

Our ref: GG/SM
Your ref:
Date: 17 April 2024

Audit Sub Committee
Rosehill Housing Co-operative Limited
250 Peat Road
Glasgow
G53 6SA

168 Bath Street, Glasgow, G2 4TP
Tel: 0141 566 7000 | Fax: 0141 566 7001
www.wyliebisset.com
DX 512406
Glasgow Bath Street

Dear Sirs

- 1 Following our re-appointment as internal auditors of Rosehill Housing Co-operative by the Audit Sub Committee, we set out below what we consider to be the basis on which we are to act as internal auditors and the respective areas of responsibility of the Co-operative and of ourselves.

Appointment and qualification

- 2 We acknowledge that the Audit Sub Committee have appointed us to provide an internal audit services for a period a period of 3 years from 2021/22 to 2023/24. The Contract was subsequently extended for a year to cover 2024/25.
- 3 We confirm that we are qualified to be appointed as internal auditors for the Co-operative in accordance with the requirements of the relevant legislation. We shall have right of access at all times to the books, accounts and vouchers of the Co-operative and to such information and explanations as necessary for the performance of our duties.

Responsibilities of the Co-operative

- 4 The Audit Sub Committee shall be responsible for ensuring that a system of control, financial and otherwise, is established and maintained in order to carry on the operations of the Co-operative in an orderly and efficient manner, to ensure adherence to management policies, to safeguard the assets and to secure, as far as possible, the completeness and accuracy of the records.

Audit scope and reporting

- 5 We shall conduct our work in accordance with the standards and guidelines set down by the Chartered Institute of Internal Auditors (IIA).
- 6 We will prepare an Audit Needs Assessment which will detail a programme of work over a three-year period in order that the whole internal control system of the Co-operative, including all operational, resource, staff and service areas are covered. The Audit Needs Assessment will be presented to the Audit Sub Committee for approval.

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Registered to carry on Audit Work in the UK and Ireland by the Institute of Chartered Accountants of Scotland. Details of our audit registration can be viewed at www.auditregister.org.uk under reference F0590

Offices in Manchester and Oban

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7 Specifically, our work will achieve the following objectives:-

- (a) to review and appraise the soundness, adequacy and application of accounting, financial and other controls;
- (b) to ascertain the extent to which systems of control ensure compliance with established policies and procedures;
- (c) to ascertain the extent to which the assets and interests entrusted to or funded by the Co-operative are properly controlled and safeguarded from losses of all kinds;
- (d) to ascertain that all accounting and other information is reliable as a basis for the production of accounts and other returns;
- (e) to ascertain the integrity and reliability of financial and other information provided to management including that used in decision-making;
- (f) to ascertain that systems of control are laid down and operate to achieve the most economic, efficient and effective use of resources; and
- (g) to draw attention to apparently uneconomic or otherwise unsatisfactory results flowing from management decisions, practices or policies.

8 We shall prepare a report following each visit to the Co-operative which will detail our findings and conclusions and, where appropriate, make recommendations for improvement. Subsequent reports will review the adequacy of action taken in relation to any recommendations previously made. Draft reports will be submitted within 2 weeks of the conclusion of each audit visit. Once the report has been agreed a final version will be issued to the Director and the Audit Sub Committee.

9 Serious weaknesses or an accounting breakdown will be reported in the first instance to the Co-operative's Director without delay, and thereafter to the Audit Sub Committee.

10 We acknowledge that internal audit working papers and relevant audit documentation are the property of the Co-operative.

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Irregularities, including fraud

- 11 The responsibility for ensuring the establishment and maintenance of an adequate system of internal control lies with the Audit Sub Committee. The Audit Sub Committee is also responsible for ensuring compliance with statutory and other regulations, including those in relation to taxation, and for the prevention and detection of irregularities including fraud.

As internal auditors, we are responsible for examining and evaluating the adequacy and effectiveness of action taken by the Co-operative to fulfil this obligation. In planning and conducting our work we will seek to identify serious defects in internal control which may give rise to the possibility of malpractice. Any such defects will be reported immediately to the Director of the Co-operative and the Audit Sub Committee.

External audit

- 12 Co-operatives are required to appoint external auditors. We expect to have regular meetings with staff carrying out the external audit function in order to enhance the level of service we provide to the management of the Co-operative. We acknowledge that the external auditors have unlimited access to our files and working papers.

Other services

- 13 We have not, at this stage, agreed to perform any other service for you but if, at any time, you feel that additional services could be of assistance to you we would be pleased to discuss such matters.

Data Protection Act 1998 (DPA 1998)/General Data Protection Regulation (GDPR)

- 14 During the course of our engagement you may disclose personal data to us in order that we may provide our services to you. The processing of personal data is regulated in the UK by the General Data Protection Regulation as supplemented by the Data Protection Act 2018 together with other laws which relate to privacy and electronic communications. In this clause, we refer to these laws as "**Data Protection Law**". In providing our services, we act as an independent controller and are, therefore, responsible for complying with Data Protection Law in respect of any personal data we process in providing our services to you. Our privacy statement which can be accessed at <https://www.wyliebisset.com/downloads/privacy-statement.pdf> explains how we process personal data. You are also an independent controller responsible for complying with Data Protection Law in respect of the personal data you process and, accordingly, where you disclose personal data to us you confirm that such disclosure is fair and lawful and otherwise does not contravene Data Protection Law. Terms used in this clause bear the same meanings as are ascribed to them in Data Protection Law.

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Fees

- 15 Our fees are computed on the basis of the time spent on your affairs by the partners and our staff and on the levels of skill and responsibility involved. Unless otherwise agreed, our fees will be charged separately for each of the main classes of work as instructed and described above, will be billed at appropriate intervals during the course of the year and will be due on presentation.

Our fees for the provision of an internal audit service for the year 2024/25 will be £2,625 excluding VAT on the basis of providing 7 days of internal audit work at £375 per day including expenses.

Yours faithfully

WYLIE & BISSET LLP

We acknowledge and agree the terms of the above letter.

..... Signed

..... Dated

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