

## Summary of Audit Findings

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

## Procurement Cards – Follow-Up – Final Report – April 2025

### Audit Objective

Follow-Up of 2022/23 audit to assess adherence to new policy / scheme.

### Executive Summary



#### Assurance Opinion

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.

#### Management Actions

Priority 1	0
Priority 2	2
Priority 3	2
<b>Total</b>	<b>4</b>

#### Organisational Risk Assessment

**Low**

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

### Key Conclusions



Review of the card register (January 2025) found 1 ex-officer who left in October 2024 was still active. The Accounting Technician advised the card was cancelled in January 2025. Managers will be reminded it is their responsibility to inform finance when a card holder leaves their role so procurement cards can be cancelled in a timely manner.

Review of the card register, and Lloyds online account also found one officer was showing as active with a note "Cancelled on phone 14/02/24". A formal assessment of card usage should be undertaken annually to ensure cards are regularly reviewed, and cancelled and removed from the card register in accordance with the policy.



The Treasury Accountant advised (November 2024) her team have not reviewed the Lloyds Bank Procurement Cards - Policy & Procedures (July 2023), and they do not undertake a review of all card holders and approval limits annually as per the policy; the Accounting Technician is responsible for the WODC card register and Lloyds online account.

The policy and procedures will be reviewed to ensure all responsibilities are appropriately allocated, so procurement cards are managed and reviewed in accordance with agreed guidance.



The recharge process is not explicitly included in the policy & procedures. Existing guidance notes for finance officers will be updated to ensure the recharge process can be completed if key officers are out of the business. Guidance will also be created and circulated to all procurement card holders to outline the recharge process and what is required from them.



At the time of audit work (January 2025) procurement card spend had not been published on the Council website within 30 days of month end, as per the policy. Guidance will be reviewed and amended if appropriate to allow for internal processes to be undertaken and spend will be published within agreed timescales.

### Audit Scope

A follow up of our August 2022 Position Statement has been undertaken. Suggestions and considerations were provided in 2022 to aid the service while a new card scheme was explored, and a new policy was introduced with the aim of addressing control weaknesses identified at the time.

Discussions were held with Finance Officers and evidence sought to support statements made.



- The Lloyds Bank Procurement Cards - Policy & Procedures (July 2023) includes key control requirements for card holders, and card security and unused cards.
- Declarations were seen for all 11 WODC procurement card holders.
- A recent bank statement (February 2025) shows they are no longer addressed to an ex-officer. They are addressed to the Publica Accountancy Assistant at Cotswold District Council who processes them on WODC's behalf.

#### Other Relevant Information

Since our position statement was issued things have changed, and it might not now be appropriate to have a centralised register with all partnership cardholder's information on it. Consideration should be given to whether a separate excel card register is maintained to avoid duplication of the information held on the Lloyds online account; signed declarations should continue to be held by finance.

Amalgamating the procurement card schemes as suggested in our position statement may not now be appropriate. Once all phases of the Publica transition are complete all organisations must consider their approach to procurement card management and if they can benefit from consistencies in approach. Each organisation will need to consider access to systems and information, and who can undertake processes on their behalf.

## Section 106s – Final Report – April 2025

### Audit Objective

To provide assurance on the effectiveness of the Council's Section 106 arrangements.

### Executive Summary



#### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

#### Management Actions

Priority 1	0
Priority 2	3
Priority 3	1
<b>Total</b>	<b>4</b>

#### Organisational Risk Assessment

High

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

**NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: March – July 2024.**

This audit commenced prior to the Planning Service returning to the Council and was completed and agreed with 'Publica' Officers after the transition. However, after transition the Council appointed its own officers, who have needed time to review the findings, hence the delay in formally reporting. We have been advised of changes to working practices which we will assess in a follow-up audit in 2025/26 along with progress on the implementation of the actions.

### Key Conclusions



#### **Roles, responsibilities, and processes not clearly understood by all officers and external stakeholders.**

Multiple departments are involved in the S106 process. Officers are aware of their own roles in the process but are less aware of the process as a whole and the roles of others. Additional training and a simplified flowchart (to replace existing) with links to the various legal requirements would create a solid foundation on which relevant controls are maintained. The Council has commenced a project approach to S106s as a whole and expanding upon this would be beneficial.



**A review of engagement with the S106 consultation process is required.** Consultation timeframes for planning applications are statutory and set nationally. Training for officers and external stakeholders will ensure all consultees are identified, well informed and understand how to make responses in relation to S106 which meet the legal tests to maximise contributions for the local community. Whether internal or external, it is the consultee's responsibility to respond. However, Planning Officers should follow-up with consultees to optimise responses.



**Monitoring processes for non-financial clauses are insufficient.** Non-Financial clauses involve Flood Defences, Affordable Housing, Open Spaces, Leisure and Community facilities. A process for monitoring non-financial contributions has now been introduced, but at the time of audit there was a backlog to the inputting of data. The Council should consider pro-active monitoring of sites, which will require specialist resources, to ensure developers deliver on their agreed obligations.

### Audit Scope

We conducted a comprehensive review of the following areas of Section 106 (S106):

- Governance, oversight, and processes for each element of S106, including pre-application advice, consultation, negotiation, legal instruction, monitoring, reporting, and reconciliation.
- The systems used to manage S106, specifically Exacom and Uniform.
- Staff understanding of the S106 process.

Our methodology included walkthroughs and discussions with officers responsible for various parts of the process, with evidence gathered to support their statements.

Additionally, we conducted two surveys to gain further insights into the S106 process, and we performed sample testing and data analytics to support our findings.



**Improvements to S106 contribution management required.** S106 agreements are in some instances required to make a development permissible by securing developer contributions for infrastructure requirements. Contributed funds are actively monitored by the S106 Team and required to be reported annually through an Infrastructure Funding Statement (IFS). The agreements often have dates by which the funds must be spent (e.g. within 10 years) and must be spent in line with the requirements set out in the relevant agreement. Our review has identified that some S106 funds have not been spent within the required timeframes, but these are mainly due to external factors. A newly established Enhancement Project, will be adopting a risk-based approach to explore whether blockers to infrastructure spend can be mitigated.



Officers proved knowledgeable on S106 legislation, and a team has been established to actively manage income and expenditure, and to monitor non-financial conditions (albeit they do not enforce them). Town and Parish Councils can find information in respect of S106s on the dedicated pages on the WODC website. This includes the Infrastructure Funding Statement (IFS) which is published annually.

#### Other Relevant Information

The Council publishes full details of S106 contributions annually as part of the annual Infrastructure Funding Statement (IFS).

The Executive has approved the work necessary to introduce the Community Infrastructure Levy and Officers have recently submitted a draft charging schedule for independent examination. We have included provision to audit this process as part of the 2025/26 audit plan.

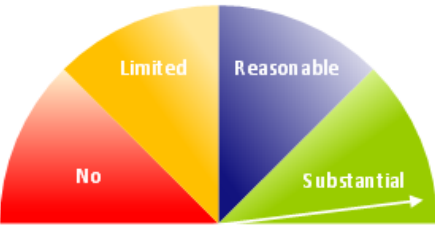
Biodiversity Net Gain (BNG) requirements have recently been introduced for planning authorities. It is acknowledged that this is going to increase demand on services, although the extent of the increase is unclear at this stage. The Council should consider how the different services involved will be impacted and whether additional support is required. BNG S106 agreements will allow the Council to collect monitoring fees to ensure developers comply with BNG legislation / obligations identified in agreements. This funding could be utilised to resource pro-active monitoring.

# Accounts Payable – Final Report – June 2025

## 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

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 for the full financial year starting 1<sup>st</sup> April 2024 until 31<sup>st</sup> March 2025.

A total of 176,692 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). 73 suspected duplicates with a potential overpayment value of £37,340.55 were forwarded to the AP team for further investigation. This represents 0.0175% of total payments analysed.

At the time of writing this report, AP are managing 9 unresolved payments totalling £13,137.67. We will continue to monitor these transactions through to resolution.

## Audit Scope

Our review covers the full 2024/25 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 throughout the year, for further review and remedial action where necessary.

## Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. Our AP continuous duplicate payment analysis will continue into 2025/26.

