West Oxfordshire District Council

Report of Internal Audit Activity

March 2026

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Contents

The contacts at SWAP in connection with this report are:

Lucy Cater
Assistant Director
Tel: 01285 623340
lucy.cater@swapaudit.co.uk

Jaina Mistry
Principal Auditor
Tel: 01285 623337
jaina.mistry@swapaudit.co.uk

Charlie Hartshorn-Powell
Principal Auditor
charlie.hartshorn-powell@swapaudit.co.uk

- Contents:

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **No**
- **Limited**
- **Reasonable**
- **Substantial**

Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The "advice" offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	**Reporting Implications**
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Counter Fraud and Enforcement Unit	Final Report	Low Substantial	1	-	-	1	Reported in September
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Reported in September
Key Financial Control	Payroll – Council Controls	Final Report	Mid Reasonable	1	-	1	-	Reported in September
ICT	Disaster Recovery – Revenues and Benefits	Final Report	Low Substantial	0	-	-	-	Reported in November
Follow-Up	Members Allowances	Final Report	N/A	0	-	-	-	Reported in January
Operational	Digital Exclusion	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up audit planned for April 2026
Governance	Data Retention	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up audit planned for July 2026
Operational	Leisure Facilities	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up planned for September 2026
Key Financial Control	Council Tax and NNDR	Final Report	High Reasonable	3	-	1	2	Report Included
Key Financial Control	Housing Benefit and Council Tax Support	Final Report	Mid Substantial	1	-	-	1	Report Included
Follow-Up	Data Breaches / Protection	Draft Report						
Key Financial Control	Bank Reconciliations	Draft Report						
Operational	Climate Change – Operational	In Progress						
Operational	Building Control – Compliance	Ready to Start						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Bio-Diversity	Ready to Start						
Governance	Business Continuity Plans (Services)	Deferred						Audit deferred to 2026/27 due to changes in process / templates
Operational	Disabled Facilities Grants	Deferred						Audit deferred to 2026/27 due to timing
Operational	Accounts Payable – Quarterly Review 2025/26	On Going	High Substantial					Q1 Report Included
Grant Certification	Carbon Data 2023/24	Ready to Start						
Support	Business Grant Funding – Aged Debt	On Going						Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS
Support / Advisory	Support to Publica Transition Programme Phase 2	Complete						
Support / Advisory	Oxfordshire Waste Partnership	On Going						
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority 1	Priority 2	Priority 3	Comments
Advisory	Management Team Meetings	On Going						
Support	Co-Ordination Team / Emergency Planning	On Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

Summary of Audit Findings

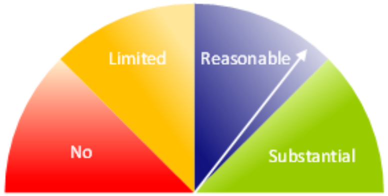
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

Council Tax, Business Rates, Council Tax Support & Housing Benefit Final Report – March 2026

Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates, and that opportunities for error, fraud or corruption are minimised.

Assurance Opinion – Council Tax (CT) and Business Rates (BR).



There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	1
Priority 3	2
Total	**3**

Risk Assessment - CT and BR

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Low

Assurance Opinion – Council Tax Support (CTS) and Housing Benefit (HB).

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	1
Total	**1**

Risk Assessment - CTS and HB

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Low

Key Conclusions

At the time of audit work (October 2025) 18% of the long-term empty CT properties had been investigated to determine if a CT premium needed to be applied. The Revenues Officer advised at the time of report writing (January 2026) she was still working through these accounts. The process of investigating and applying premiums will be reviewed to ensure all long-term empty CT premiums are charged in a timely manner.

The 2 previously agreed actions from our 2024/25 audit of CT and BR relating to resolving historical suspense account entries and regular monitoring of the Revenues suspense account (1 x priority 3 and 1 x priority 2) are still in progress.

Reporting of BR long-term empty buildings is not undertaken. Reporting of BR long-term empty listed buildings will be introduced to help Officers proactively monitor these exemptions.

Sample testing found administrative errors which were discussed with the service area at the time of audit work. A reminder will be issued to all Revenues Officers to ensure administrative changes are supported.

Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- CT/BR – Liability changes, and Discounts and Reliefs.
- HB & CTS – Quality Assurance and Business Continuity.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

	The Benefits Business Continuity plan was found to identify key functions, staffing requirements and was last updated in May 2025, but it has not been tested recently. Testing will be undertaken to ensure adherence to the Business Continuity Management Policy.	Sample testing was undertaken on a random sample of CT and BR accounts, and HB and CTS claims to ensure they had been applied in accordance with procedure.
	CT and BR • We received satisfactory responses to all our CT liability testing queries. • Members voted to introduce the 2nd homes premium prior to its introduction in April 2025. • Regular cash reconciliations are undertaken. • There is separation of duties when processing and authorising refunds.	
	HB and CTS • Members approved the 2024/25 CTS scheme. • Quality Assurance checks are undertaken on HB and CTS claims. • Evidence has been supplied to support reconciliations are undertaken.	

Other Relevant Information.

The assurance we have given is specific to the areas we have reviewed this year.

At the time of audit work process or procedure documents were not supplied, however the Business Manager – Environmental, Welfare and Revenues advised some are available and that new starters shadow more experienced officers until they are experienced enough to undertake processes by themselves. Evidence is only required to support changes to certain discounts and exemptions, rather than changes to all liabilities; however, a note to support why the change has been made should be added to the account to record the reason for the change. There is a risk to future resilience due to a lack of complete and current procedure notes, and risk of potential fraud without evidence to support all changes to liability. However, we acknowledge that there is little value in raising an action to instate official policies/procedures at this time due to LGR. We suggest that consideration is given to whether it would add value to create process notes for all key tasks, or whether any are already in existence which are used by individual officers and could be shared. Benefit quality assurance processes also rely on experienced staff and informal guidance rather than formal documentation; this may impact future resilience too.

Evidence has been supplied to support work is being done to trace ex-account holders and refund them, but there are still many closed accounts in credit. Analysis of closed Council Tax accounts in credit was undertaken in November 2024, and comparing this to the data provided for our 2025 audit we can report a 68% increase of the number of closed accounts in credit. To ensure the benefits outweigh costs to the service area, Officers prioritise larger values and clear the smaller values before the new financial year. To further improve value for money, consideration could be given to how long these credits remain on the system and how long officers spend trying to trace account holders before credits are written on.

This is the 1st year of charging the 2nd home premium at the Council and we were advised processes are still being developed, but there is a risk all 2nd homes may not be identified as this relies on owners declaring this to the Council. The Business Manager – Environmental, Welfare and Revenues advised (November 2025) the CFEU are going to be undertaking a piece of work for them looking at 2nd homes in their 2026/27 plan.

AP Continuous Analysis Final Report – February 2026

Audit Objective

To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

Executive Summary

Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

Management Actions	
Priority 1	0
Priority 2	0
Priority 3	0
Total	**0**

Organisational Risk Assessment — Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions

Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers between 1st April 2025 and 30th June 2025.

A total of 56,741 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 6 suspected duplicates with a potential overpayment value of £2,429.06 were forwarded to the AP team for further investigation. This represents <0.004% of the total payments analysed.

At the time of writing this report, all potential duplicates for 2025/26 Q1 have been resolved. However, AP are managing 2 unresolved payments totalling £896 from 2024/25. We will continue to monitor these transactions through to resolution.

Audit Scope

Our review covers Q1 of the 2025/26 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World.

Findings have been summarised and reported to the Accounts Payable team, for further review and remedial action where necessary.

Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. A duplicate supplier number identified during this review has been passed to AP for resolution.