

# West Oxfordshire District Council

## Report of Internal Audit Activity

January 2026

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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 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	-	-	-	Report Included
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	Draft Report						
Key Financial Control	Council Tax and NNDR	Draft Report						
Key Financial Control	Housing Benefit and Council Tax Support	Draft Report						
Follow-Up	Data Breaches / Protection	In Progress						
Operational	Climate Change – Operational	In Progress						
Key Financial Control	Bank Reconciliations	In Progress						
Governance	Business Continuity Plans (Services)	Deferred						

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Disabled Facilities Grants	Initiated						
Operational	Accounts Payable – Quarterly Review 2025/26	On Going						
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						
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						

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					Priority			
					1	2	3	
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



## Members Allowances Follow-Up – Final Report – January 2026

### Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the October 2024 limited opinion audit of members allowances & expenses report have been implemented.

### Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	0	0	0
Priority 2	1	1	0	2
Priority 3	0	0	0	0
Total	1	1	0	2

### Follow Up Assessment

The original audit of WODC members allowances & expenses was completed in October 2024 and received a Limited assurance opinion.

The objective of the original audit was to provide assurance that allowances and expenses claimed by Members are in accordance with WODC's Constitution and HMRC guidelines.

The follow up audit has found 1 action has been completed and the other is in progress. Key findings from the audit follow up have been summarised below.

### Key Findings



#### Budget Monitoring

An action to implement quarterly reconciliations to support the Democratic & Electoral service with budget monitoring was agreed during our previous audit. Year-end reconciliations are occurring and HR are updated with special allowance information following changes to member responsibilities. A quarterly reconciliation process has not been implemented yet. However, improvements to the reporting that can be extracted from Business World for monitoring purposes is to be included as part of an ICT project. We have agreed a timescale extension until the 31<sup>st</sup> March 2026 to allow for scoping and commencement.



#### Evidence of Expense Claims

Our previous audit concluded that not all member expense claims were supported by a valid receipt to demonstrate the expense and VAT values. Democratic Services issued an email to all members advising on a new process to be implemented from the 1<sup>st</sup> April 2025. Payroll provided several months of member expense data and we requested supporting evidence from Democratic Services. All expenses reviewed were supported by a valid receipt and signed expense form. Descriptions in Business World includes dates and details of members expense claims which proved useful in matching individual claims to forms; action complete.

### Observations and Next Steps

A few accuracy errors on Business World descriptions relating to dates and mileage were identified but supporting evidence confirmed the claims were legitimate.

Our review identified member mileage incurred in January 2025 paid in June 2025. Section 8.1 of the Members Allowance Scheme 2023-27 states "A claim for travel, subsistence or other expenses under this scheme shall be made in writing within two months of the date of the meeting, function or event in respect of which the entitlement to the expenses arises.". WODC should consider reminding Members of this requirement to mitigate the risk of non-compliance.

The Members Allowance Scheme does not currently reference Electric Vehicle (EV) requirements. WODC could consider updating requirements for (EV) users as they may not be able to provide a typical fuel receipt.

There is space for "checked/approved by" on the expense form which is not used. Democratic Services Officers review and process mileage and expenses which is electronically captured on Business World. The expense form must be reviewed and updated to confirm the approval process.

