AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 15 July 2026 commencing at 1.05 pm and finishing at 3.47 pm.

Present:	
Voting Members:	Councillor Roz Smith – in the Chair
	Councillor Ron Batstone Councillor James Fry Councillor David Hingley Councillor Gavin McLauchlan Councillor Leigh Rawlins
Substitutes:	Councillor David Henwood
Officers:	Lorna Baxter, Deputy Chief Executive (Section 151 Officer) Anita Bradley, Director of Law and Governance and Monitoring Officer Sarah Cox, Head of Internal Audit and Counter Fraud Jack Nicholson, Democratic Services Officer

Agenda Item	**Officer Attending**
5	Tim Chapple, Strategic Financing and Investment Manager
6	Ella Stevens, Chief Accountant
7	Declan Brolly, Counter Fraud Manager
8	Louise Tustian, Head of Strategic Performance and Programme Management
9	Laurie Baker, Deputy Director of Education and Inclusion Ian Bottomley. Deputy Director, Adult Social Services Sarah Smith, Senior Governance Lead
10	Kathy Wilcox, Head of Corporate Finance
11	[Simon Mathers, External Auditor, Ernst and Young LLP]
12	Paul Lundy, Operations Manager, Health and Safety
13	Rob MacDougall, Chief Fire Officer and Director of Community Safety

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

42/26 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS
(Agenda No. 1)

Councillors Andrew Crichton, John Shiri, and Saj Malik and the co-opted members Kate Cartwright and Paul McGinn sent apologies for absence, which were accepted.

Councillor David Henwood was present on Councillor Malik’s behalf.

43/26 DECLARATION OF INTERESTS
(Agenda No. 2)

There were no declarations of interest.

44/26 MINUTES
(Agenda No. 3)

The minutes of the meeting held on 20 May 2026 were approved as accurate.

45/26 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 4)

There were none.

46/26 TREASURY MANAGEMENT - OUTTURN REPORT 2025/26
(Agenda No. 5)

The Strategic Financing and Investment Manager introduced the report.

Members asked if there were any forthcoming opportunities to pay off loans early when there were lower, more favourable rates of interest and noted that:

- more Lender Option Borrower Option (LOBO) loans were likely to be called later that year, when Council would likely take the opportunity to repay; and
- early repayment of Public Works Loans Board (PWLB) debt came with refinancing risk, but opportunities for repayment were kept under review.

Members asked how quickly the Council could issue green loans and noted that the Council kept a list of investable schemes that fit the criteria to ensure that those decisions could be made within three months as required.

Members asked questions about Council's Lending List and noted that:

- the Council never issued loans to local authorities with a current Section 114 notice;
- the Council had made 6 loans to 5 other councils who had made requests for Exceptional Financial Support (EFS); and
- those loans issued to councils who had made requests for EFS may attract a higher rate of return so far as they were perceived as a risk; but
- from a credit perspective, there was no difference between any precepting authority in England and Wales as part of the Local Government Act 2003.

RESOLVED to note the Council's treasury management activity and outcomes in 2025/26

47/26 STATEMENT OF ACCOUNTS 2025/26
(Agenda No. 6)

The Chief Accountant introduced the report. The Chief Accountant and Deputy Chief Executive (Section 151 Officer) answered questions from members.

Members noted that the red, amber, and green table in the Narrative Report of the Statement of Accounts reflected, in the top row, financial year 2025/26 and, in the bottom row, financial year 2024/25. (The 2024/25 information would be removed.)

Members asked whether optimism bias was considered in relation to capital investment plans and noted that a risk adjustment spend was included in plans in 2025/26 but that in future the Council needed to be realistic about project delivery.

Members asked for clarification about the High Needs Deficit of £153 million and noted that the SEND Reform Plan had been submitted with the expectation that the Council would receive a High Needs Recovery Grant in due course.

Members asked about the Brunel funds, which were held on behalf of the Brunel Pension Partnership, and noted that:

- Within each of the three funds, Brunel appointed a number of fund managers, who managed the underlying equity holdings;
- The funds were not market traded and were only available to Brunel client funds; and
- after 31 March 2026, those three funds were transitioned to portfolios with the pension fund's new pool, Local Government Pension Scheme (LGPS) Central.

Finally, members asked whether there would be any changes to the draft statement and noted that the Chief Accountant was waiting on the results of the external audit, which was expected in November 2026, but that she did not anticipate any changes.

RESOLVED to approve the draft Statement of Accounts for 2025/26.

48/26 COUNTER FRAUD PLAN AND UPDATE

(Agenda No. 7)

The Head of Internal Audit and Counter Fraud introduced the report. The Counter Fraud Manager answered questions from members.

Members noted that Paragraph 14 should have read 'Senior Fraud Prevention Officer', which was a recent appointment.

The Democratic Services Officer read out a member's question, which was submitted in advance. What was the logic behind the decision to have the Counter Fraud Team take on the receipt, log, and triage of whistleblowing referrals for the Council? and did officers foresee this arrangement being longstanding?

In response to this question, members noted that it was important for the Council to have a single point of contact for whistleblowing to ensure it was dealt with correctly and in a timely manner.

Members asked whether there was a good practice forum to share the team's work in relation to the calculation of future loss prevented in fraud investigations and noted that the team used the same methodology being deployed by central government in the National Health Service.

Members asked about real-terms savings in relation to the National Fraud Initiative (NFI) and noted that local authorities had to use the Cabinet Office figures.

Members asked if officers supported the NFI and noted that:
- cases were ongoing that would not have been identified without its dataset and
- it enabled them to demonstrate the success of their counter fraud initiatives.

The Chair invited questions with respect to the Counter Fraud Plan for 2026/27, of which there were none.

RESOLVED to note the annual summary of counter fraud activity for 2025/26 and approve the Counter Fraud Plan for 2026/27.

49/26 RISK MANAGEMENT UPDATE
(Agenda No. 8)

The Head of Strategic Performance and Programme Management introduced the report.

Members noted the following changes to the report:
- Paragraph 12's purple colouring should have been orange (amber).
- Paragraph 14 should have read 'position as of 31 March 2026';
- In that strategic risk table, the cybersecurity risk score remained 15 – Medium.

Members also noted, in relation to the next report due for their meeting scheduled for November 2026, that:
- they would receive updates on Cybersecurity and Climate Impact and
- the Head of Climate would be invited for them to receive a full update.

In response to a question, the Head of Strategic Performance and Programme Management said that she would include more detail in relation to changes to mitigating controls and operational risk in her next report due in November 2026.

RESOLVED to note the risk management update.

50/26 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN'S ANNUAL REVIEW REPORT
(Agenda No. 9)

The Director of Law and Governance and Monitoring Officer introduced the report.

Members noted paragraph 13 should have read, 'A total of 126 complaints were received by the LGSCO about the Council during 2025/26'.

Prior to the meeting, members had asked whether they could see comparative complaints' data from other local authorities. Members noted that this was not possible for this meeting but that there had been a significant rise in complaints countrywide, which was related to an increased use of artificial intelligence.

The Democratic Services Officer read out a member's question, which was submitted in advance. 'As per [paragraph] 25, the targeted training that has been delivered to the education service is said to be supporting improvements, but it would be good to see quantitative evidence of this.'

However, members noted that the Education Service, as in other local authorities, was under significant pressure in relation to Special Educational Needs and Disabilities (SEND) and that this accounted for the rise of complaints. Members noted that targeted training was in relation to improving the quality of complaint response.

The Director of Law and Governance and Monitoring Officer invited a conversation with members outside of the meeting with respect to the presentation of data pertaining to Education, Health and Care Plans and children in receipt of support for SEN, in any future report.

Members also asked for any future report to contain:

- data with respect to how complaints were received by the Council
- data pertaining to compliments received by the Council by service area.

RESOLVED to note, having received and commented on, the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2025/26, and the work undertaken by the Council regarding its handling of complaints.

51/26 ASSESSMENT OF COUNCIL'S FINANCIAL MANAGEMENT, CONTROLS AND GOVERNANCE

(Agenda No. 10)

The Head of Corporate Finance introduced the report. The Head of Corporate Finance and Deputy Chief Executive (Section 151 Officer) answered questions from members.

Members asked what would happen to a council in receipt of Exceptional Financial Support (EFS) were it to become part of a unitary local authority and noted that service aggregation might yet help to mitigate the existing challenges; however,

- smaller councils, with smaller economies, usually had less financial resilience;
- EFS was generally funded through borrowing, creating additional costs; and
- a council's reserves generally had to be used before EFS was issued.
- Approximately 95 per cent of Councils on EFS in 2026/27 were unitary and
- Berkshire had 6 unitary authorities and 3 councils with EFS.

Members asked when the Council could expect to receive the first High Needs Stability Grant and noted that the working assumption was October-November 2026 but that that was unconfirmed pending approval of the SEND Reform Plan. Members also noted that the grant would cover the period up to March 2026 only and that there was no information about how deficits in financial years 2026/27 and 2027/28 would be managed.

RESOLVED to note the Assessment of Council's Financial Management, Controls and Governance

52/26 ERNST & YOUNG - VERBAL UPDATE
(Agenda No. 11)

Members received the external auditor's verbal update and noted that:

- Good progress had been made on the pension fund audit begun in June 2026.
- Evidence for Brunel investments was required for completion by 31 July 2026.
- The County Council audit was scheduled to start on Monday, 20 July 2026.
- Risk assessment on the Council's ability to rebuild assurance was ready.
- In September, an audit plan addendum would detail the assessment's results.
- Ernst & Young's target was to have work for 2025/26 done by November 2026.

53/26 HEALTH AND SAFETY ANNUAL REPORT
(Agenda No. 12)

The Health and Safety Manager introduced the report.

Members noted that the sub-heading 'Work-related (Occupational) ill health had been mistakenly duplicated under 'Safety Event Insights' and that the second time it should have read 'Vehicle Incidents'. (The header would be updated accordingly.)

Members asked why there had been 456 accidents with injury in schools in 2025/26, a 35 per cent increase on 2024/25, and noted that that these incidents often had connection with outdoor play but that it was hard to pinpoint the exact cause.

Members asked about reports of increasing physical violence associated with pupils with Special Educational Needs and Disability in mainstream schools and noted that staff were being proactively trained to mitigate risk.

Members asked about monitoring buildings and noted that every building owned by Oxfordshire County Council had a fire risk assessment and conditions survey, which helped identify where improvements needed to be made.

In relation to planned work for 2026/27, members sought and received assurance that the Council would implement the Terrorism (Protection of Premises) Act 2025 ('Martyn's Law').

Finally, members sought and received assurance that security had been checked at the Council's new premises at Midland House. The Health and Safety Manager said that this would be kept under review.

RESOLVED to note and accept the contents of the Health and Safety (H&S) Annual Report and the work of the H&S Team to support services and improve performance keeping employees and customers safe.

54/26 FIRE AND COMMUNITY SAFETY ANNUAL REPORT
(Agenda No. 13)

The Chief Fire Officer and Director of Community Safety introduced the report and said that 2025/26 was a challenging year on account of the significant incident at Bicester Motion and the Improving the Fire and Rescue Service public consultation.

Members asked whether the Fire Service could gather risk information and noted that it already did do so in accordance with Section 7(2)d of the Fire and Rescue Services Act 2004.

Members asked about community emergency plans and noted that they were already on offer for local communities to engage with. The Chair said that in her experience communities did not always take up the offer as it required some work.

Members asked about single use vapes as a cause of fire and noted ongoing challenges despite the Environmental Protection (Single use Vapes) (England) Regulations 2024 because manufacturers had found a way around those restrictions.

Members asked about emergency reception centres and noted that Community Safety had a responsibility for such centres in response to major or significant incidents as part of the Joint Oxfordshire Resilience Team.

In relation to emergency reception centres, members asked about vulnerable people and noted that the Fire Service and Community Safety worked closely with Adult Social Services to support them following major or significant incidents, rehousing where necessary.

Members asked about electric blankets and noted that the Fire Service, in support of the Council's Trading Standards, had a door-to-door service to have qualified electricians check old/used blankets and replace where necessary and electric blankets did not tend to cause fires as a result.

Finally, members asked about types of fire, for instance, battery fires and noted that batteries produced in the UK were becoming safer, however, batteries were still being imported and caused additional risks. Members noted that the Fire Service was adapting to new challenges.

RESOLVED to consider and approve the Fire and Community Safety Annual Report 2025/26.

The Committee adjourned for five minutes.

55/26 SCALE OF ELECTION FEES 2026-27

(Agenda No. 14)

The Director of Law and Governance and Monitoring Officer introduced the report. She clarified that in Annex 1, 'April 2026–March 2027 Proposed Fees' were, in fact, 'Actual Fees' and that the local government pay settlement pertained to 2025/26. The Committee was asked to note the increase in the travel expenses fees only.

RESOLVED to note the change to the Scale of Election Expenses for the financial year 2026/27, as shown in Annex 1, paragraph 26, in the event of the election of County Councillors or any other poll associated with the County Council during the 2026/27 financial year, in relation to the change of payment eligible for travelling expenses per mile from £0.45 to £0.55, as per the guidance released by His Majesty's Revenue and Customs (HMRC).

56/26 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME
(Agenda No. 15)

The Committee agreed to consider appointments to Category B Outside Bodies in September.

The Committee asked about Local Government Reorganisation in relation to finance, governance, and risk and noted that the Director of Law and Governance and Monitoring Officer was still considering the best way to take this agenda item forward.

The Head of Internal Audit and Counter Fraud spoke to the Audit and Governance Self-Assessment completed by members on 17 June. Members wanted to see:

- an update on Commercial Strategy in September and
- an update on Enterprise Oxfordshire in November before January's audit.

AUDIT WORKING GROUP

Members noted that on 2 September, the Audit Working Group would consider:

- Highways Contract Management 2025/26
- Bridge Management 2025/26

In October, the Audit Working Group would consider:

- Safeguarding Transport 2025/26
- School Attendance 2025/26

The meeting finished at 3.47 pm.

………………………………………………………….. in the Chair

Date of signing ………………………………………………….