



Waverley Housing

Internal Audit Plan

2021-22

August 2021

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1. Introduction

Background

Wylie & Bisset LLP were appointed as Internal Auditors by the Company with effect from 1 April 2020 for the period to 31 March 2021 with two year extension to 31 March 2023. Wylie & Bisset LLP subsequently had their appointment extended to cover the period to 31 March 2023.

Internal Audit

The prime responsibility of the Internal Audit Service ("IAS") is to provide the Board of Management, via the Audit And Internal Control Committee, 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 Company. Also, the operation and conduct of the IAS must comply with the standards and guidelines set down by the Chartered 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 5 February 2021.

Formal Approval

The Audit Needs Assessment ("ANA") was developed based on discussions with the Chief Executive, Business Support Manager and the Finance Manager of the Company and a review of various documentation and was presented to the Audit and Internal Control Committee on 16th June 2020. This years Internal Audit Plan was developed based on discussions with management and the Chair of the Audit and Internal Control Committee and was presented to the committee for approval on 16th March 2021.

2. Operational Plan 2021 /22

Audit Area	High level indicative summary scope	Total Number Of Days
Overall Financial Controls	We will perform a high level control review across all key financial control systems. This will include a review process relating to purchasing, income, cash and banking, payroll and fixed assets.	6
Covid-19 Working Practices and Staff Wellbeing	The purpose of this assignment is to review the processes taken by the Company during the Covid-19 lockdown to ensure that there were sufficient arrangements in place for key business activities. We will assess the revised practices in place as a result of Covid-19. We will also assess the steps taken to enhance staff wellbeing during the remote working period and assess how any issues raised in this area were addressed.	5
Review of Upper Langlee Refurbishment Programme(Project 1)	We will undertake a review of the suitability of the recent refurbishment programme. This will consider the monitoring and reporting arrangements. We will also review the monitoring of the timescales for the programme as well as the KPIs in place in relation to the programme as well as any lesson learned for future programmes.	5
Follow Up	We will undertake a review of recommendations raised in the previous year to provide assurance that these are being followed up effectively.	2

2. Operational Plan 2021 /22

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 Company.

Key Dates

Visit	Audit Areas	Key Company Personnel	Provisional Date for Visit	Date of Issue of Draft Report	Provisional Date to the Audit and internal Control Committee
Visit 1	Overall Financial Controls	Reuben Basak	16 August 2021	3 September 2021	Tbc
	Covid-19 Working Practices and Staff Wellbeing	Fraser Kelly			
Visit 2	Review of Upper Langlee Refurbishment Programme(Project 1)	Gregor Booth	22 November 2021	10 December 2021	Tbc
	Follow Up	Reuben Basak			

Appendix A - Summary of Internal Audit Input

1 April 2020 to 31 March 2022

		Operating Plan (No. of days)	
System	Audit Area	2020/21	2021/22
Financial Systems	Procurement	5	
	Financial Planning	5	
	Overall Financial Controls		6
Non Financial Systems	Tenant and Resident Safety	6	
	Covid-19 Working Practices and Staff Wellbeing		5
	Review of Upper Langlee Refurbishment Programme (Project 1)		5
	Follow Up	2	2
Required	Audit Management	2	2
	Total Days	20	20

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

Appendix C – Key Performance Indicators

Analysis of Performance Indicators

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 15 working days of exit meeting	100%
Management provide responses to draft reports within 10 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 and Internal Control Committee meetings by a senior member of staff	100%
Annual Report to be issued by 30 April each year	100%
Suitably experienced staff used on all assignments	100%