



Internal Audit Annual Report 2025/26

Futures Housing Group (FHG)

KPMG Enterprise Risk Services

—
July 2026



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Distribution list

For action:

Ian Skipp, Group Director, Finance & Growth

For approval:

Group Audit and Risk Committee

1: Executive summary

We are pleased to have provided your internal audit service for 2025/26. The highlights of our services are summarised in this report:

Activity	Comments
Planned Audit Coverage	The approved 2025/26 plan for Futures Housing Group included a total of nine reviews. During the year, the following alterations to the audit plan were requested by management and approved by the Committee: • The removal of the Fire Safety review (due to alternative sources of assurance); and • The addition of the ASB review. At the time of reporting, all nine reviews have been finalised and reported to ARC. A summary of completed work is provided within section 2.
Management Actions Raised	We have raised 31 management actions in 2025/26. Of these, one was deemed high priority. The action was raised within the Data Privacy report and is summarised below: • <i>Third parties: FHG has not established a robust process to identify data shared with third parties; assess associated risk; and monitor compliance with expected security arrangements.</i> An analysis of both overarching report assurance ratings and management actions is provided in Section 3.
Independence	As part of our provision of internal audit services we provide confirmation of our independence. In doing so, we confirm that we have considered other work and relationships we hold with Futures Housing Group. During 2025/26: • Futures utilised KPMG's Making Tax Digital VAT return tool 'Tax Bridge'. The solution is a cloud-based tool utilised to support VAT return processes. Fees for this service are in the region of £3,000. Based upon the nature and scope of the above, we can confirm that no conflict of interest or independence issues arise.

2: Coverage and management actions raised

We completed the following reviews during the year

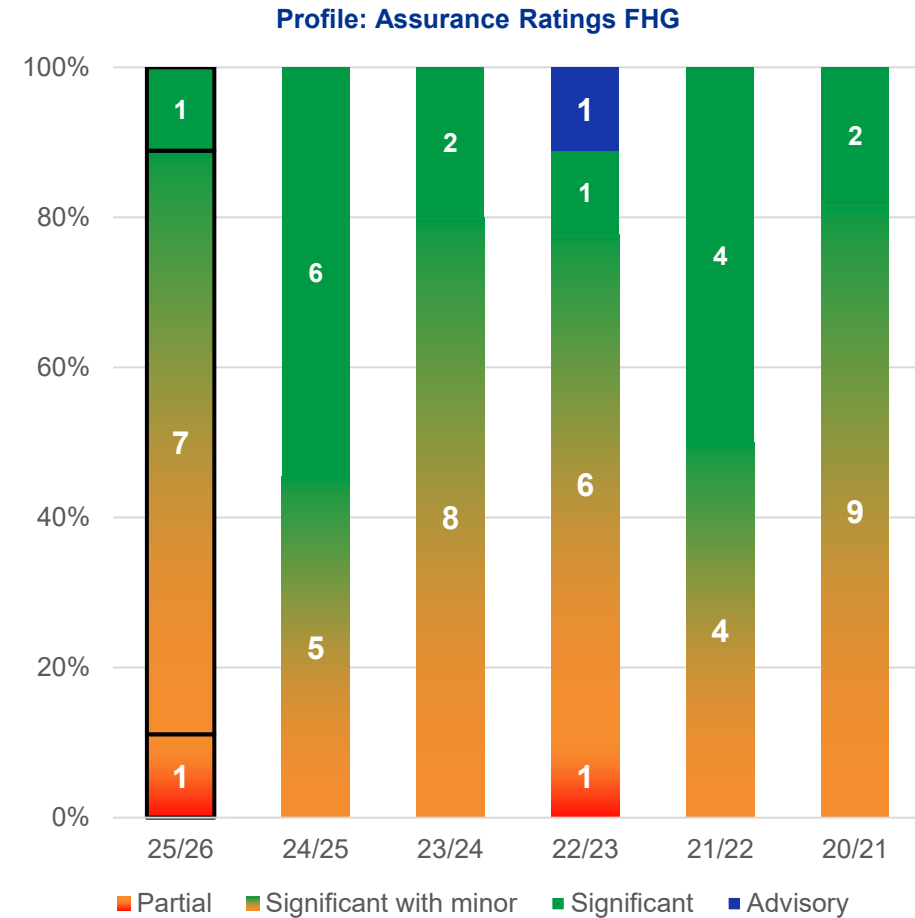
Internal Audit	Results				
	Overall Rating	High	Medium	Low	Total
Data Privacy	Partial assurance with improvements required	1	2	2	5
Treasury Management	Significant assurance with minor improvement opportunities	-	1	-	1
Value for Money	Significant assurance	-	-	1	1
Asset Maximisation	Significant assurance with minor improvement opportunities	-	1	2	3
Reactive Repairs	Significant assurance with minor improvement opportunities	-	3	2	5
Complaints Management	Significant assurance with minor improvement opportunities	-	5	-	5
Performance Management	Significant assurance with minor improvement opportunities	-	1	3	4
Damp and Mould	Significant assurance with minor improvement opportunities	-	2	3	5
Anti-Social Behaviour	Significant assurance with minor improvement opportunities	-	2	-	2
Total		1	17	13	31

3: Assurance profile

In the graph to the *right*, we compare assurance ratings assigned to reports issued across previous years. Due to the varying number of reports delivered in previous years, we have summarised the assurance ratings of reports as a proportion of total reports delivered.

Observations

- During the year, we issued a total of **nine** audit reports.
- We issued **one** report with significant assurance; **seven** with significant assurance with minor improvement opportunities; and **one** with partial assurance with improvements required.
- When compared to previous years, the assurance profile has remained broadly consistent.
- Positively, reports across a variety of areas of operation, including finance, governance, repairs and customer services received either significant assurance or significant assurance with minor improvement opportunities.

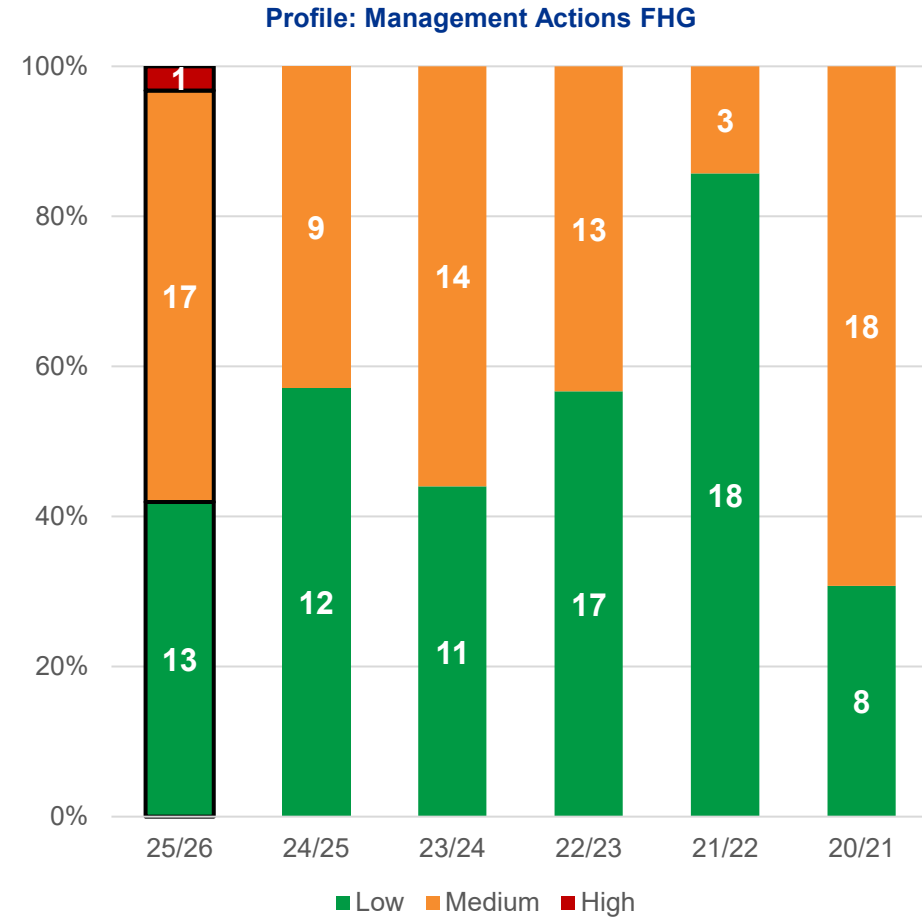


3: Assurance profile

In the graph to the *right*, we compare the priority of management actions across previous years. Due to the varying number of reports in each year, this graph summarises the proportion of total management actions raised year on year to aid comparability.

Observations

- The vast majority of actions raised in the year have been assigned either a medium or low priority, with only one high priority finding raised. As such, whilst opportunities to enhance control frameworks are present, only limited material control failings have been identified.





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