Audit

The prime responsibility of the Internal Audit Service (“IAS”) is to provide the Audit Sub Committee, the Director and other Senior Management of the Co-operative, with an objective assessment of the adequacy and effectiveness of management’s internal control systems.

The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the Co-operative. Also, the operation and conduct of the IAS must comply with the standards and guidelines set down by the Institute of Internal Auditors.

## Terms of Reference – Internal Audit

The provision of the IAS by Wylie & Bisset LLP is covered by the letter of engagement dated 23 September 2021.

## Preparation of Internal Audit Plan 2023/24

This Plan was developed following discussions with the Co-operative’s Director. We note that following our discussions, we propose to swap the Development review with a review of the Tenant Safety arrangements focusing on gas, asbestos and damp & mould.

We also discussed the proposed change in year end with the Director and would propose to undertake the reviews in advance of the 31 March 2023 year end to ensure consistency in audit plans.

## Formal Approval

The original Audit Needs Assessment was presented to the Audit Sub Committee on 29 September 2021 for approval. This Plan will be presented to the Audit Sub Committee for approval on 19 September 2023.



# Operational Plan

2023/24

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+ August 2023



Audit area	High level indicative summary scope	Total number of days
Tenant Safety	<p>The purpose of this assignment is to ensure that the risks surrounding the gas safety arrangements, damp &amp; mould management arrangements and asbestos management arrangements in place at the Co-operative are appropriately managed and controlled. The review will seek to provide assurance that the Co-operative's arrangements are operating effectively.</p> <p>The objectives for this review will include:</p> <ul style="list-style-type: none"> <li>➤ The Co-operative has a policy for gas safety checks with appropriate procedures in place to ensure access is gained to properties as required and to ensure that checks are completed within the required timeframe.</li> <li>➤ The Co-operative has appropriate escalation procedures to ensure all properties have an annual gas safety check and to ensure that the process begins as early as possible to ensure full compliance.</li> <li>➤ Only Gas Safe registered contractors or personnel are used in respect of gas safety checks within the Co-operative.</li> <li>➤ There are quality audits undertaken to ensure that the work carried out is of a satisfactory standard and any issues highlighted have been followed up, and value for money is being obtained from the service.</li> <li>➤ The Co-operative has a relevant Asbestos Policy in place.</li> <li>➤ The Co-operative complete risk assessments for Asbestos and any actions are properly assigned.</li> <li>➤ Tenants and contractors are fully aware of the location and condition of asbestos.</li> <li>➤ The Co-operative has processes and procedures in place to manage mould reported by its tenants.</li> </ul>	3



Audit area	High level indicative summary scope	Total number of days
Governance	<p>The purpose of the review is to ensure that the Co-operative has appropriate governance arrangements in place and that these have been embedded through the whole Co-operative. This will be a detailed review to ensure the Co-operative's Corporate Governance arrangements are appropriate and represent good practice and that there is compliance with the Scottish Housing Regulator's Framework. Our objectives for this review are to ensure:</p> <ul style="list-style-type: none"> <li>➤ Management Committee and Sub-Committee terms of reference are clear and not overlapping.</li> <li>➤ Management Committee and Sub-Committees have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution.</li> <li>➤ Members are provided with sufficient, high quality management information in their areas of responsibility.</li> <li>➤ Management Committee and Sub-Committees are appropriately attended, and members are sufficiently engaged.</li> <li>➤ The Management Committee and Sub-Committees have effectively assessed their performance and the balance of skills required within the Management Committee and sub-committees.</li> </ul>	2
Follow Up Review	<p>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 Sub Committee with assurance that prior year recommendations are implemented within the expected timescales.</p> <p>Our objective for this review is to ensure:</p> <ul style="list-style-type: none"> <li>➤ The Co-operative has appropriately implemented any outstanding internal audit recommendations made in prior years.</li> </ul>	1

## Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the Co-operative.

## Key Dates

Visit	Name	No. of audit days	Key Co-operative personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit Sub Committee
1	Tenant Safety	3	Director	11 March 2024	29 March 2024	April 2024
	Governance	2	Director			
	Follow Up Review	1	Director			



# Appendices

- A – Summary of Internal Audit Input
- B – Grading Structure
- C – Training Topics

# A – Summary of Internal Audit Input



1 October 2021 to 31 March 2024 (changed from 30 September due to change in financial year end)		Operating Plan (No. Of days)		
System	Audit Area	2021/22	2022/23	2023/24
Financial Systems	Overall Financial Controls	3		
Compliance	EESSH 2			
	Electrical Safety		2	
	Tenant Safety			3
IT	IT Systems		3	
Governance	Risk Management	2		
	Governance			2
Required	Follow Up Review	1	1	1
	Audit Management	1	1	1
	<b>Total Days</b>	<b>7</b>	<b>7</b>	<b>7</b>



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 Sub Committee and addressed by senior management of the Co-operative as a matter of urgency
Medium	Medium Risk	Significant issue or weakness which should be addressed by the Co-operative as soon as possible
Low	Low Risk	Minor issue or weakness reported where management may wish to consider our recommendation

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

Performance Indicator	Target
Internal audit days completed in line with agreed timetable and days allocation	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 working days before each start date	100%
Draft reports issued within 10 working days of exit meeting	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%
Final reports issued within 5 working days of receipt of management responses	100%
Recommendations accepted by management	100%
Attendance at Audit Sub Committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%



As a firm we offer a wide range of training topics to our clients and we have listed below some of the topics which we would be able to offer Rosehill Housing Co-operative.

Topic	Summary
Risk Management	This can cover risk awareness, assessment of risks, responsibilities for monitoring risks, risk appetite and the scoring of risks. This is usually done as a workshop to ensure buy-in from management and Management Committee members to the risk management process.
Role of the Management Committee	This would cover the roles and responsibilities of Management Committee members, including the Chair. This has been particularly useful when new Management Committee members have been appointed and allows members to obtain some knowledge on what the expectation of a Management Committee member is and what they should be looking out for.
Role of Internal Audit	We would provide a short session on what the internal audit function should be delivering to the Co-operative and the added value which we would bring.
Finance for Non-Financials	This is useful for Management Committee members who do not have a finance background and covers areas such as the management accounts, budget reporting and the statutory accounts.
Fraud Awareness	We would cover the importance of a having a strong control environment and areas to be aware of in relation to fraud. We would discuss some real-life examples of where we have identified or been asked to investigate allegations of fraud and the results of these investigations.



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