



# Oadby and Wigston Borough 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.

## ● 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.

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 Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec				Comments	
					Priority				
					1	2	3		
Governance	Transparency Agenda	Final Report	High Limited	7	-	7	-	Reported in July	
Operational	Section 106 Process	Final Report	High Substantial	0	-	-	-	Reported in October	
Grant Certification	Pooling Housing Capital Receipts	Complete	N/A	0	-	-	-		
Operational	Elections	Final Report	High Reasonable	3	-	2	1	Report Included	
Core Financial	Payroll	Final Report	High Substantial	1	-	-	1	Report Included	
Operational	Health and Safety	Draft Report							
Core Financial	Revenues and Benefits	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	

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	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							

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## Summary of Audit Findings

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

# Elections – Final Report – December 2025

## Audit Objective

To review and assess the effectiveness of the Council's Election Service.

## Executive Summary

Assurance Opinion	Management Actions	Organisational Risk Assessment	Medium												
															
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.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: center; background-color: #e0e0e0;">Priority 1</td><td style="width: 15%; text-align: center;">0</td><td></td></tr> <tr> <td style="text-align: center; background-color: #e0e0e0;">Priority 2</td><td style="text-align: center;">2</td><td></td></tr> <tr> <td style="text-align: center; background-color: #e0e0e0;">Priority 3</td><td style="text-align: center;">1</td><td></td></tr> <tr> <td style="text-align: center; background-color: #e0e0e0;">Total</td><td style="text-align: center;">3</td><td></td></tr> </table>	Priority 1	0		Priority 2	2		Priority 3	1		Total	3			
Priority 1	0														
Priority 2	2														
Priority 3	1														
Total	3														
		Our audit work includes areas that we consider have a medium organisational risk and potential impact.													

## Key Conclusions

		Audit Scope
	Returning Officer Claims need to be fully reconciled to Payroll & Creditor Systems to ensure Transparency. Failure to reconcile the Returning Officer Charges to relevant systems presents a risk of financial misstatement.	
	Where Elections Staff also hold posts within the Elections Team there must be assurance that there is no overlap between Election duties and usual pay. Failure to ensure these payments are justified and/or proportionate could result in non-compliance with the Returning Officer Claim and the Council's Pay Policy, leading to financial loss and reputational damage.	
	While Voter Registration Procedures align with the Elections Act and are sourced directly from the Electoral Commission's website, there is currently no comprehensive framework in place to coordinate and consolidate the team's daily operations.	
	The Electoral Register is well maintained, and the team make full use of available data matching resources to ensure accuracy of the register. A small number of duplicate records were found; however, the full population was tested which meant that overall results were excellent. Access controls to the Electoral Register are well maintained and appropriate for user roles.	<p>This was an assurance audit where discussions were held with Officers and testing was undertaken in the following areas reviewing 2024 and 2025 elections and the current register:</p> <ul style="list-style-type: none"> <li>• Maintenance of the Electoral Register.</li> <li>• Accuracy &amp; security of Elections Data.</li> <li>• Planning &amp; Resourcing of the Annual Canvass and Elections.</li> <li>• Elections Staff Training procedures.</li> </ul>

## Other Relevant Information

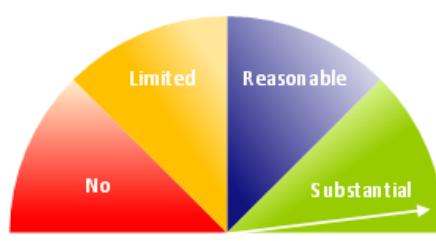
Our review found planning and resourcing of the Annual Canvass and Elections process was sound. There was evidence that the Canvass is successfully planned, emails provide details of information gathering, recruitment, training & distribution of the relevant registration forms & letters. Election staff training records reconciled to staffing lists accordingly.

## Payroll – Final Report – December 2025

### Audit Objective

To provide assurance that the Council has robust controls in place to manage the payroll function ensuring that the Payroll is accurate, timely and in accordance with policy guidance.

### Executive Summary



Assurance Opinion	Management Actions		Organisational Risk Assessment	Low
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.	Priority 1	0		
	Priority 2	0		
	Priority 3	1		
	Total	1		

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

### Key Conclusions



The Council intranet HR page shares guidance relating to pay, pensions, mileage and overtime. Payroll policies are linked ensuring easy access to employees. However, the Travel and Subsistence Policy approved in September 2009, although not held on the intranet requires review and updating. We understand this work is underway and the updated policy will be presented for approval in due course.



The BACs data is collated by the HR Advisors with oversight by the HR Manager prior to being sent to EMSS to run payroll.



Payroll system data for starters, leavers and variations is accurately maintained against employee records.



#### Key control testing:

- Exception reporting is reviewed monthly with oversight by the HR Manager.
- The clearing of the suspense account is maintained regularly.
- The payroll reconciliation is reconciled to the general ledger monthly and with oversight by the Finance Manager. Records evidenced salaries are reconciled back to the individual cost centres.

### Audit Scope

This was an assurance audit where discussions were held with Officers and testing undertaken to support statements made. We obtained an overview of the arrangements in place, including, but not limited to, a review of the following areas for the period covering April 2025 to November 2025:

- Payroll policy and procedures,
- Accuracy of starters, leavers and variation data in the payroll system,
- Key control testing – independent review of exception reporting, timely clearing of items in Payroll Suspense and reconciliation processes,
- Payroll and BACs authorisation,
- Follow up of recommendations from the last 360 Assurance audit.

### Other Relevant Information

We can confirm that the action reported in the previous Payroll audit has been implemented, transactional testing of overtime and mileage claims have appropriate documented approvals.

The Council outsource payroll to the East Midlands Shared Services (EMSS) and have a contract in place which clearly defines EMSS responsibilities and performance expectations. Monthly meetings are held between the Council and EMSS to raise, discuss and resolve issues. We suggest the Council get assurances that EMSS are processing payroll according to legislation and Council policy.

