

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 4 June 2025 commencing at 1.00 pm and finishing at 3.50 pm.

Present:

Voting Members:

Cllr Roz Smith – in the Chair
Cllr John Shiri
Cllr Ron Bastone
Cllr Andrew Crichton
Cllr Ted Fenton
Cllr James Fry
Cllr David Hingley
Cllr Gavin McLauchlan
Cllr Leigh Rawlins
Dr Geoff Jones

Non-voting:

Other Members in Attendance:

Cllr Jenny Hannaby (for Agenda No. 7)

By Invitation:

Partners from Ernst & Young Limited Liability Partnership:
Kalthiemah Abrahams
Simon Mathers
Melody Padilla

Officers:

Whole of meeting:

Lorna Baxter, Executive Director of Resources & Section 151 Officer
Anita Bradley, Monitoring Officer
Rachel Brolly, Performance and Insight Team Leader
Sarah Cox, Chief Internal Auditor
Colm O'Caomhanaigh, Democratic Services Manager
Rob MacDougall, Chief Fire Officer and Director of Community Safety
Jack Nicholson, Democratic Services Officer
Ella Stevens, Deputy Chief Accountant
Louise Tustian, Director of Transformation, Digital and Customer Experience
Kathy Wilcox, Head of Corporate Finance

Part of meeting:

Martin Reeves, Chief Executive

Agenda Item

Officer Attending

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Daisy Hickman, Performance Improvement Manager
Georgina Queripel, Audit Manager

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with a schedule of addenda tabled at the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and scheduled/additional documents, copies of which are attached to the signed Minutes.

34/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

The Chair welcomed everyone to the meeting. An apology was received from Councillor James Fry, who was late to the meeting. Otherwise, there were no apologies for absence; there were no temporary appointments.

35/25 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest.

36/25 MINUTES

(Agenda No. 3)

The Committee received the minutes of the meetings of 12 March and 20 May 2025. First, they discussed the minutes of the meeting of 12 March 2025.

In relation to the Report of the Constitution Working Group, the Chair thanked officers for their work revising Council's Constitution. Officers said that all recommendations to the Council passed on 1 April 2025 and had been incorporated. In relation to 'effective communication with Councillors', the Monitoring Officer said that she was advocating for that in meetings with other officers. She added that she would shortly raise an article on that topic on the staff intranet. Officers reiterated that it was best to review the changes to the constitution six months after they had been approved. They clarified that the Constitution was available to view online. Furthermore, officers said that if the Committee was of the view that further constitutional amendments were required, the Constitution Working Group could consider these in due course.

The Committee asked for the following amendments to the minutes of the meeting of 12 March 2025:

- On the front-sheet, Dr Geoff Jones was recorded as a voting member of the Committee. However, this was not correct. He should have been recorded as a non-voting member.
- In section 22/25, it was recorded that that 'the Deputy was elected by the Chair.' However, it should have been recorded that the Deputy was elected by the Committee.
- In the first paragraph of section 27/25, there was a space after the hyphen in 're-consider' that needed to be removed.

APPROVED the minutes of the meetings of 12 March and 20 May 2025 as an accurate record of proceedings.

37/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

38/25 UPDATE ON STATEMENT OF ACCOUNTS 2024/25

(Agenda No. 5)

The Deputy Chief Accountant introduced the report. She made the following remarks:

- The committee was previously informed that Enterprise Oxfordshire, formerly known as Oxfordshire Local Enterprise Partnership (OxLEP), would require Group Accounting. However, at that time, group accounts were not necessary, as Enterprise Oxfordshire fell below Oxfordshire's materiality threshold.
- She had not submitted final accounts for the Committee's consideration; however, they would be emailed around before the deadline of 30 June.

In response to a question, officers clarified that the Council had already decided to keep Enterprise Oxfordshire as a separate company and not to assume its various services and functions.

RESOLVED to:

- (a) note the update on the accounting treatment for Enterprise Oxfordshire in the 2024/25 financial year; and**
- (b) note the publication date of the Statement of Accounts for 2024/25 and the associated public inspection period.**

39/25 LOCAL AUDIT REFORM: AUDIT CONSULTATION OUTCOME

(Agenda No. 6)

The Head of Corporate Finance introduced the report. She said that in addition to updating the Committee as a whole, the report's purpose was to ensure new members had context about local audit reform when beginning their work on the Committee. Returning members said that it was a good summary of local audit reform.

In relation to paragraph 15, the Committee noted that the Council had been asked by government why the accounts had not been submitted on time. However, they also noted that 'The unaudited 2023/24 Statement of Accounts was published on the Council's website on 28 June 2024 and a full audit of the accounts, including a substantial amount of transactional sampling, took place from July 2024 onwards with completion in early 2025.' As such, officers said, the accounts had been submitted on time.

The Committee noted that the 'Redmond Review: Independent Review into the Oversight of Local Audit and the Transparency of Local Authority Financial Reporting' (September 2020) recommended that the local government accounts be simplified in the future. External auditors said that the Local Audit Office was working closely with the Chartered Institute of Public Finance and Accountancy, the author of the financial reporting framework, to implement this recommendation.

In response to a question, officers clarified the infrastructure assets statutory override that had been extended to 1 April 2029 concerned additional expenditure on highways, which meant it was only applicable to upper tier and unitary local authorities. By way of context, they said that the override had been introduced nationally to manage accounting practices that caused issues initially in 2021-22,

when external auditing would otherwise not have continued. Officers said that they were looking for a long-term solution, but at that time the override was necessary to prevent ongoing disruption to the accounts.

Finally, the Chair noted paragraphs 29 and 30. She said that £0.052m from central government was not enough for the Council to clear its backlog and meet the additional costs of fully restoring audit assurance.

RESOLVED to:

- (a) Note the update on Local Audit Reform and the establishment of a Local Audit Office; and**
- (b) Note the on-going backstop arrangements following the disclaimed opinions for the council's accounts for 2022/23 and 2023/24.**

Councillor James Fry joined the meeting at 1.24pm.

40/25 OXFORDSHIRE FIRE AND RESCUE SERVICE 2024/2025 ANNUAL REPORT

(Agenda No. 7)

The Chief Fire Officer and Director of Community Safety introduced the report. He highlighted the following:

- Oxfordshire Fire and Rescue Service responded to 6,200 incidents during the year of the report, which was almost one an hour.
- The Service's average response time was 9 minutes and 12 seconds and maintaining that was a key challenge. However, the Service's new policy of not attending fire alarms when they actuate was likely to have a disproportionate impact on that time because alarms disproportionately go off in built-up areas closer to Oxfordshire's 25 fire stations.
- the Service's prevention and protection work, including Safe and Well visits to over 2,300 vulnerable households in the year of the report, which resulted in 208 referrals of households on to other partners
- a 44% reduction in the number of road traffic incidents in the year of the report
- Changes to the storage of breathing apparatuses on the Services' vehicles to reduce the risk of contamination
- the work of Trading Standard and the Joint Oxfordshire Resilience Team

The Committee noted that it had been less than a year since they received the report for the year 2023-24. The Chief Fire Officer and Director of Community Safety said that this was because of the excellent work of his team, especially the Performance Improvement Manager, in producing the document quicker than last year for the Committee's consideration.

The Committee further noted the fact that 2,310 of callouts in the year of the report, 49 per cent of the total, were false alarms. In response to a question from the Chair, officers confirmed that this number was reducing because of the new policy of not responding to automatic fire alarms. He said that this policy had gone out for public consultation in September 2024 and was supported by the previous Cabinet Member responsible for the Service; it was now operative across the whole of the Thames

Valley. Officers said that they expected the figure in question to drop to 33 per cent in the coming year.

The Committee asked officers about the Service's responsibility for fire service legislation and risk assessment. Officers clarified that they had a responsibility to make sure regulations were followed particularly with respect to Houses in Multiple Occupation, commercial premises, and any new builds.

In response to a question, officers clarified that the Council's vision, as detailed in the strategic plan for 2023-25, was 'to make Oxfordshire a greener, fairer and healthier' place.

The Chair said that she was very impressed with the work of Trading Standards; they had recovered over £100,000 for scam victims during the year of the report and were believed to have blocked over 45,000 scam calls. She asked officers to pass on the Committee's thanks to that team for its work protecting vulnerable people.

The Cabinet Member for Community Wellbeing and Safety praised the Service's professionalism and the Chief Fire Officer's sensitive response to the loss of firefighters' lives at Bicester Motion on 10 June. She said that her thoughts were with all firefighters and wished the Service well for the future.

RESOLVED to note the Oxfordshire Fire and Rescue Service Annual Report for 2024/2025.

41/25 RISK MANAGEMENT UPDATE

(Agenda No. 8)

The Director of Transformation, Digital and Customer Experience and the Performance and Insight Team Leader introduced the report. They clarified that the Strategic Risk Register overview was from January rather than June 2025 because it was the last to have been considered by the Cabinet. They highlighted the following:

- the Strategic Risk Register had been reviewed between March and April 2025
- From 1 May 2025, core schemes would no longer feature on the register due to effective management at a programme level.
- The Council's Delivering the Future Together network was helping to cascade information about risk across the whole organisation.
- Further review to the policy documentation would be brought to the next meeting on 16 July 2025.

The Committee asked officers whether they had calculated the provisional residual risk for Strategic Risk (SR) 11 – Section 106 – and SR12 – Local Government Reform. Officers said that this would be discussed at the Senior Leadership Team (SLT)'s workshop on 25 June 2025; they would report back to the Committee in due course. However, they also said that they were hopeful that the risk in relation to SR11 would be reduced following a report to the Place Overview and Scrutiny Committee on 23 April 2025. Officers were asked relatedly if local government reform to pension funds was applicable to SR12. Officers said that the question would be taken up by the Pension Fund Committee.

For the benefit of new members of the Committee, officers clarified that inherent risk referred to risk without controls put in place to reduce its probability and mitigate its consequences. They added that as was the case here, residual risk may not change on a month-to-month basis. However, officers stressed that they could manage risks, and they highlighted that there was a new risk reporting platform, which enabled them to track and monitor their work in this area.

The Committee asked officers if the Council was talking to other local authorities to compare and learn from what they might be doing to mitigate risks. Officers said that risks 1, 2, 4, 5, 7, 9, and 10 were applicable to all local authorities. Otherwise, they said that it was difficult to compare across organisations because there was no uniform way of measuring risk. However, they said that networking took place between local authorities, where risks were discussed. Officers also said that through business management and monitoring, the team regularly compared their performance with that of other Councils in relation to risk.

The Committee also asked officers about the risk of flooding in Oxfordshire. Officers clarified that a five-by-five scoring matrix was deployed for all risks, including the risk of flooding. However, they also said that the SLT were discussing whether flooding should be considered separately in relation to community resilience to the overall risk; the Committee would be updated accordingly. Officers added that the Council agreed in the budget to £2.2 million of investment for 2025-26 to reduce the risk of flooding. Finally, the Committee asked officers about the use of the word 'undeliverable' in the report. Officers clarified that it had been used to refer to residual cost to the Council in cases where the total cost for a project was not covered by funds claimed by a specified date, especially considering inflationary pressures. However, they also said that more funding was available from central government to cover those pressures. Officers said that where the word undeliverable featured in the report, things may have changed in the last six months, and they would update the Committee in due course.

RESOLVED to note the Risk Management Update.

42/25 CHIEF INTERNAL AUDITOR'S ANNUAL REPORT

(Agenda No. 9)

The Chief Internal Auditor introduced the report. She stressed that no limitations had been placed on the scope of the report. She also made the following remarks:

- This report was an executive summary; any member could ask her for the full reports, and any aspect could be examined by the Audit Working Group (AWG).
- There had been 30 audits undertaken throughout the year. Only 1 audit had been dropped because of resourcing issues, which she said was a credit to her team, especially the Principal Auditor and Audit Manager.
- Those resourcing issues had had a 4–6-week impact on the production of the report; she would report back to the committee if there was subsequent impact to next year's report.
- Overall, she had no particular concerns in relation to the year's audits or the implementation of management actions arising from them.

The Committee noted paragraph 23: 'The Monitoring Officer conducted a survey of Senior Management on the effectiveness of Internal Audit in September 2023. The results from this survey were presented to [the committee in] November 2023.' They asked officers if this survey was going to be repeated. Officers clarified that it used to be a requirement for one such survey to take place very year; that was no longer the case. However, officers said that they aimed to survey Senior Management every third year; as such, a survey was scheduled for June 2026; officers said that it could be brought forward upon request. The Chair said it was important for directors to be satisfied with the Council's internal audit work.

The Committee discussed the team's resourcing issues. They noted paragraph 40 regarding the negative impact those issues had had on the achievement of the service's performance indicators. They asked officers how early in the process that was picked up and about the systems in place to allow the service to recover and deliver value for money. Officers stressed that where timeliness had slipped, quality had not. Nonetheless, they reiterated, the Annual Report had been delivered on time to the Committee. They agreed that they should further consider means to incentivise timeliness and penalise lack of timeliness to facilitate the audit process overall. The Committee also asked if the final audit, which had been dropped, was going to be undertaken in the future. Officers said that in their judgement they did not need to include it. They also said that their resourcing issues had been resolved. Officers said that they had appointed another full-time principal auditor to start work in July, subject to pre-employment checks. The Chair took the opportunity to congratulate Georgina Queripel, Principal Auditor, for her recent promotion to Audit Manager.

The Committee also discussed the appendices to the report. In relation to Appendix 3, members asked if in future officers could make it clear which actions specifically were 'not yet actioned' and which ones were 'not yet due'. Officers agreed to do so and to make clear whether the actions were Priority 1 or Priority 2. And in relation to the section 'Schools Section 151 Assurance 24/25', they discussed the importance of officers' work around financial training for governors and business managers within the affected schools.

Finally, for new members of the Committee, officers clarified that analysis of the design and implementation of risk-management controls was in-built to the audit process. They also said that they monitored when dates moved and would report on that to the Committee in September 2025 and January 2026. They said that anything identified as red in the report would get called to the AWG and be reviewed in six months' time

RESOLVED to endorse the Chief Internal Auditor's Annual Report.

43/25 INTERNAL AUDIT STRATEGY & PLAN 2025/26

(Agenda No. 10)

The Chief Internal Auditor introduced the report. She said that a separate counter-fraud plan would be on the agenda for July. She also made the following remarks:

- More grants were being received from central government, which required her service's independent validation and verification.

The Committee asked officers why the target was to have 90 per cent of agreed management actions implemented, rather than 100 per cent. Officers said that 100 per cent would be unrealistic because of the timeframes under which they were operating and that the service prioritised management actions accordingly. Nonetheless, they said that did not accept delay. The Chair reiterated that the AWG monitored implementation of all the actions.

The Chair asked members to note especially Appendix 3, 'Internal Audit and Accountable Team Structure for 2025-26'.

RESOLVED to note the Internal Audit Strategy and Internal Audit Plan for 2025/26.

44/25 INTERNAL AUDIT CHARTER 2025/26

(Agenda No. 11)

The Chief Internal Auditor introduced the report. She said that this paper introduced the new Global Internal Audit Standards; as such, the template had changed when compared to previous reports, but the content had not changed very much.

The Committee noted paragraph 6: 'Internal Audit should identify and communicate to the Audit & Governance Committee and Senior Management the root cause for the issues that are reported. This could also include thematic or systematic issues or actions.' Officers said that they routinely thought about root causes. Nevertheless, they said that the process of identifying what they were specifically, to communicate them, was a work in progress.

RESOLVED to:

- (a) note the update on implementation of the Global Internal Audit Standards;**
- (b) approve the Internal Audit Charter for 2025/26; and**
- (c) note the Quality Assurance and Improvement Programme.**

45/25 AUDIT WORKING GROUP UPDATE

(Agenda No. 12)

The following councillors were appointed to sit on the Audit Working Group: Ron Bastone, Ted Fenton, Gavin Mclauchlan, Leigh Rawlins, and John Shiri.

RESOLVED to note the Audit Working Group Update.

46/25 ANNUAL GOVERNANCE STATEMENT - 2024/25

(Agenda No. 13)

The Monitoring Office introduced the report.

The Committee noted, in Annex 2, 'Significant Governance Issues – 2025/26', that the Council's Independent Remuneration Panel was due to be commissioned by 31 December 2025. They asked whether this would be necessary considering plans for local government reorganisation. Officers clarified that it was a mandatory requirement for a new Independent Remuneration Panel to be in place by 31 March 2026, and local government was not going to be reorganised within the next nine months; the Panel still had to be commissioned.

In relation to 'Monitoring Financial Performance' (p. 44), members stressed the importance of turning reports around quickly after the end of the appropriate period for management action purposes. They also said that it was important for data to be contextualised within these reports to facilitate a good outcome.

In response to a question about optimism bias in the delivery of the Council's capital programme, officers said that benchmarking of the data took place to minimise the impact of any such bias; for instance, the Care Quality Commission examined outcomes in Adult Social Care.

The Committee requested the following amendments to the report:

- Paragraph 83 – to mention NEC4 and more detail about the contract
- Paragraph 85 – to read 'seldom heard communities' (a typo)
- Paragraph 89 – to refer to the outcome of the County Council elections
- Paragraph 103 – to not refer to group accounts, considering the Deputy Chief Account's remarks under Item 5 on the agenda

Officers agreed to make these changes.

RESOLVED to approve the Annual Governance Statement 2024/25, subject to the Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive, and the Section 151 Officer.

47/25 ERNST & YOUNG UPDATE

(Agenda No. 14)

External auditors from Ernst & Young (E&Y) Limited Liability Partnership introduced the reports.

Oxfordshire County Council Auditors Annual Report Year Ending 31 March 2024 (E&Y) was considered first.

The Committee noted that the auditors' emphasis in Phase 2 of their overall strategy was 'to use backstop dates to prevent a recurrence of the backlog and allow assurance to be rebuilt over multiple audit cycles.' They asked the auditors how they were planning on building back assurance overall when balances breached their materiality limit of £20 million. The auditors recognised the challenges they faced and said that they would not be able to offer full assurance until the end of the financial year 2026-27 at the soonest.

The Committee noted, in Appendix C, a significant increase in fees from £84,668 in 2021-22 to £291,895 in 2023-24; they asked the auditors to account for this change.

The auditors said that their contract came to an end in 2022-23; fees then went up as part of the national procurement process with the Public Sector Audit Appointments body. The auditors said that their fees had gone up because the regulatory burden on them had increased over the five-years span of the previous contract.

Oxfordshire County Council Provisional Audit Planning Report Year Ending 31 March 2025 (E&Y)

The auditors summarised the Audit Risks and Areas of Focus, the materiality for the year (the word 'group' could be omitted), and the Audit Timeline.

The Committee asked two questions. In response to a question about the International Financial Reporting Standards (IFRS) 16 Leases, in Audit Risks and Areas of Focus, officers said that it was their practice to consider the Council's overall assets in relation to overall liabilities to determine their impact on the accounts. The Committee asked how the auditors distinguished between revenue repairs and capital investment when it came to road maintenance. Officers clarified the distinction and said that transactions were routinely checked by the internal audit team to check they had been classified correctly.

Oxfordshire Pension Fund Provisional Audit Planning Report Year Ending 31 March 2025 (E&Y)

The auditors summarised the Audit Risks and Areas of Focus, the materiality for the year, and the Audit Timeline.

The Committee noted that the audit results for June were due in September–October, and the auditors' Annual Report would be submitted in December.

The auditors said that they would attend the next meeting and notify the Committee of any changes to their strategy.

The Chair thanked the auditors for attending the meeting.

48/25 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

(Agenda No. 15)

The Committee noted the Updated Work Programme 2025-26. They said that they wanted to see local government reorganisation on the programme in July. To make space for this, they agreed that the 'Risk Management Update' would take place in September 2025 and January and May 2026, not July and November 2025 as planned.

AGREED the work programme for 2025-26.

49/25 DATE OF NEXT MEETING

(Agenda No. 16)

NOTED that the next meeting was scheduled for 16 July 2025.

..... in the Chair

Date of signing