

Oadby and Wigston Borough Council

Report of Internal Audit Activity

October 2025

Contents

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- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

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	
Governance	Transparency Agenda	Final Report	High Limited	7	-	7	-	Reported in July
Operational	Section 106 Process	Final Report	High Substantial	0	-	-	-	Report Included
Operational	Elections	In Progress						
Operational	Health and Safety	In Progress						
Core Financial	Payroll	In Progress						
Operational	Pooling Housing Capital Receipts	In Progress						
Operational	Housing Service Recharges	Deferred						Audit Deferred to Quarter 4
Governance	Data Breaches	Deferred						Audit Deferred to Quarter 4
Operational	Data Protection (to include Data Retention Procedures)	Deferred						Audit Deferred to Quarter 4
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				Comments
					Priority			
					1	2	3	
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

Section 106 Process – Final Report – June 2025

Audit Objective

To review the effectiveness of the management of Section 106 Agreements.

Executive Summary



Assurance Opinion

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.

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



Monitoring Arrangements: A S106 Working Group comprising of officers of an appropriate seniority, expertise and representing all service areas involved in administering S106 agreements meet regularly. Records held by the Planning Policy service area provide comprehensive details of trigger points, fund allocations and progress of both financial and non-financial contributions. Furthermore, site visits are undertaken twice a year which help inform monitoring.



Reporting Arrangements: An annual Infrastructure Funding Statement (IFS) is published in accordance with government requirements. Review of the 2023/24 IFS confirmed amounts quoted reconcile to financial records. In addition, fortnightly communications, and reports to the Policy, Finance and Development Committee, as well as Development Control Committee ensure there is opportunity for member oversight.



Financial Processes: Robust financial controls are operating. Records are well maintained providing a clear trail of income and expenditure. Regular discussions held with Finance and reconciliations undertaken between the service area's records and the Council's financial system ensure that funds are well managed.

Audit Scope

The audit covered the following areas:

- S106 agreements are appropriately recorded.
- Triggers are identifiable, recorded centrally, monitored and actioned in a timely manner.
- Receipts are collected and held appropriately.
- Monies are used in accordance with the agreement.
- This information is easily available, monitored and appropriately reported.

Discussions were held with officers and evidence sought to support statements made. Testing included reviewing a S106 agreement and the reporting of the last Infrastructure Funding Statement.

Other Relevant Information

Comprehensive policies and procedures are in place for both developers and Council officers, and organisations who may be impacted from potential developments. Funding identified in agreements which relate to the Integrated Health Board is recovered by the Council and forwarded accordingly.

As spreadsheets are the main tool to monitor/manage S106 obligations, consideration could be given to either password protecting spreadsheets and/or specific cells. Although backup copies are maintained by ICT, should there be need to retrieve them, introducing additional controls would be helpful to mitigate against accidental error.

To summarise, the management and monitoring of S106 Agreements is robust and effective ensuring developers comply with terms and conditions set. But it is a completely manual process, and reliance is placed on individual officers which could pose business continuity risk.

The assurance provided is based on the review of one S106 agreement, and within the context of the size of the team and organisation.

