

IronOak Homes



IRON OAK

Audit Assurance Policy

Control Sheet

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1. Introduction

- 1.1. IronOak Homes is committed to maintaining robust governance, effective risk management, and a strong internal control environment. This Audit & Assurance Policy sets out how assurance is planned, delivered, monitored, and reported across the organisation, ensuring that the Board and Audit & Risk Committee receive clear, timely, and evidence-based insight into the effectiveness of key controls and compliance arrangements.
- 1.2. The policy supports a consistent approach to assurance across all areas of IronOak's work, including governance, finance, operations, resident services, regulatory compliance, and third-party arrangements. It reinforces accountability at each line of defence and promotes continuous improvement in the way risks are identified, managed, and independently reviewed.

2. Purpose

- 2.1. This Policy establishes the framework through which IronOak Homes Limited (IronOak) obtains assurance over the effectiveness of its governance, risk management, and internal controls. It defines the roles and responsibilities across the Three Lines of Defence and ensures compliance with regulatory requirements, including the Regulator of Social Housing's (RSH) Economic and Consumer Standards.

3. Scope

- 3.1. This Audit & Assurance Policy applies to all activities undertaken by IronOak. It covers all governance, operational, and financial arrangements required to demonstrate compliance with regulatory and legal obligations and to support the effective management of risk.

3.2. Organisational Activities

- All housing and asset management, finance transactions, resident engagement, and 3rd party legal compliance
- Within all operational property's, offices, and housing environments

3.3. Risk Management

The policy intersects with the full Risk Management Framework, covering:

- Identification, assessment, and mitigation of strategic and operational risks
- Maintenance of strategic and operational risk registers.
- Emerging risk identification and stress-testing

The Executive Leadership Team is responsible for ensuring that risk controls operate effectively and align with risk appetite

3.4. Internal Controls

The scope includes the entire **internal control environment**, covering:

- Financial controls (e.g., budget management, reconciliations, treasury, fraud prevention)
- Operational controls (e.g., tenancy management, repairs, asset management, development controls)

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- Property compliance controls (gas, fire, electrical, asbestos, lifts, water safety)
- Governance, reporting, and decision-making controls
- ICT, cyber security, data protection and information governance controls

Assurance activity must test the design and effectiveness of controls across all functions.

3.5. Third-Party Transactions and Partnerships

This policy covers interactions and compliance with third-party relationships managed within the Contract Management Framework, including contractors, managing agents, ICT providers, financial institutions, and supply chain partners. Assurance must consider due diligence, contractual compliance, risk exposure, data security, and value for money.

3.6. Regulatory & Statutory Compliance

This policy includes obligations arising from RSH Economic and Consumer Standards, Health & Safety legislation, Building Safety Act requirements, Housing legislation, Data protection laws, Financial reporting standards, and Procurement regulations.

4. Definitions

Term	Definition
Internal Audit Charter	A formal document that defines the internal audit function's purpose, authority, and responsibility. This is produced and maintained by IronOak, IronOak's internal audit provider.
Material Change	A significant alteration to the organisation's structure, operations, risk profile, or regulatory environment that may require additional audit or assurance activity. Examples include major acquisitions, significant changes in funding arrangements, or substantial changes to service delivery models.
QAIP	Quality Assurance and Improvement Programme – a programme designed to enable an evaluation of the internal audit function's conformance with the Global Internal Audit Standards and continuous improvement.
EQA	External Quality Assessment – an independent review of the internal audit function conducted by a qualified, independent assessor at least every five years.
SSH	Specialised Supported Housing – accommodation provided alongside care, support or supervision to help people live as independently as possible.
RSH	Regulator of Social Housing – the body responsible for regulating registered providers of social housing in England.
Three Lines of Defence	A risk management and governance model that distinguishes between functions that own and manage risks (First Line), functions that oversee and challenge (Second Line), and functions that provide independent assurance (Third Line).

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GIAS	Global Internal Audit Standards 2024 – the mandatory professional standards for internal audit practice, effective from January 2025.
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5. Assurance objectives

5.1. The primary objectives of assurance within IronOak are to:

- Provide clarity and confidence that risks are effectively managed.
- Deliver transparent and evidence-based assurance to the Board.
- Validate compliance with legal and regulatory standards.
- Test the adequacy of internal controls and identify improvements.
- Ensure that third-party arrangements are well-managed, compliant, and deliver value.
- Support continuous improvement in governance, service delivery, and resident outcomes.

6. Three Lines of Defence

6.1. IronOak adopts the Three Lines of Defence model as set out in our Risk Management Framework to provide a clear process for delivering assurance. This model ensures no gaps or duplication, clear accountability, strong regulatory assurance, and early identification of emerging risks.

6.2. First Line of Defence – Operational management

Who at IronOak: Housing Operations, Asset Management & Repairs, Finance & Income Management, Development & Investment, Neighbourhood and Resident Teams

Role: Operational teams own and manage risks arising from day-to-day activities and service delivery. The first line is accountable for identifying risks early and managing them within agreed policies and controls, primarily completed by operational managers with support from the Executive Leadership Team.

Responsibilities:

- Designing, implementing, and maintaining effective controls
- Complying with policies and regulatory requirements
- Managing risks at source and delivering services in line with policy
- Monitoring performance and providing accurate operational reporting

Assurance outputs: Quality control checks, dashboards, property compliance data, financial reconciliations, incident reporting.

6.3. Second Line of Defence – Risk, Compliance & Oversight Functions

Who at IronOak: Risk & Assurance, Governance & Compliance, Finance review and analysis, Health & Safety / Building Safety, Policy owners, Portfolio Quality Assurance Framework

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Role: The second line provides oversight, challenge, and support, ensuring risks are managed within IronOak's risk appetite. This is primarily completed by the Executive Leadership Team with support from operational managers.

Responsibilities:

- Maintaining the strategic risk register and setting risk appetite and control frameworks
- Stress testing the business plan against adverse scenarios
- Monitoring compliance with regulatory standards
- Conducting self-assessments against regulatory standards
- Contract Management monitoring and performance reporting
- Horizon scanning for regulatory and legislative change
- Delivering the Portfolio Quality Assurance Framework (management oversight of quality, not independent audit)

Assurance outputs: Compliance reports, risk updates, regulatory self-assessments, stress testing results, policy reviews, thematic compliance assessments.

6.4. Third Line of Defence – Independent Audit & Assurance

Who at IronOak: Internal Audit (IronOak – independent, outsourced provider), External Audit (statutory auditors), Commissioned specialist independent reviewers (e.g., treasury advisors, rent valuation specialists, building safety consultants)

Role: The third line comprises only genuinely independent parties who provide objective assurance on the effectiveness of the first and second lines of defence. Independent audit provides the Board with confidence that risks are being effectively managed and that the first and second lines are operating as intended.

Third line activities include:

- Internal audit (risk-based review of controls, risk, and governance)
- External audit (assurance on financial statements and associated financial controls)
- Specialist technical audits commissioned from independent providers (e.g., fire safety, cyber security, treasury)
- External regulatory inspections

Assurance outputs: Audit reports, recommendations, follow-up reviews, Annual Internal Audit Opinion, external audit reports and management letters.

7. Internal audit governance

7.1. Internal Audit Charter

IronOak's internal audit function operates in accordance with an Internal Audit Charter as required by the Global Internal Audit Standards 2024 (Standard 6.2). The Internal Audit Charter is the responsibility of, produced by, and agreed with, IronOak's internal audit provider. The Charter defines the internal audit function's mandate, mission, authority, unrestricted access rights, independence safeguards, quality assurance requirements, and review processes.

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7.2. Independence and Reporting Lines

To ensure Internal Audit independence in accordance with GIAS Domain III:

- Internal Audit reports functionally to the Audit & Risk Committee
- Administrative reporting is to the Chief Executive Officer
- The Audit & Risk Committee has oversight of the appointment, performance review, and any dismissal of the Internal Audit provider
- Private sessions between Internal Audit and the Audit & Risk Committee will be held at least annually without management present
- Internal Audit has no operational responsibilities that could impair independence

7.3. Annual Internal Audit Opinion

In accordance with GIAS Domain IV, Internal Audit will provide an Annual Internal Audit Opinion to the Audit & Risk Committee and Board on the overall adequacy and effectiveness of IronOak's governance, risk management, and internal control framework. This opinion will be presented annually and will form a key input to the Board's assessment of risk management effectiveness.

7.4. Quality Assurance and Improvement

In accordance with GIAS Standard 13, the internal audit function will maintain a Quality Assurance and Improvement Programme (QAIP) comprising:

- Ongoing monitoring of internal audit performance
- Periodic self-assessments
- External Quality Assessment (EQA) at least every five years by a qualified, independent assessor

Results of QAIP activities will be reported to the Audit & Risk Committee. Details of QAIP requirements are set out in IronOak's Internal Audit Charter.

7.5. Coordination with External Audit

In accordance with GIAS Standard 10.3, Internal Audit will coordinate with External Audit to maximise assurance coverage and minimise duplication. This includes sharing audit plans, relevant findings, and areas of concern. The Audit & Risk Committee will oversee this coordination.

7.6. External Audit

External Audit provides independent assurance on IronOak's financial statements and associated financial controls. The statutory audit focuses on the financial statements with limited procedures on wider internal controls and regulatory returns where specified in the engagement. External Audit does not provide comprehensive assurance over the entire internal control framework or all regulatory compliance matters.

8. Fraud and Whistleblowing

8.1. Internal Audit has a role in investigating suspected fraud where requested by management or the Audit & Risk Committee. Internal Audit will work in coordination with management and, where appropriate, external specialists in conducting fraud investigations.

8.2. This policy operates in conjunction with IronOak's Whistleblowing Policy. Where concerns are raised through whistleblowing channels that relate to financial

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irregularity, fraud, or control weaknesses, Internal Audit may be engaged to provide independent investigation or assurance.

9. Policy review

9.1. This Policy will be reviewed annually by the Chief Executive Officer and approved by the Board. The Policy will also be reviewed following any significant organisational change that affects governance, risk management, or internal control arrangements.

10. Supporting documents

10.1. This Policy should be read in conjunction with the following documents:

- Internal Audit Charter (held by IronOak's internal audit provider)
- Annual Audit & Assurance Plan (held by IronOak's internal audit provider and Audit Committee)
- Risk Management Framework
- Portfolio Quality Assurance Framework
- Contract Management Framework
- Whistleblowing Policy
- Anti-Fraud Policy