



To: Members of the Audit & Governance Committee

***Notice of a Meeting of the Audit & Governance
Committee***

Wednesday, 17 September 2025 at 1.00 pm

Room 2&3 - County Hall, New Road, Oxford OX1 1ND

If you wish to view proceedings, please click on this [Live Stream Link](#)
Please note, that will not allow you to participate in the meeting.

Martin Reeves
Chief Executive

Deadline(pubagenda)

Committee Officers: Committee Services
Email: committees.democraticservices@oxfordshire.gov.uk

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor John Shiri

Councillors

Ron Batstone
Andrew Crichton
Ted Fenton

James Fry
David Hingley
Gavin McLauchlan

Leigh Rawlins

Co-optee

Kate Cartwright
Paul McGinn

Notes:

- ***Date of next meeting: 26 November 2025***



AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes (Pages 1 - 10)**

To approve the minutes of the meeting held on 16 July 2025 and to receive information arising from them.

4. Petitions and Public Address

Members of the public who wish to speak on an item on the agenda at this meeting, or present a petition, can attend the meeting in person or 'virtually' through an online connection.

Requests to present a petition must be submitted no later than 9am ten working days before the meeting.

Requests to speak must be submitted no later than 9am three working days before the meeting.

Requests should be submitted to committeesdemocraticservices@oxfordshire.gov.uk

If you are speaking 'virtually', you may submit a written statement of your presentation to ensure that if the technology fails, then your views can still be taken into account. A written copy of your statement can be provided no later than 9am on the day of the meeting. Written submissions should be no longer than 1 A4 sheet.

5. Audit Working Group Terms of Reference (Pages 11 - 14)

Report by the Executive Director of Resources & Section 151 Officer

The Audit Working Group (AWG) acts as an informal working group of the Audit & Governance Committee, reviewing in detail matters of governance, risk and control. It supports the Audit & Governance (A&G) Committee in discharging its responsibilities. The terms of reference for the AWG are agreed by the Audit & Governance Committee.

The Committee is RECOMMENDED to review and agree the updated Audit Working Group Terms of Reference.

6. Treasury Management Quarter 1 Performance Report 2025/26 (Pages 15 - 30)

Report by the Executive Director of Resources & Section 151 Officer

Treasury management is defined as: “The management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”

The Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) ‘Code of Practice on Treasury Management 2021’ requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the first for the 2025/26 financial year and sets out the position at 30 June 2025.

Throughout this report, the performance for the first quarter of the year to June 2025 is measured against the budget agreed by Council in February 2025.

As at 30 June 2025, the council’s outstanding debt totalled £270m and the average rate of interest paid on long-term debt during the quarter was 4.41%. No external borrowing was raised during the quarter, whilst £2m of maturing Public Works Loan Board (PWLB), was repaid. The council’s forecast debt financing position for 2025/26 is shown in Annex 1.

The [Treasury Management Strategy for 2025/26](#) agreed in February 2025 assumed an average base rate of 4.00%.

The average daily balance of temporary surplus cash invested in-house was expected to be £303m in 2025/26, with an average in-house return on new and existing deposits of 3.25%.

During the three months to 30 June 2025 the council achieved an average in-house return of 4.74% on average cash balances of £420.335m, producing gross interest receivable of £4.964m. In relation to external funds, the return for the three months was £0.670m, bringing total investment income to £5.634m. This compares to budgeted investment income of £3.191m, giving a net overachievement of £3.443m.

At 30 June 2025, the council’s investment portfolio totalled £518.048m. This comprised £365.500m of fixed term deposits, £52.833m at short term notice in money market funds and £99.715m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2025.

The Audit & Governance Committee is RECOMMENDED to note the council’s treasury management activity at the end of the first quarter of 2025/26.

7. Internal Audit 2025/26 - Progress Report (Pages 31 - 48)

Report by the Executive Director of Resources & Section 151 Officer

This report provides an update on the Internal Audit Service, including resources, completed and planned audits.

The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the June 2025 Committee. Since the last update, there have been no red reports issued.

The Committee is RECOMMENDED to note the progress with the 2025/26 Internal Audit Plan and the outcome of the completed audits.

8. Ernst & Young External Audit Update

9. Monitoring Officer Annual Report, 2024-25 (Pages 49 - 62)

Report by the Director of Law & Governance & Monitoring Officer

This report provides a comprehensive overview from the Monitoring Officer of democratic and ethical governance activities during the municipal year 2024-25 (from 1 April 2024 to 31 March 2025). The report is aligned with the functions of the Audit and Governance Committee, which is responsible for ensuring high standards of conduct among councillors and co-opted members.

The Committee's key responsibilities include:

- Promoting high standards of conduct by councillors and co-opted members.
- Granting general and individual dispensations to councillors and co-opted members from requirements related to interests as set out in the code of conduct. Individual dispensations under Section 33 of the Localism Act 2011 and the Members' Code of Conduct are delegated to the Monitoring Officer.
- Reviewing the arrangements for dealing with complaints against Members and advising the Council on the adoption or revision of these arrangements, as well as the Members' Code of Conduct.

Throughout the year, the Committee has diligently worked to uphold its responsibilities, ensuring that ethical standards are maintained and that any complaints or allegations of misconduct are addressed promptly and fairly. This report highlights the Committee's activities, achievements, and the progress made in fostering a culture of transparency, accountability, and integrity within the Council.

The Committee is RECOMMENDED to consider and endorse the Monitoring Officer's annual report for 2024-25.

10. RIPA Policy (Pages 63 - 82)

Report by the Director of Law & Governance & Monitoring Officer

The Council may occasionally need to carry out covert surveillance. The Regulation of Investigatory Powers Act 2000 ('the Act') and supporting Codes of Practice provide the legal framework under which public bodies may lawfully undertake covert surveillance. Compliance with the Act and the supporting Codes of Practice provides protection to the Council in the event that an individual challenges the actions of the Council on the basis that those actions were an infringement of the individual's human rights. It also reduces the likelihood that any evidence obtained through covert surveillance and used in legal proceedings is ruled inadmissible.

Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2024 and March 2025 for review by the Committee.

The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the policy') is updated annually and received a significant refresh in 2023. This included incorporating feedback from the Investigatory Powers Commissioner's Office (IPCO). This year, officers are not recommending any changes to the policy.

The Committee is RECOMMENDED to:

- a) note the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider; and**
- b) consider and note the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council.**

11. Assessment of the Council's Financial Management, Controls & Governance (Pages 83 - 94)

Report by the Executive Director of Resources & Section 151 Officer

Since 2020/21 the Government has provided [Exceptional Financial Support](#) (EFS) for councils who made a request for financial assistance to handle pressures that they considered unmanageable and to enable them to set balanced budgets. The support is provided on an exceptional basis, and where relevant, on the condition that a local authority may be subject to an external assurance review. Some of the councils in receipt of EFS have also issued a Section 114 notice.

Councils have sought EFS for a variety of reasons but in almost all cases, multiple issues have combined impacting on financial resilience. An assessment of the causes of financial strain indicates that in most cases where councils have upper tier responsibilities persistent pressures in adult and children's social care has been coupled with a low level of reserves. Other causes of financial strain include costs relating to homelessness, Special Educational Needs and Disabilities (SEND) deficits impacting on cash balances, debt costs, transformation delays, legacy issues and accounting corrections.

While Oxfordshire County Council needs to continue to take action to manage demand and costs, the year-end position for both 2023/24 and 2024/25 and the assessment against the Financial Management Code for 2024/25, demonstrates strong financial control and resilience. However, there are significant risks around the growing deficit against High Needs Dedicated Schools Grant funding as well as the potential impact of funding reform from 2026/27.

The level of reserves is fundamental to financial sustainability so while the council is not currently in the same position as the councils that have sought EFS this report sets out an assessment of the current position and the controls in place to help mitigate risks.

The Committee is RECOMMENDED to note the report.

12. Financial Regulations Update (Pages 95 - 110)

Report by the Executive Director of Resources & Section 151 Officer

In April 2025 Council agreed a number of changes to the Constitution. As part of that the threshold for a Key Decision for capital expenditure was increased to £2.0m.

Section 5 of the Financial Regulations which sets out the arrangements for Capital expenditure needs to be updated to align with the threshold for a Key Decision. It is proposed to increase the threshold for Cabinet approval for new inclusions and variations to the programme to £2.0m (from £1.0m). The Strategic Capital and Commercial Board would approve any expenditure above £0.5m up to £2.0m.

The Committee is RECOMMENDED to recommend to Council:

- a) to approve amendments to Section 5 of the Financial Regulations increasing the limit for Cabinet approval for new inclusions and variations to capital schemes from £1.0m to £2.0m to align with the key decision threshold of £2m; and**
- b) to approve that in exceptional circumstances up to £0.500m funding for exploratory feasibility works can be approved by the Executive Director of Resources and Section 151 Officer (following discussion and recommendation at, and with the support of the Strategic Capital and Commercial Board).**

13. Appointments to Outside Bodies

To make appointments of Council representatives to

- Oxfordshire Buildings Trust Ltd (2 positions)
- South East Reserve Forces' and Cadets' Association

14. Audit & Governance Committee Work Programme (Pages 111 - 112)

The Committee is RECOMMENDED to note the updated work programme for 2025-26.

Close of meeting

An explanation of abbreviations and acronyms is available on request from the Chief Internal Auditor.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships

- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.
- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.