

# West Oxfordshire District Council

Report of Internal Audit Activity

November 2023

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# 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

<b>No</b>	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.
<b>Limited</b>	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.
<b>Reasonable</b>	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.
<b>Substantial</b>	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
<b>Priority 1</b>	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
<b>Priority 2</b>	Important findings that need to be resolved by management
<b>Priority 3</b>	Finding that requires attention.

### Definitions of Risk

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

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Payroll 2022/23	Final Report	High Substantial	0				Reported in September
Operational	Climate Change (Operational)	Final Position Statement	N/A	0				Reported in September
Governance	Freedom of Information	Final Report	Medium Reasonable	4	-	2	2	Reported in September
Operational	Taxi Licensing Safeguarding	Draft Position Statement						
Operational	Estates Services	Draft Position Statement						
Operational	Property Services	Draft Report						
Key Financial Control	Bank Reconciliation	Draft Report						
ICT	ICT Business Continuity Management	Draft Report						
Governance	Transparency Data	Draft Report						
Key Financial Control	Revs and Bens - Council Tax and NNDR	Draft Report						
Key Financial Control	Revs and Bens - Housing Benefit and Council Tax Support	Draft Report						
Advisory	Revenues and Benefits Service Review	Audit in Progress						
Core Financial	Contractors – Use of Waivers	Audit in Progress						
Governance	Data Breaches	Audit in Progress						
Governance	Risk Management	Audit Ready						
Core Financial	Payroll	Audit Ready						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Human Resources	Audit Ready						
Core Financial	Accounts Payable	Audit Ready						
Operational	Accounts Payable – Qtly Review	In Progress						
Grant Certification	Changing Places Fund	Complete						
Grant Certification	Carbon Data 2022/23	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
Advisory	Environmental Services Improvement Programme	On-Going						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Health and Safety Working Group	On-Going						
Advisory	Risk Management Group	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						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

