MENZIES
BRIGHTER THINKING

Salvation Army Homes

Internal Audit Annual Report
2025-26

Report Status: FINAL
Issued: 24 June 2026

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Disclaimer: Our reports will be delivered to you on the understanding that reliance will only be placed upon them by management and by the Board members in the normal course of their duties and that they will not be made available to persons other than as stated in these terms of engagement.

No responsibility is accepted by us for any reliance that may be placed on our reports by any third parties unless our permission is sought for the provision of such reports to specified third parties and such permission is given by us in writing prior to the provision of the reports to the third parties specified.

Executive Summary

Introduction

The work of internal audit provides the Salvation Army Homes (SAH) Board, through the Audit and Risk Committee (ARC), with an independent and objective opinion on the effectiveness of governance, risk management and internal control. At the same time, through its objective and independent approach, the work of internal audit helps managers improve the design and operation of internal controls and thereby promoting more effective governance and risk management.

Our work should form a part of SAH's overall assurance framework and should be used to inform the statement on internal controls contained within the respective audited financial statements.

This report summarises the internal audit work undertaken by Menzies LLP (formerly Beever and Struthers) during the 2025-26 financial year and provides SAH with an annual statement on internal controls assurance, as well as an overview summary of the scope and outcome of our work.

Internal Audit Opinion

Based on the work undertaken and subject to the weaknesses identified and reported in our internal audit reports, the Board can be provided with a reasonable level of assurance that there is an effective framework of governance, risk management and controls at SAH.

The matters raised in this report are only those which came to our attention during our internal audit work and therefore are not intended to be a comprehensive statement of all the weaknesses that may exist, or of all the improvements that may be required. In reaching our opinion, we have considered the following matters:

- The results of all audits undertaken as part of the Internal Audit Plan 2025-26.
- The rate of progress made on the implementation of previously agreed internal audit recommendations.
- The extent to which any internal audit recommendations were not accepted by management.
- Whether or not limitations were being placed on the scope of our work that would restrict our ability to meet the assurance needs of the Board.

We confirm the work, as referenced in this report, was undertaken with adherence to the core principles of internal audit as set out by the International Professional Practices Framework and the Chartered Institute of Internal Auditor's Code of Ethics.

We confirm that there have been no impairments to our independence and objectivity in delivering the work set out in this report.

Your Internal Audit Team

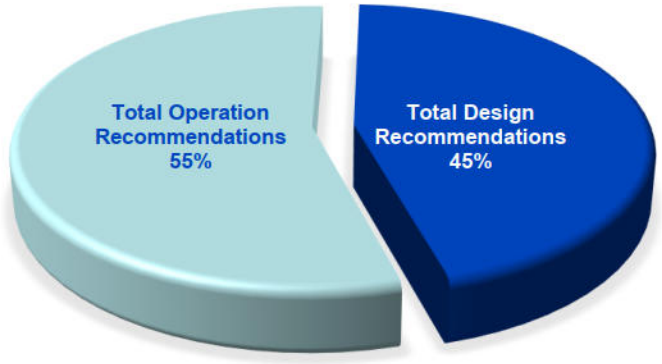
If there is any further information or clarification required on the content of this report, please do not hesitate to contact us:

Contact	Role	E-mail
[redacted]	**Partner**	[redacted]
	Director	
	Manager	
	Assistant Manager – Quality Assurance	

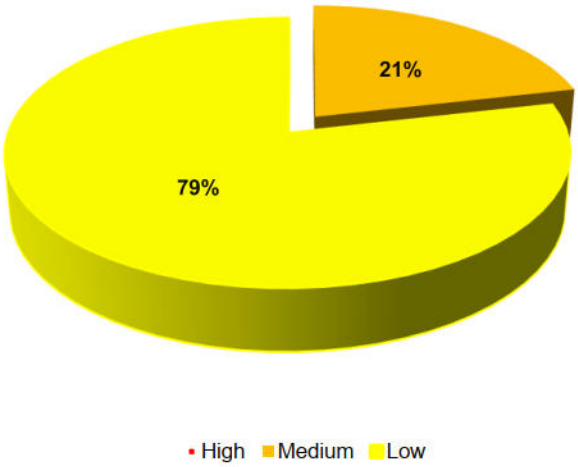
Internal Audit Coverage and Results

Deep Dive Reviews	Assurance		Recommendations			
	Design	Operation	High	Medium	Low	Total
Fire Safety	Substantial	Partial	1	-	2	3
GDPR and Data Protection	Reasonable	Reasonable	-	2	4	6
Asbestos Management	Substantial	Substantial	-	-	-	0
Water Safety	Reasonable	Reasonable	-	2	1	3
Safeguarding	Substantial	Substantial	-	1	1	2
Contract Management	Reasonable	Partial	-	3	3	6
Complaints Management	Substantial	Reasonable	-	3	1	4
Lift Safety	Reasonable	Partial	2	1	1	4
Core Financial Controls	Substantial	Reasonable	-	3	-	3
Total			3	15	13	31

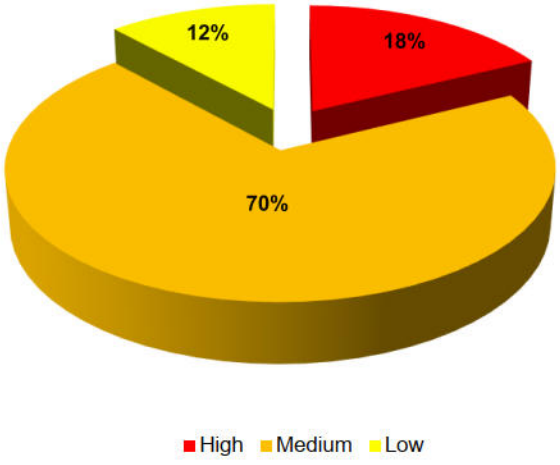
Recommendations by Design or Operation



Design Recommendations Breakdown

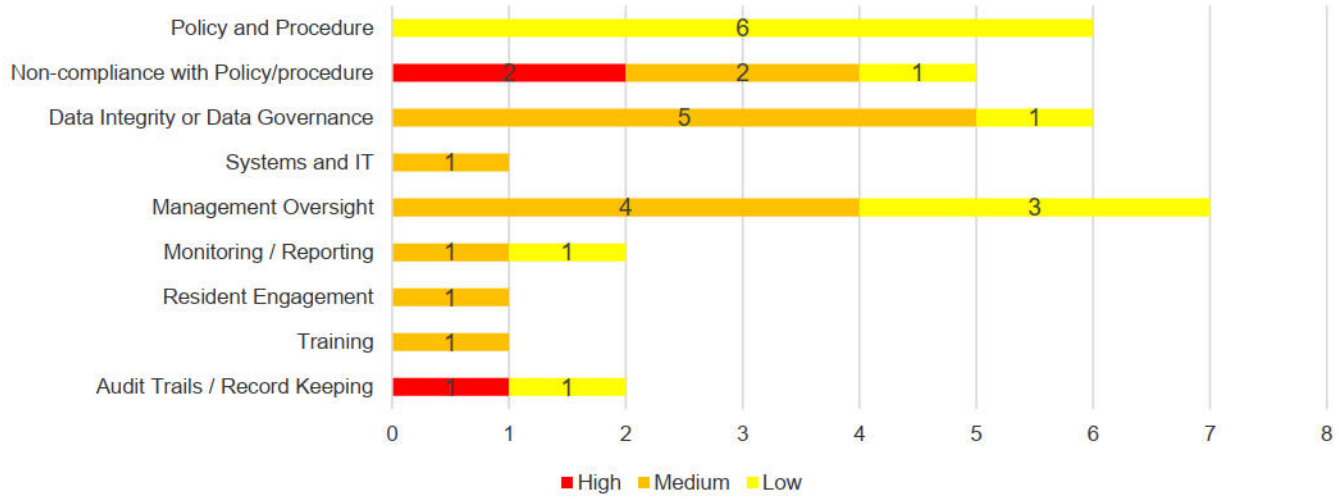


Operation Recommendations Breakdown

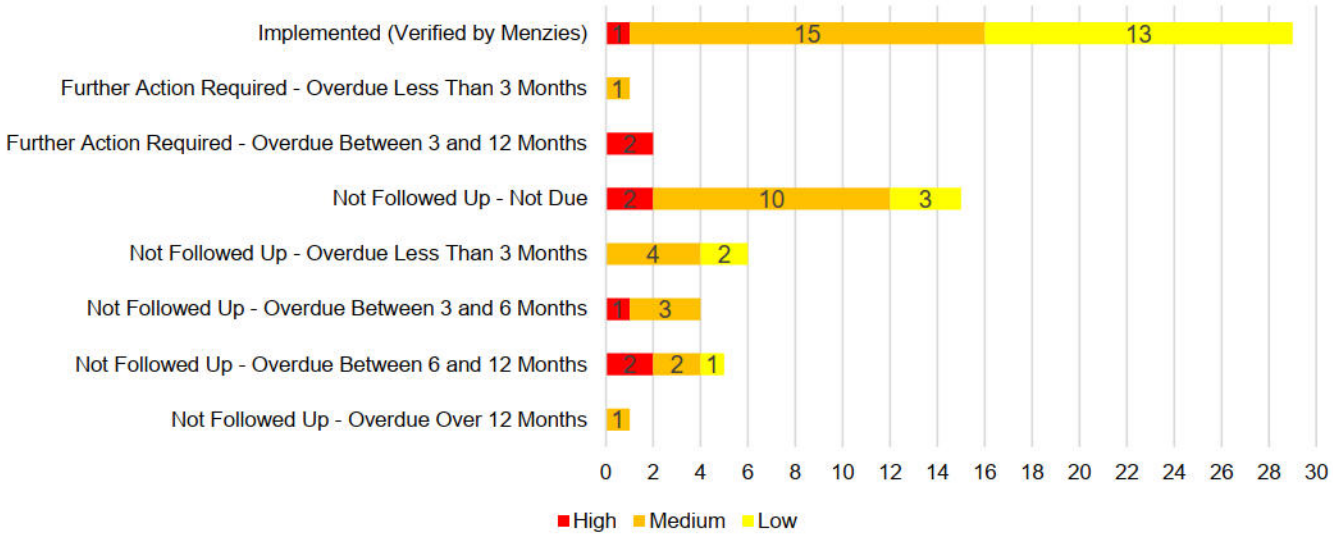


Internal Audit Coverage and Results

Thematic Analysis of Recommendations Raised to Date



2025/26 Follow Up Results



Our approach to follow up audits is to review only those recommendations that management assert have been implemented. For the 2025-26 financial year, we reviewed 32 recommendations that management asserted to have been implemented, of which we have signed-off 29 as completed – a 91% sign-off rate.

The three recommendations that we did not sign-off require further action, although progress has been made on their implementation. There are a further 31 actions that management are progressing, of which 16 are overdue. The period showing as overdue (in the chart below) is based on the original target implementation date.

Overview of the Internal Audit Plan 2025-26

Audit Area	Planned Days	Actual Days	Variance
GDPR and Data Protection	7	7	-
Fire Safety	7	7	-
Asbestos Management	7	7	-
Water Safety	7	7	-
Safeguarding	7	7	-
Contract Management	6	6	-
Complaints Management	7	7	-
Responsive Repairs Follow Up	4	0	-4
Lift Safety	0	6	+6
Core Financial Controls	6	6	-
Follow Up	4	4	-
Attendance at ARC and Annual Report	3	3	-
Audit Needs Assessment (2026-27)	1	1	-
Contingency Time	3	0	-3
Total	**69**	**68**	**-1**

Get in touch

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