



Waverley Housing

Internal Audit Plan 2026/27

March 2026

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Introduction

Background

Wbg Services LLP (Wbg) were originally appointed as Internal Auditors by the Company with effect from 1 April 2020 for an initial period of one year to 31 March 2021 which was subsequently extended to cover the period to 31 March 2024. The Company have taken the decision to extend the contract to cover the period up to 31 March 2028.

Internal Audit

The prime responsibility of the Internal Audit Service (IAS) is to provide the Board, 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.

The operation and conduct of the IAS must comply with the guidelines set down by the Institute of Internal Auditors, including the Global Internal Audit Standards (GIAS), and the Application Note regarding the adoption of GIAS in the UK Public Sector. The Application Note replaces the Public Sector Internal Audit Standards from 1 April 2025.

Terms of Reference – Internal Audit

The provision of the IAS by Wbg is covered by the letter of engagement dated 12 March 2026.

Preparation of Audit Plan

This Plan was developed following discussions with the Chief Executive and Executive Support Officer.

Formal Approval

This document covers the Internal Audit Plan for 2026/27 and will be presented for approval by the Audit and Internal Control Committee on 28 April 2026.

Operational Plan

2026/27

Implementation of Homemaster

Audit area	High level indicative summary scope	Total number of days
Implementation of Homemaster	The purpose of this assignment is to review the implementation of the Homemaster system to assess whether the system is working as anticipated and that the Company is fully utilising the benefits and efficiencies that the new system offers. We will also review the implementation process to ensure that deadlines and costs were met and that staff have received sufficient training on the system. Our objectives for this review are as follows: - The Homemaster system is fit for purpose and operating in line with good practice. - Data has been accurately transferred from the previous system. - Sufficient training has been given to those staff who will be using the Homemaster system. - Appropriate controls have been put in place over the Homemaster system, and these are being adhered to by staff.	4

Compliance with SHQS

Audit area	High level indicative summary scope	Total number of days
Compliance with SHQS	The purpose of this assignment is to assess compliance with Scottish Housing Quality Standards (SHQS) requirements. The review will seek to provide assurance to the Audit and Internal Control Committee that the Company's arrangements are operating effectively. Our objectives for this review are as follows: - The Company has the appropriate arrangements to meet all five SHQS criteria including tolerable standards, disrepair, energy efficiency, modern facilities, and safety. - The Company has the appropriate processes in place for the completion of inspections and repairs to ensure ongoing compliance. - The Company maintains accurate records of compliance and appropriately reports to the Scottish Housing Regulator in relation to compliance. - The Company has the appropriate resource allocating and budgeting arrangements to ensure compliance where plans are in place to address areas of noncompliance. - The Company effectively engages with tenants and gathers feedback in relation to the quality of homes.	4

Overall Financial Controls

Audit area	High level indicative summary scope	Total number of days
Overall Financial Controls	We will undertake a high-level controls review across all key financial control systems. This will include a review of processes relating to purchasing, income, cash and banking, payroll and fixed assets. Our objectives for this review are as follows: - Efficient and effective procedures and controls are in place for key finance processes. - Adequate segregation of duties are in place. - There is adequate management oversight of finance processes.	5

Recruitment and Retention

Audit area	High level indicative summary scope	Total number of days
Recruitment and Retention	The purpose of this assignment is to review the Company's recruitment arrangements and assess whether the Company has systems in place to ensure the retention of staff members. We will review the steps taken by the Company to assess whether recruitment needs for staff are fully assessed and fulfilled. We will also review the steps undertaken by the Company to ensure staff recruited are retained following their probation period. Our objectives for this review are as follows: - The arrangements in place within the Company for the recruitment of new staff are robust, fit for purpose and in line with current legislation, enabling the Company to attract the best candidate for the job and also attract diverse candidates. - Recruitment procedures are robust and as well as ensuring that the most suitable candidate is employed, ensure that a fair and transparent recruitment process is undertaken. - The relevant pre-employment checks have been undertaken prior to any new employee commencing their employment at the Company. - New employees receive a comprehensive induction on the commencement of their employment at the Company, which equips them to be able to do their job. - The Company has an appropriate performance management and development process in place to help retain staff following their probation period. - The Company has robust processes in place to enhance staff retention.	5

Strategic Planning

Audit area	High level indicative summary scope	Total number of days
Strategic Planning	We will undertake a review of the strategic planning arrangements in place and look to assess whether the Board are fully involved in the development of the Strategic Plan. We will also review the methods in place to monitor the progress of the Strategic Plan, associated developments and the reporting arrangements in place to assess whether the Board receive regular updates. As part of this review, we will undertake a survey to gather input from employees, Board members and stakeholders on the effectiveness of the strategic planning process. Our objectives for this review are as follows: - The Company has robust planning processes in place to develop the Strategic Plan. - The Strategic Plan aligns with the Company's mission, goals and values, and considers external factors. - The Company regularly reviews and monitors progress against the Strategic Plan and takes necessary action when objectives are not being met. - The Board are fully involved in the development of the Strategic Plan and receive regular updates on the progress of the Plan and developments undertaken. This includes reporting against KPIs. - There is sufficient stakeholder engagement in the strategic planning process, this includes, management, employees and external stakeholders. - Risks associated with not achieving the objectives within the Strategic Plan have been identified.	4

Follow Up Review

Audit area	High level indicative summary scope	Total number of days
Follow Up 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 Internal Control Committee with assurance that the prior year recommendations are implemented within the expected timescales. Our objective for this review is as follows: The Company has appropriately implemented any outstanding internal audit recommendations made in prior years.	2

Assignment Plans & Dates

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	Name	No. of audit days	Key Company personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Company Audit and Internal Control Committee
1	Strategic Planning	4	Chief Executive	24 August 2026	11 September 2026	13 October 2026
	Financial Controls	5	Assistant Director of Finance and IT			
2	Compliance with SHQS	4	Assistant Director of Asset and Property Management	12 October 2026	30 October 2026	16 February 2027
	Recruitment and Retention	5	Assistant Director of Governance			
3	Implementation of Homemaster	4	Assistant Director of Finance and IT	16 November 2026	4 December 2026	16 February 2027
	Follow Up	2	Executive Support Officer			

Appendices

A – Summary of Internal Audit Input

B - Grading Structure

C – Key Performance Indicators

D – Training Topics

A – Summary of Internal Audit Input



1 April 2020 to 31 March 2028		Operating Plan (No. Of Days)							
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Financial Systems	Payroll					5			
	Overall Financial Controls		6					5	
	Budget Management						5		
	Procurement	5							
	Financial Planning	5							
Non-Financial System	Cyber Security					6			
	Arrears Management					5			
	Covid-19 Working Practices and Staff Wellbeing		5						
	Tenant Support			6					
	Review of Upper Langlee Refurbishment Programme (Project 1)		5						
	Complaints Handling			5					
	Board Appraisal Process			5					
	Days Carried Forward	10	16	16	-	16	5	5	-

A – Summary of Internal Audit Input

1 April 2020 to 31 March 2028		Operating Plan (No. Of Days)							
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Days Brought Forward	10	16	16	-	16	5	5	-
	GDPR				5				
	Void Management				5				
	Compliance with SHQS							4	
	Recruitment and Retention							5	
	Absence Management				6				
	Allocations						5		
	Responsive Repairs						5		
	Tenant Safety	6					7		
	Anti Social Behaviour						4		
	Risk Management					5			
	Competitive Tendering Exercise				5				
	Strategic Planning							4	
	Assurance Statement								4
	Days Carried Forward	16	16	16	21	21	26	18	4

A – Summary of Internal Audit Input



1 April 2020 to 31 March 2028		Operating Plan (No. Of Days)							
System	Audit Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Days Brought Forward	16	16	16	21	21	26	18	4
	Estates Management								6
	Development								6
	Tenant Participation and Engagement								4
	Implementation of Homemaster							4	
Required	Follow Up	2	2	2	2	2	2	2	2
	Audit Management	2	2	2	2	2	2	2	2
	Total Days	20	20	20	25	25	30	26	24

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 Company's Audit and Internal Controls 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

C – Key Performance Indicators

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%
Draft annual internal audit report to be provided by 30 April each year	100%
Attendance at Company Audit and Internal Control Committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%

D – Training Topics

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 Waverley Housing.

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 committee members to the risk management process.
Role of the Board	This would cover the roles and responsibilities of Board members, including the Chair. This has been particularly useful when new Board members have been appointed and allows members to obtain some knowledge on what the expectation of a Board 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 Company and the added value which we would bring.
Finance for Non-Financials	This is useful for 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.
Cyber Awareness	We would provide a cyber awareness session designed to help staff recognise and respond to common cyber threats. The training would be tailored to the housing sector and assist in promoting a strong culture of cyber resilience across all levels of the Company.

E – Audit Universe



We have set out below the auditable entities, processes, systems and activities, which support the development of the internal audit plan, and the Internal Audit coverage since 2020. Please see page 16 for colour key of assurance ratings. The assurance levels identified were those at the time of the review where we have followed up on recommendations raised since the completion of the audit.

Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Finance	Financial Planning	Overall Financial Controls			Arrears Management	Budget Management	Overall Financial Controls	
Procurement	Procurement			Competitive Tendering Exercise				
Compliance	Tenant & Resident Safety			GDPR		Tenant Safety	Compliance with SHQS	Assurance Statement
Central Functions		Review of Upper Langlee Refurbishment Programme		Void Management		Allocations	Strategic Planning	
		Covid-19 Working Practices and Safeguarding of staff						
Assets						Reactive Repairs		Estates Management

E – Audit Universe



Area	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Customer Management			Tenant Support			Anti Social Behaviour		Tenant Participation and Engagement
			Complaints Handling					
Staff/HR				Absence Management	Payroll		Recruitment and Retention	Development
IT Systems					Cyber Security		Implementation of Homemaster	
Governance			Board Appraisal Process		Risk Management			