



To: Members of the Audit & Governance Committee

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

Wednesday, 26 November 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

November 2025

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-optees

Kate Cartwright
Paul McGinn

Notes:

- ***Date of next meeting: 14 January 2026***



AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declaration of Interests - see guidance note**
- 3. Minutes of the Previous Meeting (Pages 1 - 8)**

The Committee is RECOMMENDED to approve the minutes of the meeting held on 17 September 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. Ernst and Young Draft Audit Results Report 2024/25 (Pages 9- 58)

The Committee is RECOMMENDED to note Ernst and Young's Draft Audit Results Report for 2024/25.

6. Ernst and Young Draft Auditor's Annual Report 2024/25 (Pages 59 - 90)

The Committee is RECOMMENDED to note Ernst and Young's Draft Auditor's Annual Report for 2024/25.

7. Ernst and Young Draft Audit Results Report for the Pension Fund 2024/25 (Pages 91 - 130)

The Committee is RECOMMENDED to note Ernst and Young's Draft Audit Results Report for the Pension Fund for 2024/25.

8. Statement of Accounts 2024/25

Annex 1 – Statement of Accounts 2024/25 to follow.

The Statement of Accounts for Oxfordshire County Council for 2024/25 has been prepared in accordance with the CIPFA Code and includes the Narrative Report, primary financial statements, and pension fund accounts.

There are no significant changes in preparation, although IFRS 16 on Leases has been implemented for the first time.

The Annual Governance Statement, approved in June 2025, requires no amendments.

Summary Accounts provide an accessible overview of the Council's financial position and performance.

Auditors are expected to issue a disclaimed opinion, with a possibility of a qualified opinion; however, no material misstatements have been identified.

The Committee is RECOMMENDED to:

- a) consider and approve the Statement of Accounts 2024/25 at Annex 1;**
- b) note the Summary Accounts 2024/25 at Annex 2;**
- c) agree that no changes are required to the Annual Governance Statement 2024/25, previously approved by the Committee on 4 June 2025;**
- d) consider and approve the Draft Letter of Representations 2024/25 for the Oxfordshire County Council accounts at Annex 3; and**
- e) agree that the Executive Director of Resources and Section 151 Officer, in consultation with the Chairman of the Committee (or Deputy Chairman in his absence), can make any further changes to the Statement of Accounts 2024/25 and/or letters of representation that may arise during completion of the audit.**

9. Treasury Management Mid-Term Review 2025/26 (Pages 131 - 146)

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 second for the 2025/26 financial year and sets out the position at 30 September 2025.

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

As at 30 September 2025, the council's outstanding debt totalled £270m and the average rate of interest paid on long-term debt during the 6 months was 4.41%. No new external borrowing was raised during the first half of the year, 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 six months to 30 September 2025 the council achieved an average in-house return of 4.60% on average cash balances of £447.966m, producing gross interest receivable of £9.896m. In relation to external funds, the return for the six months was £2.004m, bringing total investment income to £11.900m. This compares to budgeted investment income of £6.771m, giving a net overachievement of £5.129m.

At 30 September 2025, the council's investment portfolio totalled £490.582m. This comprised £356.500m of fixed term deposits, £32.972m at short term notice in money market funds and £101.110m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 September 2025.

The Committee is RECOMMENDED to note the council's treasury management activity for the first half of 2025/26 and recommend Council to note council's treasury management activity in the first half of 2025/26.

10. Counter-Fraud Update (Pages 147 - 156)

This report presents a summary of activity against the Counter Fraud Plan for 2025/26, presented to the July 2025 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

The Committee is RECOMMENDED to note the summary of activity against the Counter Fraud Plan for 2025/26.

11. Anti-Fraud and Corruption Strategy (Pages 157 - 174)

This report presents the revised Anti-Fraud and Corruption Strategy, which is subject to review every two years.

The Committee is RECOMMENDED to consider and approve the revised Anti-Fraud and Corruption Strategy Executive Summary.

12. Risk Management Update (Pages 175 - 206)

This report sets out updates to the risk and opportunities policy and an overview of the latest strategic risk register which contains the Council's most significant strategic risks. The strategic risk register is proactively managed by the senior leadership team (SLT) and reported into the strategic leadership board (SLB) as part of the council's business management and monitoring reports (BMMR). These combined reports contain performance, risk, and finance progress updates against the delivery of the current strategic plan priorities.

The Committee is RECOMMENDED to note the risk management update and approve the revised risk and opportunities policy 2025/26.

13. Oxford Fire and Rescue Service Statement of Assurance 2024-25 (Pages 207 - 224)

The Fire and Rescue National Framework for England 2018 sets out a requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters through publishing an Annual Statement of Assurance. Oxfordshire Fire and Rescue Service's Statement of Assurance confirms that we are demonstrating due regard to the requirements included in the framework and the expectations set out in the authorities' risk management plans.

The Committee is RECOMMENDED to consider and approve the Oxfordshire Fire and Rescue Service Statement of Assurance 2024/25 for publication.

This document is procedural and not recommending any policy decision, strategy or project involving major change.

14. Annual Governance Statement 2024-25 - Action Update (Pages 225 - 230)

On 4 June 2025, this Committee approved the Annual Governance Statement (AGS) for the year 2024/25. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles and to give an opinion on the effectiveness of those arrangements. As part of the process, authorities are expected to highlight areas of focus for the year following.

This report therefore updates the Committee on the eight specific areas of focus identified for 2025/26.

The Committee is RECOMMENDED to receive this update on the actions from the Annual Governance Statement 2024/25 and to make any comment upon them.

15. Annual Report on Whistleblowing 2024/25 (Pages 231 - 252)

The council's Whistleblowing Policy (as presented to and approved by this Committee on 13 March 2024) provides clarity around the six categories set out in the Employment Rights Act 1996 that make a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998.

A copy of the policy is attached to the report. A review of this policy will be undertaken in early 2026.

In 2024-25, to support the implementation of the revised policy, members of the council's Strategic Leadership Team, along with colleagues from HR, Audit & Counter Fraud, Finance, and Law & Governance, completed The Chartered Institute of Public Finance and Accountancy's (CIPFA) Whistleblowing eLearning course.

The council's Governance Team has produced in-house Whistleblowing training, which was published on the Learning Zone in October 2025 and is accessible to all employees. Completion of this eLearning course is mandatory for managers, and new employees as part of the induction process, while all employees are encouraged to undertake the training annually. Details of the course have been shared through internal channels including Hive, Viva Engage, and the November Managers' Briefing.

The Committee is RECOMMENDED to:

- a) note the number of incidents of Whistleblowing during the 2024-25 financial year and**
- b) note that training on Whistleblowing is currently being rolled out within the organisation.**

16. Government Response to Strengthening the Standards and Conduct Framework for local authorities in England Consultation (Pages 253 - 256)

The [Strengthening the Standards and Conduct Framework for local authorities in England consultation](#) which ran between 18 December 2024 and 26 February 2025, sought views on introducing a mandatory minimum code of conduct for local authorities in England, and measures to strengthen the standards and conduct regime in England to ensure consistency of approach amongst councils investigating serious breaches of their member codes of conduct, including the introduction of the power of suspension.

This Committee agreed a Council response to the Consultation at its meeting on 15 January 2025 which was subsequently submitted and formed part of the Consultation responses.

The government has reviewed all submissions, and feedback received from 2,092 respondents during the Consultation process. Responses were sought from members of the public, current and prospective local authority elected members, local government officers from all types and tiers of authorities, and local authority sector representative organisations.

The Committee is RECOMMENDED to note the government's response to the Strengthening the Standards and Conduct Framework for local authorities in England Consultation and that legislation is intended to be brought through subject to parliamentary scheduling.

17. Constitution Member Working Group (Pages 257 - 264)

The Council has a duty to keep its constitution under review. This includes all relevant codes and protocols, and the procedure rules for committees, as well as corrections, updates, amendments, and developments to the constitution.

The constitution forms a key part of the Council's governance framework, setting rules, principles, and procedures to enable the Council to take decisions and do its work effectively.

A Constitution Member Working Group has served as a vital forum for cross-party engagement and consensus-building on matters relating specifically to the review and updating of the Council's constitution. It is best practice that the group remains active to ensure the constitution is kept current and fit for purpose and responds to the current needs of the Council.

Under provisions contained within the Local Government Act 2000 (and as subsequently amended) the Council is required to prepare and maintain a constitution. The constitution must contain:

- The standing orders and rules of procedure of the Council;
- The Members Code of Conduct;
- Such other information as the Secretary of State may direct;
- Other information (if any) as the Council considers appropriate.

It should be noted that since 2000, there have been over a hundred legislative changes and instructions which have been required to be included within the constitution. This highlights one of the reasons why the constitution needs to be kept under regular review.

The Committee is RECOMMENDED to:

- a) agree with the proposal to reconvene the Constitution Member Working Group, as set out in this report;**
- b) agree and comment as necessary, on the draft terms of reference for the working group, as set out in Annex A; and**
- c) request the Director of Law & Governance and Monitoring Officer to seek nominations for representatives from each political group who will attend the working group meetings, in accordance with paragraph 15 of this report.**

18. Member Champions (Pages 265 - 274)

This report proposes some changes to the role and function of Member Champions and clarifies the appointment process for future Member Champions.

Cabinet at its meeting on 18 November 2025 agreed to propose these changes to the Audit & Governance Committee.

The Committee is RECOMMENDED to recommend to Council to amend the Council's Constitution to replace part 8.5, Member Champion Role with the text in Appendix 2.

19. Audit Working Group Update

20. Audit and Governance Work Programme (Pages 275 - 276)

The Committee is **RECOMMENDED** to note the Committee Work Programme to November 2026 and comment upon it.

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.

Agenda Item 3

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 17 September 2025 commencing at 1.00 pm and finishing at 3.25 pm.

Present:

Voting Members: Councillor Roz Smith – in the Chair

Councillor John Shiri (Deputy Chair)
Councillor Ron Batstone
Councillor Andrew Crichton
Councillor Ted Fenton
Councillor James Fry
Councillor David Hingley
Councillor Gavin McLauchlan
Councillor Leigh Rawlins

Non-voting Members: Kate Cartwright
Paul McGinn

Other Members: Councillor Dan Levy – Cabinet Member for Finance, Property and Transformation

Officers: Martin Reeves – Chief Executive Officer
Anita Bradley – Director of Law and Governance and Monitoring Officer
Tim Chapple – Treasury Manager
Jody Kerman – Head of Prevention, Protection and Trading Standards
Katherine Kitashima – Audit Manager
Lakshmi Lal – Principal Auditor
Jack Nicholson – Democratic Services Officer
Georgina Queripel – Audit Manager
Ella Stevens – Deputy Chief Accountant
Kathy Wilcox – Head of Corporate Finance

Others in Attendance: Simon Mathers – Ernst and Young (Agenda Item 8)

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.

62/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

The Chair welcome everyone to the meeting, especially the Cabinet Member for Finance, Property and Transformation; the new independent members and Laksmi Lal, the new principal auditor (an observer). There were no apologies for absence.

63/25 DECLARATION OF INTERESTS

(Agenda No. 2)

There were no declarations of interest.

64/25 MINUTES

(Agenda No. 3)

The Committee amended and approved the minutes of the meeting of 16 July 2025 for the Chair to sign.

65/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

66/25 AUDIT WORKING GROUP TERMS OF REFERENCE

(Agenda No. 5)

The audit team introduced the report.

The Committee agreed that independent members Kate Cartwright and Paul McGinn should join Councillors Batstone, Fenton, Mclauchlan, Rawlins, and Shiri on the Audit Working Group (AWG).

RESOLVED to agree the updated Audit Working Group Terms of Reference for 2025-27.

67/25 TREASURY MANAGEMENT QUARTER 1 PERFORMANCE REPORT 2025/26

(Agenda No. 6)

The Treasury Manager introduced the report.

The Committee asked how it was that the Council had decided to cap borrowing at 5 per cent per year of the net operating budget. The Treasury Manager said that the Council set a potential indicator each year, which was based on capital finance requirements or the underlying need to borrow. He added that this was due to peak at £559 million, whereas external debt was expected to be £270 million, in 2025/26.

The Committee asked about environmental factors in relation to borrowing. The Treasury Manager said that the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management stipulated that the security and liquidity of any loans should be prioritised above all other factors when

loans were obtained. He said that if two investments presented the same level of liquidity and financial risk, the greenest one would be chosen in accordance with the Council's environmental policies and objectives. He said that all loans obtained by the Council complied with the UN Charter on Ethical Investments. The Chair said that she wanted to see the Council invest in more green bonds.

The Committee asked whether the Council had plans to pay off some of its debt. The Treasury Manager said that the Council was earning 4.5 per cent more than it was paying on its historic debt for long-term capital projects. He said that Public Works Loan Board (PWLB) loans could be repaid early but that it would not be financially prudent to do so given that interest rates could rise on any future loans. He said that the capital programme was forecast to increase over the next 3-4 years to up to £600 million but that cash balances were forecast to go down over the same period, so the Council had no plans to pay off some of its debt.

The Committee asked if council tax could be reduced given that the Council was earning money on its debt. The Treasury Manager said that funds were borrowed to finance the Council's capital programme, unlike council tax, which was for revenue spending. The Cabinet Member for Finance, Property and Transformation said that the government expected the Council to raise the maximum level of council tax and made any grants subject to that requirement, so it was not going to be reduced.

The Committee asked what the Council was doing to ensure that government put money towards negative Dedicated Schools Grant (DSG) balances relating to High Needs. The Head of Corporate Finance said that the Executive Director of Resources and Section 151 Officer was working with other local authorities to lobby government and highlight the risk that DSG balances posed to councils' financial resilience. The Chair said that she expected DSG balances to be discussed further by the Committee in its November meeting.

The Treasury Manager said that he would take a question about the cost to the Council of managing existing funds away for a fuller response.

The Chair thanked the Treasury Manager for the report, for his work and that of his team.

RESOLVED to note the Council's treasury management activity at the end of the first quarter of 2025/26.

68/25 INTERNAL AUDIT 2025/26 - PROGRESS REPORT

(Agenda No. 7)

The audit team introduced the report. In response to a question, they confirmed that there were no outstanding management actions that caused them concern.

The Committee expressed concern that the Council did not have an IT disaster recovery plan. The audit team said that management had already agreed to address all issues identified and that there were no Priority 1 management actions; the IT Disaster Recovery Audit was amber, not red. They added that if the AWG wanted to examine the issue, they should wait until management had had time to respond.

The Committee also expressed concern about the systems in place for the recording and monitoring of Freedom of Information (FOI) requests. The Chair said that she was concerned that there was no consistent process within the Council for sharing information on trends/themes and lessons learned. The audit team said that they would report back on this issue and that it could be scrutinised by the AWG.

The Committee expressed concern, thirdly, about the cost the Council of the Didcot Garden Town Housing Infrastructure Fund (HIF1). The Director of Law and Governance and Monitoring Officer assured the Committee that the contractual agreements and overall projected cost was already established. The Chief Executive Officer said that in terms of litigation, the Council had the most experienced technical advisors on value engineering linked to homes in England, on the HIF1 project. He said that he met weekly with the Director of Environment and Highways to discuss risk around future contractual work relating to HIF1 and its cost to the Council.

The Committee asked more broadly about how serious risks were managed. The Director of Law and Governance and Monitoring Officer said that relevant directors received the outcome of all audits. The Chair said that she was assured by the Chief Internal Auditor that senior management and the Chief Executive were kept well informed of risks to the Council

The Committee asked the auditors to ensure that they defined all terms and acronyms in future reports and made it clear when actions were started, in process, or resolved. The audit team indicated that they would be happy to do so.

The audit team also said that they would circulate definitions of Priority 1 and Priority 2 management actions to the new members of the Committee.

The Chair thanked the audit team for their work and members for their questions.

RESOLVED to note the progress with the 2025/26 Internal Audit Plan and the outcome of the completed audits.

69/25 ERNST & YOUNG EXTERNAL AUDIT UPDATE

(Agenda No. 8)

The external auditor updated the Committee, firstly, with respect to the Pension Fund. He said that the audit for 2023-24 was now complete and that there were no significant issues to bring to the Committee's attention. He said that one adjustment had to be made to the Council's financial statements; however, this adjustment was because information around the value of the fund's assets was now more accurate than at the time of the initial valuation.

The external auditor updated the Committee, secondly, with respect to the County Council's Audit for 2023-24. He said that this was still in progress and that amendments would have to be made to the draft financial statements to disclosures in relation to the International Financial Reporting Standard (IFRS) 16. He said the Committee would be updated with respect to this at the next meeting.

The Chair thanked the external auditor for the work that he and his team were doing.

70/25 MONITORING OFFICER ANNUAL REPORT, 2024-25

(Agenda No. 9)

The Director of Law and Governance and Monitoring Officer introduced the report. She said that she would further circulate:

- Details of the outcomes of the 725 complaints received by the Council in relation to Children Social Care, Adult Social Care and Corporate in 2024-25
- A figure for how many individual members of the public engaged with Council, Cabinet and Committee meetings in 2024-25
- Details of how many officers were involved in dealing with complaints and FOI requests throughout the year

The Committee asked whether Artificial Intelligence was used to respond to subject access requests. The Monitoring Officer said that the Council used Microsoft Copilot to facilitate its work but that in relation to subject access requests, officers were still required to ensure that sensitive information was not leaving the organisation.

The Committee expressed an interest in reviving the Constitution Working Group (CWG) from December 2025, for discussion under Item 14 on the agenda. The Monitoring Officer stressed that a successful group would require cross-party engagement. The Chair said that recommendations made by any CWG should be considered by the Committee before going to Council.

The Committee asked about the Code of Conduct consultation, which ran until 26 February 2025. The Monitoring Officer said that the Council was still waiting for details of the outcome of this. In response to a further question, she said that the Council's existing Code of Conduct was satisfactory; the consultation was about themes experienced across the country.

The Committee, in continuing the conversation about councillors' conduct, referred to an MPs' loss of office in the event of criminal conviction and suggested that the same procedure could be extended to county councillors. The Monitoring Officer stressed that everyone at the Council had a role to play in maintaining standards of conduct.

The Chair thanked the Director of Law and Governance and Monitoring Officer for the report and members for their questions.

RESOLVED to endorse the Monitoring Officer's annual report for 2024-25.

71/25 RIPA POLICY

(Agenda No. 10)

The Head of Prevention, Protection and Trading Standards introduced the report. He said that there had been no changes to the Regulation of Investigatory Powers Act Policy and that the Council had not deployed investigatory powers over the last year.

The Committee asked for a line to be inserted to the Flow Chart of Authorisation Procedures and Considerations for Covert Surveillance (Appendix 2 to the report) to make it clear that no activity should be entered into by the Council without a magistrates' prior approval.

The Chair thanked the Head of Prevention, Protection and Trading Standards for his work and the work of his team and encouraged members of the Committee to engage with it in the future.

RESOLVED to note the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 and the use of activities within the scope of the Regulation of Investigatory Powers Act by the Council.

72/25 ASSESSMENT OF THE COUNCIL'S FINANCIAL MANAGEMENT, CONTROLS & GOVERNANCE

(Agenda No. 11)

The Head of Corporate Finance introduced the report.

The Committee noted the Council's rising expenditure. The Cabinet Member for Finance, Property and Transformation said that the government was aware of the financial pressures faced by the Council; however, other Councils found themselves in a worse position.

The Committee asked about the impact that financial management of other councils would have on plans for Local Government Reorganisation (LGR). The Head of Corporate Finance said that she would take this question away.

The Committee asked what the plan was should the government fail to cover the High Needs DSG Block cumulative deficit. The officer said that intervention from the government was essential for this to be sustainable in the future; however, borrowing was an option; the Council could use the £4 million contributed to the Demographic Risk Reserve each year to cover some of the cost.

Finally, the Committee asked what the payback time was for Exceptional Financial Support (EFS). The Head of Corporate Finance said that she would take this question away. The Treasury Manager said that it was 1 per cent more expensive to borrow from EFS compared to normal PWLB borrowing.

The Chair thanked the Head of Corporate Finance for the report. She said that she expected the Committee to return to the Council's financial management, controls and governance, possibly in November.

RESOLVED to note the report.

73/25 FINANCIAL REGULATIONS UPDATE

(Agenda No. 12)

The Head of Corporate Finance introduced the report.

The Committee asked when the limit for Cabinet approval for new inclusions and variations to capital schemes from £1.0m was decided. The officer said that she did not know the exact date but that it had been reviewed when the constitution was last updated to account for inflation. In response to a further question, she said that that limit equally applied to revenue expenditure.

The Chair proposed an additional recommendation; namely, that any funding approved, in exceptional circumstances, by the Executive Director of Resources and Section 151 Officer should be reported to the Cabinet Member for Finance, Property and Transformation and to the Leader of the Council.

The Chair thanked the Head of Corporate Finance for the report.

RESOLED to recommend that Council:

- a) **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;**
- b) **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); and**
- c) **approve that any such funding approved in exceptional circumstances up to £0.500m, as in recommendation b, be reported to the Cabinet Member for Finance and the Leader of the Council for additional oversight.**

74/25 APPOINTMENTS TO OUTSIDE BODIES

(Agenda No. 13)

The Committee approved the following appointments to Category B Outside Bodies:

- a) South East Reserve Forces' and Cadets' Association – Councillor Robin Jones
- b) Oxfordshire Buildings Trust – Councillor Ian Middleton and Councillor Roz Smith

75/25 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

(Agenda No. 14)

The Committee agreed to include the CWG on the agenda for the meeting on 26 November. The Chair asked members to consider putting themselves forward for this and to find out if members in their political group who were not on the Committee were interested in sitting on such a group, before the November meeting.

The Committee discussed including LGR on the programme for 2025-26. The Director of Law and Governance and Monitoring Officer said that the decision about the shape of LGR in Oxfordshire was not within the scope of the Committee, which dealt with assurance of governance matters.

The Committee agreed to cancel the AWG meeting scheduled for 22 October.

RESOLVED to note the updated work programme for 2025-26.

..... in the Chair

Date of signing

Oxford County Council

Draft audit results report
Year ended 31 March 2025
November 2025



Audit and Governance Committee
County Hall
New Road
Oxford OX1 1ND

Dear Audit and Governance Committee Members

2024/25 Draft audit results report

We attach our draft audit results report, summarising the status of our audit for the forthcoming meeting of the Audit Committee. We will update the Audit Committee at its meeting scheduled for 26 November 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2024/25 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxford County Council's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

The Audit and Governance Committee, as the Council's body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. We consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the audit committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements; and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw Audit Committee members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 26 November 2026.

The [EY UK 2025 Transparency Report](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 27 June 2025.

Yours faithfully

Simon Mathers

Partner, For and on behalf of Ernst & Young LLP

Enc

content

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Governance Committee and management of Oxfordshire County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee and management of Oxfordshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary - Context for the audit

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- a lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

MHCLG has worked collaboratively with the FRC and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The NAO, supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach. In 2024/25 we have continued to audit the closing balance sheet and in-year transactions, which allows the build back of assurances over a large number of balances within the financial statements where audit procedures can be completed for successive years.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

As reported in our 10/02/2025 Audit Results Report we issued a disclaimer of opinion on the Council's 2023/24 financial statements and 2022/23 financial statements under these arrangements to reset and recover local government audit. In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer. This is consistent with LARRIG01 and the illustrative timescale for progress to full assurance, which sets out that there is potential for qualified except for, but more likely to be disclaimed.

Appendix A sets out the current position of Oxford County Council in rebuilding to return to a position of full assurance on its financial statements as compared with the timeline envisaged by the NAO's LARRIG 01. This is informed by the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Executive Summary - Context for the audit

Scope update

In our Provisional Audit Planning Report dated 13 May 2025 and presented to the 4 June 2025 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft consolidated results and have also reconsidered our risk assessment. Based on our materiality measure of gross revenue expenditure on services, we have updated our overall materiality assessment to £25m (Audit Planning Report – £23.7m). This results in updated performance materiality, at 75% of overall materiality, of £18.8m, and an updated threshold for reporting misstatements of £1.25m.

Status of the audit

Our audit work in respect of the opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- IFRS 16 Implementation and Disclosures.
- Final completion of our work to test year end journals.
- Review of updated Financial Statements including the agreement of final adjustments made.
- Going concern disclosure.
- Final review procedures on some areas of detailed testing
- Subsequent events.
- Management Representation Letter.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix F.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion.

Value for Money

In our Provisional Audit Planning Report dated 13 May 2025, we reported that we had not completed our value for money (VFM) risk assessment. Our work in this area considers the adequacy of the Council's arrangements across three specified reporting criteria:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

Having updated and completed our planning procedures across these areas we did not identify either a risk of significant weakness or actual significant weakness in the Council's VFM arrangements. See Section 03 of the report for further details.

Executive Summary (cont'd)

Audit differences

The following adjustments have been identified as part of the audit:

Known differences:

- An overstatement of PPE additions of £3.5m due to capitalisation of a payment made in advance where no capital works had actually been undertaken during the year of account.
- Understatement of Income and Expenditure of £8.3m as a result of an incorrect accounting treatment being adopted for gains on revaluation of peppercorn leases.
- Firefighter top up grant of £5.9m was reported in error as a credit (income) in the Consolidated Income and Expenditure Statement (CIES) in accounting entries made to post the Council's IAS 19 pensions liability. As a result, the reversal from the CIES to the pensions reserve was subsequently recorded in error as a debit. There is no impact on the IAS 19 liability or the pension reserve but the CIES was misstated by these amounts. Related to this a reclassification is required for the £5.9m firefighter top up grant which is reported in financing and investment income and not in net cost of services expenditure.

Judgemental differences:

- A projected overstatement of Property, Plant and Equipment of £4.1m due to the capitalisation of labour cost without supporting evidence
- A projected understatement of debtors of £2.3m due to debtors below £10k not being accrued for as per the Council's policy.

Disclosure misstatements

- Accounting Policy for leases not updated to reflect the requirements of IFRS 16.
- Disclosure misstatements in Note 23 in relation to disclosure of Right of Use Assets (ROU) as required by IFRS 16, including transitional adjustments.
- Disclosure misstatements in Note 57 in relation to cash flows in financing activities due to finance lease movements being disclosed as a cash movement. This was a result of the transition to IFRS 16.
- Disclosure misstatement in Note 56 in relation to cash flows in investing activities due to ROU adjustments being treated as a cash movement. This was a result of the transition to IFRS 16.
- There were a small number of other misstatements in disclosure across the accounts.

At the time of writing this report, no adjustments have been corrected by management but we have not yet received the final Statement of Accounts.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We have not yet completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts. We will provide a further update on our work in this area in due course.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial report of the Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Where applicable we have identified those matters that we consider to be key audit matters. Key audit matters are selected from the matters we communicate to you that in our opinion are of most significance to the current period audit and required significant attention in performing the audit. In accordance with ISA (UK) 701 key audit matters are included in our auditor's report.

Risk	Status of our work
Significant Risk 1 - Presumptive risk of management override of controls	Our audit work to date has not identified any evidence of material misstatement due to fraud or error, including through management override of controls. We note that our additional work to test higher risk journals posted in the year is yet to be fully finalised.
Significant Risk 2 - Inappropriate Capitalisation of Revenue Expenditure	We have completed our work in relation to this risk and have noted the following errors: <ul style="list-style-type: none">• Management was unable to provide supporting evidence for labour costs capitalised. This has resulted in a judgemental overstatement of property, plant and equipment of £4.2m• An advance payment of £3.5m that was capitalised to additions instead of being recorded as a cash prepayment.
Significant Risk 3 - Implementation of IFRS 16	As at the date of this report, our work on IFRS 16 remains ongoing. The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. We consider this weakness in internal control further in Section 06 of this report. As a result of our work to date we have identified a factual misstatement of £8.3 million related to the gain on revaluation of peppercorn leases prompted by the adoption of IFRS 16, which was recorded as a revaluation reserve movement rather than being accounted for in the net cost of services in the Consolidated Income and Expenditure Statement, as required by the CIPFA Code on Local Authority Accounting (the Code).
Risk of material misstatement 1 - Land and building valuation - Property, Plant & Equipment (PPE) and Investment Property (IP) valued at EUV/FV	Our work in this area is complete and there are no material errors or other material matters we wish to draw to your attention. We note that no EUV assets were revalued in the year as part of the Council's rolling programme of revaluations. Our testing of operational PPE therefore focused on assets carried at depreciated replacement cost.
Risk of material misstatement 2 - Pension Liability Valuation	Our work in this area is complete and there are no material errors or other material matters we wish to draw to your attention.

Executive Summary (cont'd)

Areas of audit focus (cont'd)

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues.
- You concur with the resolution of the issue, subject to the full completion of work on journals and IFRS 16.
- There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee or Board of Directors.

Control observations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements, and which unknown to you. However, we have identified some areas where controls could be strengthened. Specifically:

- The implementations of the new accounting standard (IFRS 16) was not appropriately documented and audit working papers to support the numbers in the Draft Statement of Accounts was not readily available, including a consideration of the impact of IFRS 16 on the Council's PFI arrangement. The draft financial statements submitted for audit did not contain all relevant transitional adjustments and disclosures required by the Code.
- Our testing of PPE additions in the period identified that:
 - capitalised labour costs could not be agreed to supporting timesheets or other evidence.
 - a payment in advance made at year end was incorrectly capitalised when no capitals works had been completed.
- We have identified some further control deficiencies from both our work and review of the control's assurance report on the Integrated Business Centre service organisation hosted by Hampshire County Council.

Please refer to section 06 for our full assessment of the control environment and related recommendations for improvement.

Independence

Please refer to Section 08 for our update on Independence.

Executive Summary (cont'd)

Factors impacting the execution of the audit (cont'd)

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			There were few non-material internal inconsistencies, typographical and arithmetic errors in the draft financial statements.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			<p>The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. This caused delays in our ability to complete our procedures and our work in this area remains ongoing at the date of this report.</p> <p>Other than the IFRS 16 implementation working papers, working papers were submitted within the agreed timelines.</p>	This will likely result in a scale fee variation in respect of this. See Section 08 for further details.
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Effective			The timeliness and quality of evidence supporting key accounting estimates was generally satisfactory.	N/A
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			There were no issues with access to the finance team and key personnel.	N/A
Volume and value of identified misstatements	Requires improvement			A moderate number of misstatements that were above performance materiality in aggregate were detected as a result of our work across both the main Financial Statements and Disclosures. These are yet to be adjusted for by management as we have not received the final Statement of Accounts.	See Section 05 for details of corrected misstatements.
Volume of misstatements in disclosure	Requires improvement			A moderate number of misstatements in disclosures were detected in our work. A large proportion of these disclosure misstatements related to IFRS 16.	N/A



02 Areas of Audit Focus

Areas of Audit Focus

Significant risk 1 - Presumptive risk of management override of controls

What is the risk, and the key judgements and estimates?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error. As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What are our conclusions?

We are yet to fully complete our audit work in relation to journal postings. Based on our work undertaken to date we have not identified any material weaknesses in controls or evidence of material management override, instances of inappropriate judgements being applied, or any other transactions during our audit which appear unusual or outside the Council's normal course of business.

Our response to the key areas of challenge and professional judgement

We carried out the following procedures:

- We identified fraud risks during the planning stages.
- We inquired of management about risks of fraud and the controls put in place to address those risks.
- We sought to understand the oversight given by those charged with governance of management's processes over fraud.
- We discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- We considered whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We determined an appropriate strategy to address those identified risks of fraud.
- We performed mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- We undertook procedures to identify significant unusual transactions.
- We considered whether management bias was present in the key accounting estimates and judgments in the financial statements.

What else did we do?

Having evaluated this risk, we have considered whether we need to perform other audit procedures not referred to above. We concluded that those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required. See the following page for the results of our work in this area.

Areas of Audit Focus (cont'd)

Significant risk 2 - Inappropriate Capitalisation of Revenue Expenditure

What is the risk?

In accordance with ISA 240, the presumptive risk of management override of controls is present at every entity. Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure.

What are our conclusions?

We identified the following misstatements:

- One judgemental misstatement in relation to labour cost capitalised to additions without supporting evidence. This error for £124k was part of representative sample. This has resulted in a projected misstatement of £4.1m which is above our reporting threshold and therefore been reported in Section 05 of the report. This has not been adjusted for by management in the updated Statement of Accounts.
- One factual misstatement in relation to costs capitalised to Asset Under Construction additions where no work was undertaken during the year of account. This error totalled £3.5m and is above our reporting threshold and has therefore been reported in Section 05 of the report. This has not yet been adjusted for by management in the updated Statement of Accounts.

Our response to the key areas of challenge and professional judgement

We carried out the following procedures:

- Tested Property, Plant and Equipment (PPE) / Investment Property (IP) additions to ensure that the expenditure incurred and capitalised is clearly capital in nature.
- Assessed whether the capitalised spend clearly enhances or extends the useful life of asset rather than simply repairing or maintaining the asset on which it is incurred.
- Considered whether any development or other related costs that have been capitalised are reasonable to capitalise i.e. the costs incurred are directly attributable to bringing the asset into operational use.
- Tested REFCUS to ensure that it is appropriate for the revenue expenditure incurred to be financed from ringfenced capital resources.
- Identified and understood the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

What else did we do and further relevant information

We selected a sample of PPE additions using lowered testing thresholds, to ensure that they were appropriately supported by documentary evidence, and that the expenditure incurred and capitalised was clearly capital in nature.

We used our data analytics tools to identify and understand the basis for any significant journals transferring expenditure from non-capital codes to PPE additions or from revenue to capital codes on the general ledger at the end of the year.

Areas of Audit Focus

Significant Risk 3 - Implementation of IFRS 16

What is the risk, and the key judgements and estimates?

IFRS 16 Leases is applicable in local government for periods beginning 1 April 2024. It has been adopted, interpreted and adapted in the 2024/24 CIPFA Code of Practice on Local Authority Accounting which sets out the financial reporting framework for the Council's 2024/25 accounts.

IFRS 16 eliminates the operating/finance lease distinction for leases and imposes a single model geared towards the recognition of all but low-value or short-term leases. Where the Council is lessee, these will now be recognised on the Balance Sheet as a 'right of use' asset and lease liability reflecting the obligation to make lease payments.

Successful transition will depend on the Council having captured additional information about leases, both new and existing, especially regarding future minimum lease payments. The Council will also have had to develop systems for capturing cost information that are fit for purpose, can respond to changes in lease terms and the presence of any variable (e.g. RPI-based) lease terms where forecasts will need to be updated annually based on prevailing indices.

What are our conclusions?

At the time of writing this report, we have not concluded on our work on this risk. The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. We consider this further in Section 06 of this report.

Based on the testing completed we identified the following errors:

- A transitional adjustment of £8.3m to peppercorn leases was accounted for as a revaluation reserve movement rather than being accounted for in net cost of services in the Consolidated Income and Expenditure Statement, as required by the Code.
- Misstatement in the calculation of the lease liability of £200k which was below our testing threshold.

Our response to the key areas of challenge and professional judgement

We have performed the following procedures:

- We gained an understanding of the processes and controls developed by the Council relevant to the implementation of IFRS 16.
- We paid particular attention to the Council's arrangements to ensure lease and lease-type arrangements considered are complete.
- We reviewed the discount rate that is used to calculate the right of use asset and liability to assess its reasonableness.
- We reviewed management policies, including whether to use a portfolio approach, low value threshold, and asset classes where management is adopting as the practical expedient to non-lease components
- We gained assurance over the right of use asset included in the 2024/25 financial statements
- We selected a sample of leases to ensure that transition arrangements have been correctly applied.
- We considered the accounting for leases provided at below market rate, including peppercorn and nil consideration, and the need to make adjustments to cost in the valuation of right of use assets at the balance sheet date.
- We considered the impact of IFRS 16 of measurement and disclosure of the Council's PFI liability

Areas of Audit Focus (cont'd)

Risk of Material Misstatement - Valuation of Investment Property (IP) under Fair Value (FV) and Property, Plant and Equipment (PPE) under Existing Use Value (EUV)

What is the risk?

The value of land & buildings in PPE under EUV and in IP under FV represent significant balances in the Council's accounts and are subject to valuation changes and impairment reviews.

Management are required to make a high degree of material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

What are our conclusions?

There are no material errors or other material matters that we wish to draw to your attention.

Our response to the key areas of challenge and professional judgement

We performed the following procedures:

- Considered the work performed by the Council's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work.
- Reviewed the annual cycle of valuations to ensure that assets have been valued within a 5-year rolling programme as required by the Code. We also consider if there are any specific changes to assets that have occurred and that these have been communicated to the valuer.
- Considered the results of the valuers' work and check for any movements which are not in line with our expectations.
- Reviewed assets that are not subject to valuation in 2024/25 to confirm the remaining asset base is not materially misstated.
- Considered whether there is a need to instruct our own Property valuation team (EY Real Estates) to review sample of EUV and FV valuations performed by the Council's Valuer.
- For the sample of assets revalued in year:
 - Challenged the assumptions used by the Council's valuers by reference to external evidence;
 - Agreed inputs to the valuation to supporting evidence; and
 - Tested journals for the valuation adjustments to confirm that they have been accurately processed in the financial statements.
 - We ensured all other valuation adjustments required by the valuation report are correctly reflected in the financial statements.

What else did we do and further relevant information

Our testing followed a fully substantive approach and considered the judgements and assumptions employed by the Council's valuer.

We understood the valuation methodology applied by the Council's valuer and considered whether we were required to employ an EY Specialist valuer to support our audit procedures. We did not determine that it was necessary to employ such a specialist.

Areas of Audit Focus (cont'd)

Risk of Material Misstatement - Pension Liability/Asset Valuation (IAS 19)

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Council.

The Council's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Council's balance sheet.

The information disclosed is based on the IAS 19 report issued to the Council by the actuary.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

In response to this risk, we undertook the following procedures:

- We liaised with the auditors of Oxfordshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Council
- We considered the work performed by LGPS actuary, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work
- We assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered any relevant reviews by the EY actuarial team
- We evaluated the reasonableness of the Pension Fund actuary's calculations by comparing them to the outputs of our own auditor's specialist's model; and
- We reviewed and tested the accounting entries and disclosures made within the financial statements in relation to IAS19.
- We have engagement with our EY Pensions team to perform a review of the asset ceiling calculation

What are our conclusions?

In response to the requirements of ISA540, the auditing standard on accounting estimates, we based our audit approach on procedures to evaluate management's process. The standard requires auditors to test the method of measurement of accounting estimates to determine whether the model is appropriately designed, consistently applied and mathematically accurate, and that the integrity of the assumptions and the data has been maintained in applying the model. Neither we, nor PWC as consulting actuaries commissioned by the NAO for all local public sector audits, are able to access the detailed models of the actuaries in order to evidence these requirements. Therefore, we undertook further procedures to create an auditor's estimate, to gain assurance. We employed the services of an EY pensions specialist to review the Council's IAS 19 reports and run a parallel actuarial model which was compared to that produced by Hymans Robertson. No misstatements have been identified as a result of this work performed by our EY pensions specialist. The assurances received from the auditor of Oxfordshire Pension Fund over the accuracy of the data provided to the actuary to inform the IAS 19 assessment also highlighted no material issues.

A misstatement in the recording of the Firefighter's top-up grant was identified in the completion of our testing in this area. However, this error have no impact on the overall pension liability balance recorded on the Balance Sheet.



03 Value for Money

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Value for Money

The Authority's responsibility for Value for Money (VFM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

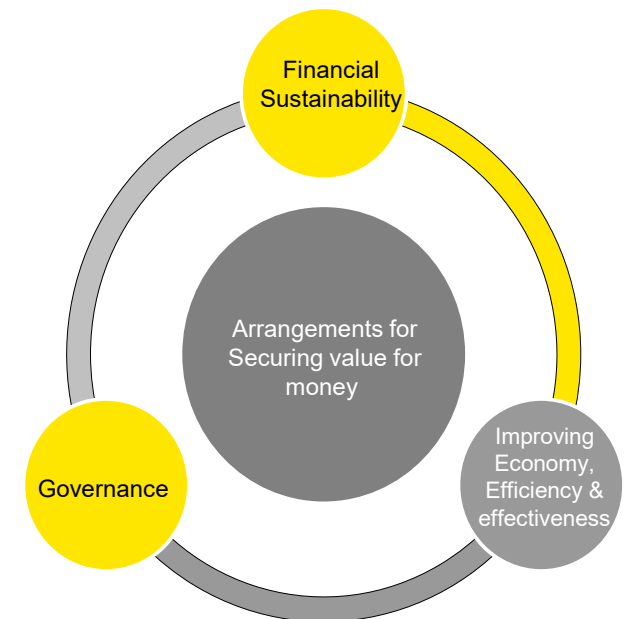
Page 26 We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council arrangements against three reporting criteria:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

We have completed our detailed VFM work and identified no risks of significant weaknesses in arrangements and therefore expect to have no matters to report by exception in our audit report.





04 Audit Report

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Audit Report

Our opinion on the financial statements

As reported in our January 2025 Audit Results Report, we issued a disclaimer of opinion on the Council's 2023/24 and 2022/23 financial statements under the arrangements to reset and recover local government audit.

In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances.

As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance. This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements.

The areas where we have not obtained those assurances are included within the summary of the assurances we have gained from our 2023/24 and 2024/25 audit procedures, set out at Appendix B.

Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are currently considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer as issued in the last two years.

Regardless of the form of the audit report, Oxfordshire County Council remains on track with the timescales envisaged for the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01.



05 Audit Differences

Audit Differences (cont'd)

Summary of unadjusted differences

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We ask that the Audit Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Audit Committee and provided within the Letter of Representation:

	Effect on the current period		Net assets (Decrease)/Increase				Equity
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/(Credit)	Assets non-current Debit/(Credit)	Liabilities current Debit/(Credit)	Liabilities non-current Debit/(Credit)	Usable and Unusable Reserves Debit/(Credit)
Uncorrected misstatements 2024/25 (Currency'000)							
Errors							
Known differences:							
Overstatement of PPE additions due to capitalisation of a payment made in advance			3,549	(3,549)			
Understatement of Income and Expenditure due to the incorrect accounting treatment for gains on revaluation of peppercorn leases		I&E both understated by 8,300					Adjustment between the revaluation reserve and capital financing account of 8,300
Reclassification of Firefighter top up grant income from financing and investment income as part of the surplus in the provision of services in the Consolidated Income and Expenditure Statement to being accounted for as income in the net cost of services.		(5,932) 5,932					

Audit Differences (cont'd)

Summary of unadjusted differences (cont'd)

In addition we highlight the following misstatements to the financial statements and/or disclosures which were not corrected by management. We ask that the Audit Committee request of management that these uncorrected misstatements be corrected or a rationale as to why they are not corrected be considered and approved by the Audit Committee and provided within the Letter of Representation:

Uncorrected misstatements 2024/25 (Currency'000)	Effect on the current period		Net assets (Decrease)/Increase				Equity
	OCI Debit/(Credit)	Income statement Debit/(Credit)	Assets current Debit/ (Credit)	Assets non- current Debit/ (Credit)	Liabilities current Debit/ (Credit)	Liabilities non- current Debit/ (Credit)	Usable and Unusable Reserves Debit/ (Credit)
Errors							
Judgemental differences:							
Overstatement of Property, Plant and Equipment arising from the capitalisation of labour cost without supporting evidence		4,108		(4,108)			
Understatement of debtors due to debtors below £10k not being accrued for		(2,340)	2,340				
Cumulative effect of uncorrected misstatements before turnaround effect		10,068	5,889	(7,657)			8,300
Turnaround effect. See Note 1 below.							
Cumulative effect of uncorrected misstatements, after turnaround effect		10,068	5,889	(7,657)			8,300

Note 1: turnaround effect is the impact of uncorrected misstatements related to the prior period, on results of the current period. We note there were no uncorrected misstatements in 2023/24.



06

Assessment of Control Environment

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Assessment of Control Environment

Financial controls

It is the responsibility of the Council to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Council has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control. We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, we wish to draw the following matters to your attention.

In our Audit Planning Report presented at the 13 May 2025 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements where we indicated that we intended to take a substantive audit approach, although we identified the following key processes where we would seek to rely on controls, both manual and IT: Cash and Bank, Accounts Payable and Accounts Receivable.

As part of our audit procedures, we obtained the ISAE 3402 report for the services provided by the Integrated Business Centre (IBC) and performed the required test of control procedures. Based on the review of the report, it was noted that there were 4 control exceptions identified as listed below:

Control deficiencies identified in the Integrated Business Centre hosted by Hampshire County Council

- The review of the list of users (individuals - Care customers) authorised by each partner organisation's Section 151 Officer or delegated authority was not conducted during the audit period (HIOWC and HCC).
- The review of the list of users (individuals who are not sole traders, individuals / organisations who are in receipt of grants or one-time payments, pre-paid card vendors and invoicing plan vendors) authorised by each partner organisation's Section 151 Officer or delegated authority was not conducted during the audit period (HIOWC and HCC).
- For the period 01/04/2024 to 25/09/2024, the logs extracted for each iteration of the weekly review (performed on the last date of the week), were generated from the first date of the week being reviewed, rather than the last date of the previous week. This resulted in a gap in the completeness of the review, as any high-risk activity occurring after the generation of the logs on the day of the review was neither included in the previous week's review nor in the current week's review.
- For two out of five instances of production client openings during the audit period, pre-migration approvals were not obtained:
 - In one of the two instances, approval was obtained retrospectively on the same day the change was implemented;
 - In the other instance, no approval was obtained.

As part of the ISAE 3402 report management responses were obtained to recommendations raised in respect of the above, which we have then considered further as part of our work. Based on this we have concluded we have sufficient assurance over the internal controls established by the Council, and that overall, they are operating effectively for 2024/25. To further support this, we also engaged EY Technology Risk Consulting with regards to any mitigating controls present in the identified controls exceptions and was able to confirm that the controls are working effectively and are reliable.

Outside of this we also identified control deficiencies as part of our own work which we consider over the following pages, together with an assessment of their impact and associated recommendations for improvement.

Assessment of Control Environment (cont'd)

Summary of control observations and recommendations

Control observation and impact	Grading			Recommendation	Management Response
	H	M	L		
During our walkthrough of the Financial Statement Close Process (FSCP), management was unable to demonstrate arrangements has been fully developed and implemented to adopt the requirements of IFRS 16 in the 2024/25 financial statements. The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. As a result, some audit work in this area remains ongoing at the date of this report. Some amendments will also be required to both the primary statements of account and supporting disclosures.	M			When implementing new accounting standards likely to have a material impact, management should devise an appropriately resourced project plan to ensure transitional adjustments and related disclosures are complete and accurate in the financial statements submitted for audit. An accounting paper should be produced to address key management considerations related to recognition, measurement, and disclosure within the Statement of Accounts. Subsequently, detailed working papers should be prepared to ensure alignment between these accounting considerations and the transitional adjustments and disclosures presented in the financial statements submitted for audit.	Management acknowledges the observation regarding IFRS 16 implementation. This new and complex standard introduces significant changes to lease accounting, which has posed challenges during transition. To ensure compliance, an accounting paper is being finalised to address key considerations on recognition, measurement, and disclosure, including the impact on PFI arrangements. Supporting working papers will be completed and reviewed to ensure alignment with the financial statements. Processes will also be strengthened to monitor future accounting standards and secure timely adoption. All outstanding work will be completed promptly to ensure full compliance with IFRS 16
During the audit of PPE Additions, appropriate supporting evidence for labour costs capitalised was not obtained for one of the sample items selected. This resulted in a judgemental error.	M			Management should ensure that there is appropriate evidence to support capitalised labour costs.	We acknowledge the observation regarding missing evidence for capitalised labour costs on one PPE addition. This occurred prior to the implementation of recommendations from last year's audit report. Since then, we have introduced measures to ensure staff time is correctly capitalised and reviewed by management.

Grading	Definition
High	Matters and/or issues considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.
Moderate	Matters and/or issues considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
Low	A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.

Assessment of Control Environment (cont'd)

Status of previous year's recommendations

Recommendation	Grading			Update
	H	M	L	
Ensure that revaluations are reflected in the fixed asset register and financial statements at the correct date.		M		There has been no related finding in the current year based on our work. We are therefore satisfied the recommendation has been addressed.
Review the mapping of general ledger codes included within the bank reconciliation to ensure that they all relate to realising the true cash balance as at 31 March 2024.		M		There has been no related finding in the current year based on our work. We are therefore satisfied the recommendation has been addressed.
Ensure proper review of pooled budget closedown journal postings for accuracy.		M		There has been no related finding in the current year based on our work. We are therefore satisfied the recommendation has been addressed.
Management should implement a process to ensure that all manual journals processed is reviewed before it is processed		M		There has been no related finding in the current year based on our work. We are therefore satisfied the recommendation has been addressed.
Management should ensure that there is evidence of appropriate review of timesheets to support the amount being capitalised. The time recording system should not allow users to amend timesheets or all subsequent changes to timesheets to be reviewed and approved.		M		We have continued to identify instances in our testing of capital additions where the Council is not able to fully support capitalized labour costs with timesheet or other evidence (see current year control observation on the previous page). We therefore do not consider the recommendation to be fully addressed.
Management should routinely review all open purchase orders supporting creditor balances in the accounts relating to prior years to determine whether they have actually been paid.		L		Although there has been a significant improvement in the number of open items at year-end, we still identified long outstanding open items, and we will continue to monitor progress in this area as part of our 2025/26 audit. Although progress has been made we do not consider the recommendation to be fully addressed.
Improve current processes in the debtor system to facilitate automated matching of receipts against the relevant open debt.		L		The number of open debit items on the receivable balance remains relatively high. We therefore do not consider the recommendation to be addressed. We will continue to monitor progress in this area as part of our 2025/26 audit.



07

Other Reporting Issues

Other Reporting Issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Oxfordshire County Council Statement of Accounts 2024/25 with the audited financial statements

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Oxfordshire County Council Statement of Accounts 2024/25 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the NAO.

We have not yet performed the procedures required by the NAO on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete, and the NAO has confirmed no further procedure are required

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 (the Act) to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Council to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We are also able to issue statutory recommendations under Schedule 7 of Section 27 of the Act. Statutory recommendations under Schedule 7 must be considered and responded to publicly and are shared with the Secretary of State,

We did not identify any issues which required us to issue a report in the public interest/issue statutory recommendations under Schedule 7.



08

Independence

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Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your company, and its directors and senior management and its affiliates, including all services provided by us and our network to your company, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment
- ▶ The Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the Council should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Council are set out in the fee analysis on this page.

	Current Year	Prior year
	£m	£m
Scale Fee - Code Work	318,043	291,895
Proposed scale fee variation	TBD Note 2	39,530 Note 1
Total fees	TBC	331,433

All fees exclude VAT

(1) As set in our 2023/24 Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- Additional procedures to implement the revised ISA 315 (UK) auditing standard as originally set out in our Audit Planning Report,
- Additional procedures to consider the Council's readiness for the implementation of IFRS 16 as originally set out in our Audit Planning report,
- Additional procedures performed to increase our level of assurance following the issue of the disclaimer in 2022/23
- Other scale fee elements including, involvement of valuations experts, additional procedures to address audit findings and delays in submission of audit evidence.

As at the date of this report that scale fee variation has now been determined at a total value of £39,530

(2) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Additional procedures to assess the completeness and accuracy of transitional adjustments and disclosures, arising as a result of the implementation of IFRS 16 in 2024/25. PSAA have previously communicated that any additional work required as a result of the implementation of this new accounting standard has not been accounted for within the Scale Fee.
- Work performed by EY Pensions to review the assumptions used in the Pensions Liability calculation, including the asset ceiling calculation.
- Additional procedures required as a result of the modification to our audit report and to continue the process of building back assurance following the issue of the disclaimer in 2022/23.

Final scale fee variations remain subject to approval by PSAA.

Oxfordshire County Council Draft Audit results report|

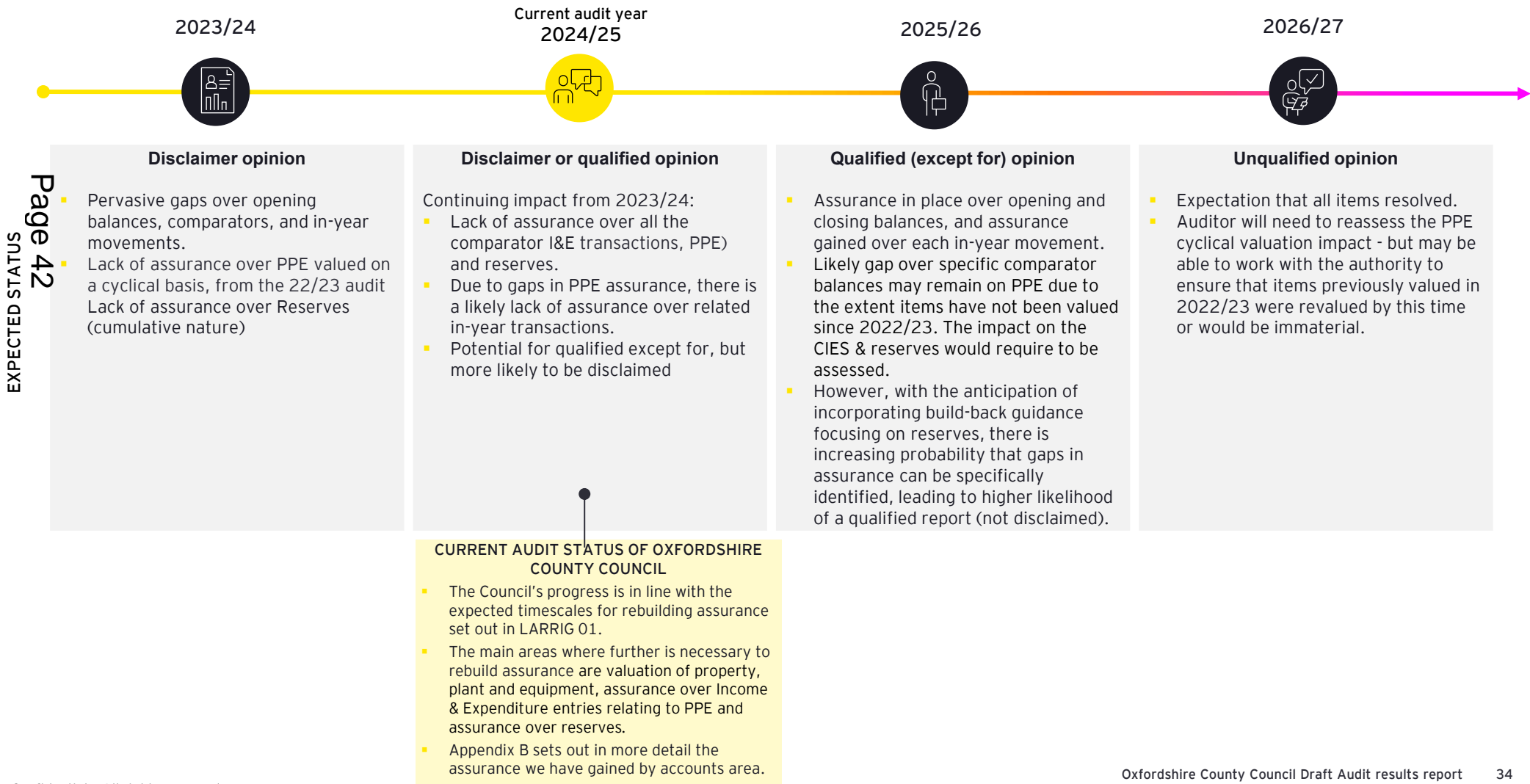


09 Appendices

Appendix A – Progress to full assurance

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO’s Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council’s actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.



Appendix B – Updated summary of assurances

Summary of Assurances

The table below summarises the audit work we have completed on the 2023/24 and 2024/25 financial statements to demonstrate to the committee the level of assurance that has been obtained as a result of the financial statements audit.

Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Property, Plant and Equipment ('PPE')	Partial	Partial*	Our audit work on the completeness of ROU Assets has not been completed. We have completed testing of the 2023/24 and 2024/25 additions and disposals to the fixed asset register, audited the valuation of a sample of assets revalued in 2023/24 and 2024/25 and performed procedures to obtain assurance over the existence of assets on the fixed asset register and the Council's right to recognise those assets; however, until we are able to rebuild assurance over PPE additions, disposals and revaluations in the disclaimed periods, we are unable to obtain full assurance over the completeness and valuation of PPE at 31 March 2025.
Investment Property	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Intangible Assets	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Long Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Long Term Debtors	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Investments	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Short Term Debtors	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Cash and Cash equivalents	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Creditors (short and long term)	Substantial	Substantial*	Our audit work on the completeness of the IFRS 16 lease liability has not been completed. We have completed all our other planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Borrowings (short and long term)	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Provisions (short and long term)	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.

* Assurance level is subject to completion of our planned audit procedures

Appendix B – Updated summary of assurances

Summary of Assurances (continued)			
Account area	Assurance rating 2023/24	Assurance rating 2024/25	Summary of work performed
Grants received in advance	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Local Government Pension Scheme Liability	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the closing balance at 31 March 2025.
Reserves	None	None	We have completed our work on the movements in reserves in 2022/23 and 2023/24 but, until we have completed our work programme on the rebuilding of assurance following the disclaimed audit opinions, we are unable to obtain assurance over the useable and unusable reserves of the Council reported in the financial statements. We were able to obtain substantial assurance on the Pension Reserve.
Disclosures - Senior Managers Remuneration and Exit Packages including Termination Benefits	Substantial	Substantial	We have completed our planned audit procedures in this area and have obtained assurance over the related disclosures.
NCOS Income and Expenditure Statement (excluding the Housing Revenue Account)	Partial	Partial	We completed our planned testing on the Comprehensive Income and Expenditure Statement in 2023/24 and 2024/25 but, as we do not have full assurance over income and expenditure entries relating to PPE, we are unable to obtain assurance that all of the in-year movements recorded in the statement are accurate.
Financing and Investment Income and Expenditure	Partial	Substantial	We have completed our planned procedures in this area and have obtained assurance over the in-year transactions for the 2024/25 financial year.
Taxation and Non-Specific Grant Income	Partial	Substantial	We have completed our planned procedures in this area and have obtained assurance over the in-year transactions for the 2024/25 financial year.
Cash flow Statement	Partial	Substantial	We have completed our planned procedures in this area and have obtained assurance over the in-year transactions for the 2024/25 financial year subject to the correction of the audit adjustments identified.

* Assurance level is subject to completion of our planned audit procedures

Appendix E – Required communications with those charged with governance

Required communications with those charged with governance

There are certain communications that we must provide to those charged with governance. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Planning Report - May 2025
Planning and audit approach	Communication of: <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit Planning Report - May 2025
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	This Audit Results Report

Appendix E – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements 	This Audit Results Report
Misstatements	<ul style="list-style-type: none"> ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management 	This Audit Results Report

Appendix E – Required communications with those charged with governance (cont'd)

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		Our Reporting to you
Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> ▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility. 	This Audit Results Report
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	This Audit Results Report

Appendix E – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p> <ul style="list-style-type: none"> ▪ Communication of relevant information to those charged with governance, to enable them to provide concurrence on the non-audit services being provided. <p>For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019:</p> <ul style="list-style-type: none"> ▪ Relationships between EY, the company and senior management, its affiliates and its connected parties ▪ Services provided by EY that may reasonably bear on the auditors' integrity, objectivity and independence ▪ Related safeguards ▪ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees ▪ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit 	<p>Audit Planning Report - May 2025</p> <p>This Audit Results Report</p>

Appendix E – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
	<ul style="list-style-type: none"> ▪ Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ▪ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ▪ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	<ul style="list-style-type: none"> ▪ Management's refusal for us to request confirmations ▪ Inability to obtain relevant and reliable audit evidence from other procedures. 	This Audit Results Report
Consideration of laws and regulations	<ul style="list-style-type: none"> ▪ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▪ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	This Audit Results Report
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▪ Significant deficiencies in internal controls identified during the audit. 	This Audit Results Report

Appendix E – Required communications with those charged with governance (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	<ul style="list-style-type: none"> An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Audit planning report - May 2025 This Audit Results Report
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	This Audit Results Report
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	This Audit Results Report
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	This Audit Results Report
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	This Audit Results Report

Appendix F – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
IFRS 16 Implementation and Disclosures	EY to complete the testing on the completeness of IFRS 16 leases EY Audit Team need to review the IFRS 16 disclosures in the Statement of Accounts.	Management to provide responses to queries EY to review the responses and finalise testing
Journals	EY need to perform a review of Journals posted throughout the year to ensure there is no evidence of management override	EY Management will need to respond to any queries being raised from our review
Final review procedures on some areas of detailed testing	EY to fully complete review and follow up any issues arising with the council as appropriate	EY
Receipt of Final Statement of Accounts	Management need to provide the updated Statement of Accounts which include all agreed adjustments	Management to provide these and EY to review
Going Concern	EY to complete work on going concern	Management to provide assessment of going concern EY to review management assessment
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion.

Appendix G – Regulatory update

The English Devolution and Community Empowerment Bill – Audit Measures

Background

On 16 December 2024, the Government published the English Devolution White Paper. The White Paper outlines how England is one of the most centralised countries in the world and contends that over-centralisation is holding back the prosperity of the regions. As a result, there is an intention from Government to widen and deepen devolution to local areas across England. The English Devolution and Community Empowerment Bill (the Bill) is intended to provide the legislative framework to do this by setting out a standardised framework of devolved powers, duties and functions. The bill is in six parts:

- Part 1 introduces the new devolution architecture for England, centred around the new category of “strategic authorities” (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas.
- Part 2 outlines the powers and duties which existing and future SAs will have, and the new process by which new powers and duties can be conferred on SAs by Government in the future.
- Part 3 is focused on measures designed to strengthen local government and communities.
- Part 4 is intended to strengthen the accountability of the local government sector by reforming the local audit system, including the establishment of the Local Audit Office (LAO) as the body responsible for overseeing local audit.
- Part 5 concerns the banning of upwards only rent review clauses for commercial leases to prevent vacant shops and regenerate high streets in communities across England.
- Part 6 contains the technical sections related to the Bill, including on regulations, commencement and extent.

The draft legislation can be found in full at [English Devolution and Community Empowerment Bill](#).

Part 4 of the Bill - Reforming local audit

The Bill is intended to overhaul the local audit system as is part of the wider measures to address the backlog in local government audit previously considered by this report. Specifically:

- The LAO will be established with the aim of radically simplifying the current audit system and bringing functions together under a single organisation with a clear remit. The LAO will be responsible for coordinating the system, standard setting, contracting, quality oversight and reporting. It will also support and enable wider measures to address pressing challenges, including reforms to financial reporting; strengthening audit capacity and capability; and establishing public provision of audit to support the private market.
- The LAO will be responsible for audit quality and the regulation of audit providers. Regulatory powers can be delegated.
- The LAO will be responsible for auditor appointment to all local audits other than for NHS bodies, will set indicative fees, publish those fees and make final determinations on the fees to be paid. The ability of local authorities to appoint their own auditors is removed.
- Audit firms will be required to nominate ‘lead individuals’ and have pre-approval of their own eligibility criteria.
- The responsibility for production of the Code of Audit Practice passes from the NAO to LAO. The LAO is also able to determine technical standards that auditors must follow.
- Statutory guidance for Audit Committees will be developed by LAO in conjunction with the Local Government Association, CIPFA and other relevant bodies.

We will continue to keep you updated as these arrangements develop.

Appendix G – Management representation letter

Management representation letter

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[To be prepared on the entity's letterhead]

[Date]

Simon Mathers
Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire County Council ("the Council") for the year ended *31 March 2025*. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Council financial position of Oxfordshire County Council as of *31 March 2025* and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements
4. As members of management of the Council, we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because **[specify reasons for not correcting misstatement]**.
6. We confirm the Council does not have securities (debt or equity) listed on a recognized exchange.

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B. Non-compliance with law and regulations, including fraud

We acknowledge that we are responsible to determine that the Council's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

1. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Council and committees of the Council and Audit & Governance Committee meeting held through the period to the most recent meeting at the date of this report.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
6. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

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- 7. From 10 February 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount
- 8. We have disclosed to you and provided you full access to information and any internal investigations relating to, unauthorized access to our information technology systems that has a material effect on the financial statements, including disclosures.

D. Liabilities and Contingencies

- 7. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 8. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
- 9. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 58 to the financial statements all guarantees that we have given to third parties.
- 10. **The claim by [name of claimant] have been settled for the total sum of XXX which has been properly accrued in the financial statements. No other claims in connection with litigation have been or are expected to be received**

E. Going Concern

- 1. Note 1 to the financial statements discloses all the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

- 1. Other than major fire in Bicester as described in Note 59 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

- 1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Statement and the Annual .
- 2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate-related matters

- 1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered:, including the impact resulting from the commitments made by the Council, and reflected in the financial statements.
- 2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

I. Ownership of Assets

- 1. Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.
- 2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.

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J. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of Property, Plant and Equipment, Investment Property, IAS 19 Pension Liability and Financial Instruments and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Estimates

Valuation of property, plant and equipment and investment property

1. We confirm that the significant judgments made in making the valuation of land and buildings classified as property, plant and equipment, and investment property have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings classified as property, plant and equipment and investment property.
3. We confirm that the significant assumptions used in making the valuation of land and buildings classified as property, plant and equipment and investment property appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of property, plant and equipment and investment property.
6. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of property, plant and equipment and investment property.

6. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements.

Pension liability

1. We confirm that the significant judgments made in making the valuation of the pension liability have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the pension liability.
3. We confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the pension liability.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements

Service concession liability (PFI)

1. We confirm that the significant judgments made in making the valuation of the service concession liability have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the service concession liability
3. We confirm that the significant assumptions used in making the valuation of the service concession liability appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25

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- 5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the service concession liability.
- 6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

Financial instruments

- 1. We confirm that the significant judgments made in making the fair value of financial instruments have taken into account all relevant information of which we are aware.
- 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the fair value of financial instruments
- 3. We confirm that the significant assumptions used in making the fair value of financial instruments appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
- 4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
- 5. We confirm that appropriate specialized skills or expertise has been applied in making the fair value of financial instruments.
- 6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

Yours faithfully,

Lorna Baxter - Executive Director of Resources and Section 151 Officer

Roz Smith - Chair of the Audit & Governance Committee

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Oxfordshire County Council

Draft Auditor's Annual Report

Year ended 31 March 2025

November 2025 Issue date - 18 November



Audit and Governance Committee
County Hall
New Road
Oxford OX1 1ND

18 November 2025

Dear Audit and Governance Committee Members

2024/25 Draft Auditor's Annual Report

We are pleased to attach our draft Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Oxfordshire County Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25. As the financial statements audit is still in progress as at 30 November 2025, this report has been issued as draft and will be finalised as part of issuing the 2024/25 audit report.

This report is intended to draw to the attention of the Oxfordshire County Council's any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 26 November 2025.

The [EY UK 2025 Transparency Report](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 27 June 2025.

Yours faithfully

Simon Mathers
Partner, For and on behalf of Ernst & Young LLP
Enc

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Commentary

Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The “Terms of Appointment and further guidance (updated July 2021)” issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Oxfordshire County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Governance Committee and management of Oxfordshire County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee and management of Oxfordshire County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Oxfordshire County Council and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued in April 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Oxfordshire County Council;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the Oxfordshire County Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

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Financial statements	<p>As reported in our 10 February 2025 Audit Results Report we issued a disclaimer of opinion on the Oxfordshire County Council's 2022/23 and 2023/24 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. Although the level of assurance gained has increased, we have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over some brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2023/24 financial statements are free from material and pervasive misstatement of the financial statements.</p> <p>Taking into account the requirement to conclude our work by the 2024/25 backstop date, we will not be able to rebuild assurance over these balances as part of the 2024/25 audit. We are considering the form of our audit report, and whether we can issue a qualified 2024/25 audit opinion this year rather than a disclaimer. This is consistent with LARRIG01 and the illustrative timescale for progress to full assurance, which sets out that there is potential for qualified except for, but more likely to be disclaimed.</p>
Going concern	We have concluded that the Executive Director of Resources & Section151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Consistency of the other information published with the financial statements	Financial information in the narrative statement and published with the financial statements was consistent with the audited accounts.
Consistency of the Pension Fund annual report and other information published with the financial statements	Subject to final changes to the Pension Fund financial statements following audit financial information in the Pension Fund annual report and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We anticipate having no matters to report by exception on the Council's VFM arrangements. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Council.

Executive Summary (cont'd)

2024/25 conclusions (cont'd)

Additional powers and duties	We had no reason to use our auditor powers.
Whole of Government Accounts	We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. We cannot issue our Audit Certificate until these procedures are complete.
Certificate	We will issue our certificate once the NAO have confirmed no questions will be raised on individual NAO returns.

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

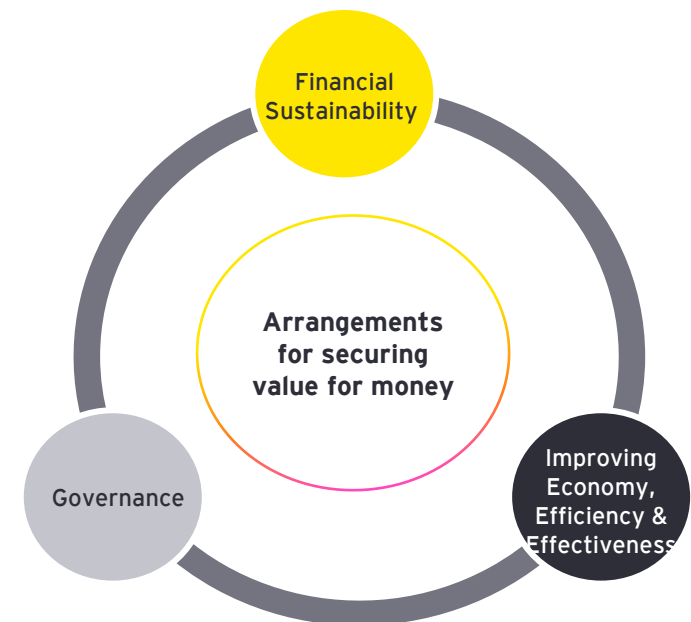
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the key Council officers;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Council as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor’s Annual Report, which must be issued by 30 November. .

The final version of this report will be issued alongside the signed audit report concluding on the 2024/25 year.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

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Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Council ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

Executive Summary (cont'd)

Local Government Reorganisation

Local Government Reorganisation is expected to pose challenges for local authorities over the next year. During this period of change, the Council must maintain essential services and fulfill statutory duties. According to MHCLG guidance issued in July 2025, decisions made by the Council prior to reorganisation regarding ongoing service delivery and the medium-term financial strategy should focus on providing value for money for taxpayers and avoid limiting future decisions or sustainability of new councils.

The government has stated that it will issue directions under section 24 of the 2007 Act after Structural Changes Orders are made, specifying a person authorized to give consent on relevant matters and outlining how this authority should be exercised. MHCLG has noted these directions will follow previous precedents, requiring written consent from the successor council for land disposals and contracts exceeding a specified value.

To comply with MHCLG guidance and forthcoming directions, councillors and statutory officers need to be aware of their responsibilities and ensure that appropriate accounting and governance systems are maintained.

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 27 June 2025:

[EY 2025 Transparency Report](#)



02

Audit of financial statements

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Audit of financial statements

Key findings

The Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

Our audit of the 2024/25 financial statements is substantially complete. We will report our provisional findings in our draft Audit Results Report to the November 2025 Audit & Governance Committee. We will update our findings in the final versions of our reports.

Financial statement risks

Significant risk	Conclusion
Presumptive risk of management override of controls	We have not identified any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business. We note that our additional work to test higher risk journals posted in the year is yet to be fully finalised at the date of this report.
Inappropriate capitalisation of revenue expenditure	We have completed our work in relation to this risk and have noted the following errors: <ul style="list-style-type: none">• Management was unable to provide supporting evidence for labour costs capitalised. This has resulted in a judgemental overstatement of property, plant and equipment of £4.2m• An advance payment of £3.5m that was capitalised to additions instead of being recorded as a prepaid expense.
Implementation of IFRS 16	As at the date of this report, our work on IFRS 16 remains ongoing. The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. We consider this weakness in internal control further in Section 06 of this report. As a result of our work to date we have identified a factual misstatement of £8.3 million related to the gain on revaluation of peppercorn leases prompted by the adoption of IFRS 16, which was recorded as a revaluation reserve movement rather than being accounted for in the net cost of services in the Consolidated Income and Expenditure Statement, as required by the CIPFA Code on Local Authority Accounting.

Audit of financial statements

Financial Statement reporting assessment

Management, and the Audit and Governance Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 15. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

Factors impacting the execution of the audit

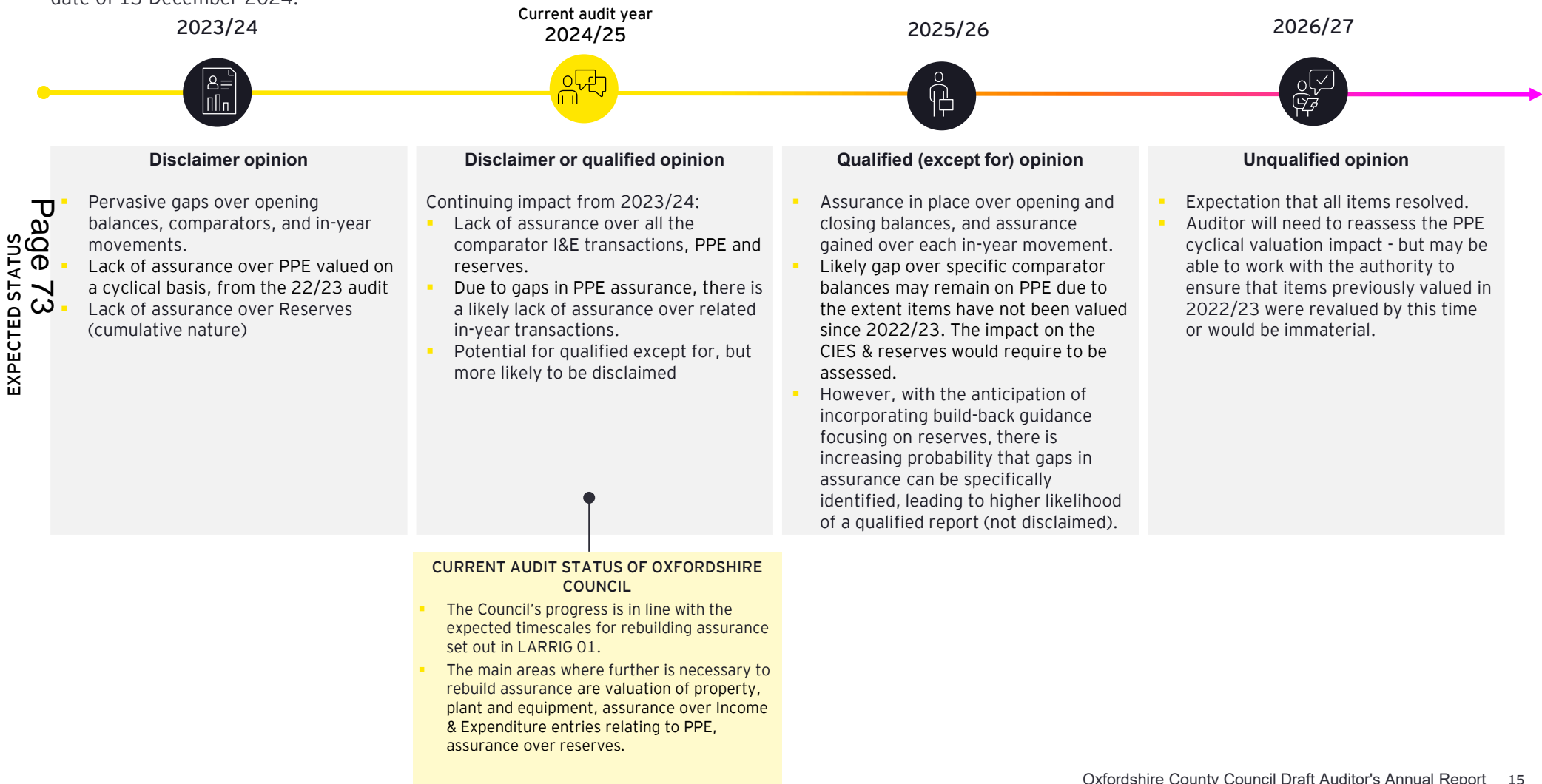
Financial Statement reporting assessment

Area	Status			Explanation
	R	A	G	
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.
Quality and completeness of the draft financial statements	Effective			There were a relatively small number of non-material internal inconsistencies, typographical and arithmetic errors in the draft financial statements.
<div>Page 12</div> Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			The draft financial statements submitted for audit did not contain all the transitional adjustments and disclosures required for implementation of IFRS 16 and supporting working papers were not fully complete, including a consideration of the impact of IFRS 16 on the Council's PFI arrangements. This caused delays in our ability to complete our procedures and our work in this area remains ongoing at the date of this report. Other than the IFRS 16 implementation working papers, working papers were submitted within the agreed timelines.
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.
Timeliness and quality of evidence supporting key accounting estimates	Effective			The timeliness and quality of evidence supporting key accounting estimates was generally satisfactory.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			There were no issues with access to the finance team and key personnel.
Volume and value of identified misstatements	Requires improvement			A moderate number of misstatements that were above performance materiality in aggregate were detected as a result of our work across both the main Financial Statements and disclosures. These are yet to be adjusted for by management as we have not received the final Statement of Accounts.
Volume of misstatements in disclosure	Requires improvement			A moderate number of misstatements in disclosures were detected in our work. A large proportion of these disclosure misstatements related to IFRS 16.

Audit of financial statements

Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.





03

Value for Money commentary

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Value for Money

The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Our responsibilities

Under the revised NAO Code we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 Financial sustainability How the Council plans and manages its resources to ensure it can continue to deliver its services.	<ul style="list-style-type: none"> No risk of significant weakness identified. 	<ul style="list-style-type: none"> No significant weakness identified.
 Governance How the Council ensures that it makes informed decisions and properly manages its risks.	<ul style="list-style-type: none"> No risk of significant weakness identified. 	<ul style="list-style-type: none"> No significant weakness identified.
 Improving economy, efficiency and effectiveness How the Council uses information about its costs and performance to improve the way it manages and delivers its services.	<ul style="list-style-type: none"> No risk of significant weakness identified. 	<ul style="list-style-type: none"> No significant weakness identified.



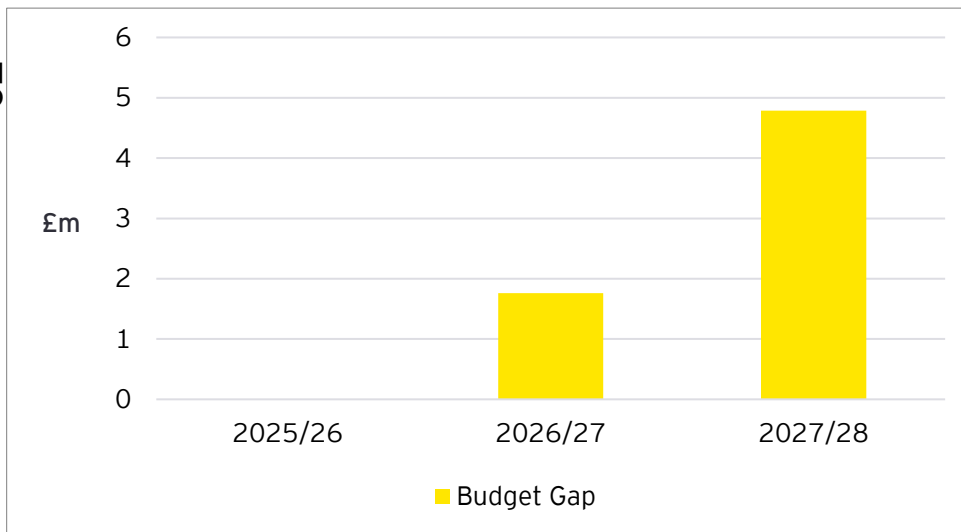
Financial Sustainability considerations

Medium Term Financial Strategy

Exhibit A: The Council's Medium Term Financial Strategy (MTFS) was agreed by Council on 20 February 2024 and highlighted a budget gap in 2026/27 and 2027/28, with the gap reaching £4.8m for 2027/28 before funding reform and assuming an increase of council tax of 3.99%.

At the end of 2024/25 there was a service area underspend of £0.3m. A further underspend of £12.5m related to corporate budgets where there was an underspend against the contingency budget given the strong financial management within services and a lower than budgeted pay award, along with additional interest on balances from higher-than-expected interest rates. As part of the 2024/25 outturn report the Council approved that £10.8m of the underspend in 2024/25 be utilised in the 2025/26 budget.

Exhibit A: The Council's MTFS outlines a cumulative gap of £4.8 million by 2027/28





Financial Sustainability considerations

Reserves position

Exhibit B: The Council maintains general balances and earmarked reserves based on annual risk assessments. While general balances remain unallocated, earmarked reserves are designated for specific purposes and are intended to address potential future known or anticipated liabilities. As of April 2025, the Council's projected balances are significantly above the risk-assessed level, providing a buffer against unforeseen pressures. For 2025/26, the required general balance remains at £30.2m, unchanged from 2024/25, but reflecting updated risks.

As at 31 March 2025, General Balances were £45.3m, against a risk-assessed minimum of £30.2m. Usable general reserves totalled £243.7m excluding maintained schools' balances. As set out in the Business Management & Monitoring Report presented to Cabinet in October 2025 The forecast level of balances and reserves as at 31 March 2026 is £36.0m and £223.3m respectively.

Exhibit C: As at 31 March 2025, the Dedicated School Grant (DSG) deficit reserve balance disclosed in the Statement of Accounts increased by £34.5m to £80.3m. This balance includes the positive school's reserves of £10.7m (2022/23: £13.1m). See next page for more details.

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Exhibit B: The Council's unallocated General Reserve increased by £4 million in 2024/25

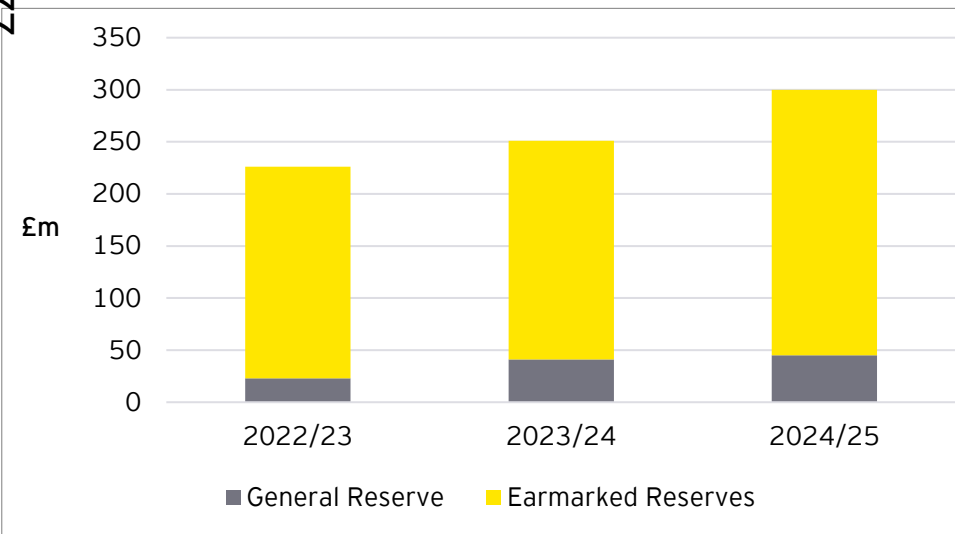
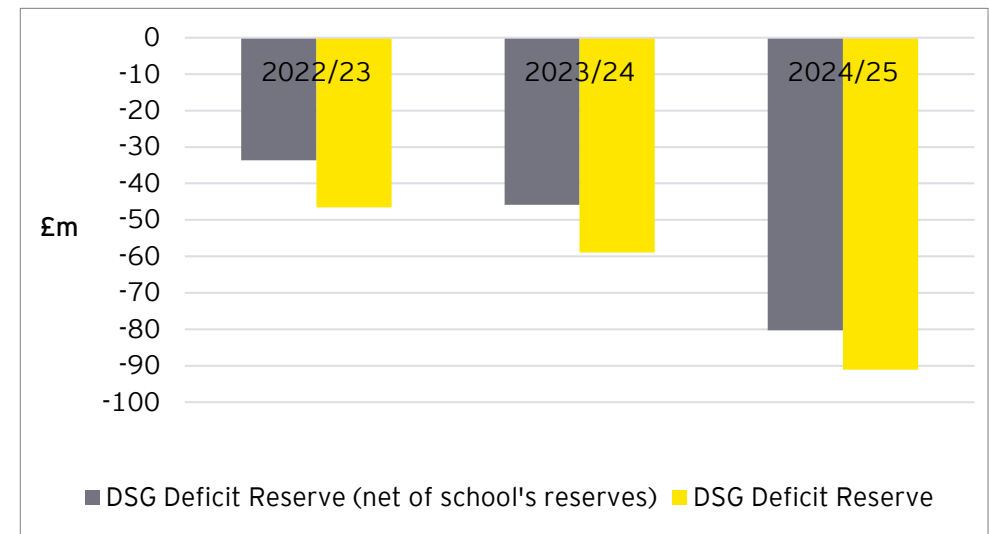


Exhibit C: The Council's negative DSG balance increased by £34.5 million in 2024/25





Financial Sustainability considerations

Dedicated Schools Grant (DSG) balance

The Council's high negative Dedicated Schools Grant (DSG) balance is managed under the statutory override, allowing the deficit to be held in an unusable reserve until March 2028. This prevents the deficit impacting the General Fund and other usable reserves but still represents a significant financial risk to the Council.

The High Needs DSG deficit is forecast to increase from £92.3m in March 2025 to £152.9m by March 2026, growing faster than available funding. If this trajectory continues and the statutory override ended in 2028, the DSG deficit would likely be larger than all usable reserves at that point. However, the government have indicated that they will provide an update about solutions to managing High Needs DSG deficits in the context of the legal requirement to set a balanced budget as part of the Local Government Finance Settlement for 2026/27.

Should this not materialise, one option to ensure there was an adequate level of reserves would be to use the annual £4m contribution to the Demographic Risk reserve to fund the revenue costs of borrowing from the PWLB to fund part of the deficit (subject to approval to borrow for that purpose). £4m would support borrowing of £67m over 25 years. If necessary, further on-going revenue funding for additional borrowing would need to be identified. The Council is forecast to be £323m internally borrowed by 2027/28, which leaves significant headroom to externalise this borrowing to provide ample cashflow to manage the liquidity impact of expenditure on High Needs DSG.

The Council is continuing to implement a Deficit Management Plan aligned with the Department for Education's Delivering Better Value (DBV) programme. A block transfer from schools' DSG to High Needs to support Special Educational Needs (SEN) across all schools in 2026/27 is being considered alongside a potential disapplication request if agreement with the Schools' Forum cannot be reached. Despite these measures, continued increases in demand and inflationary pressures are proving to be considerably greater than reductions in expenditure that can be achieved through efficiencies and demand management.

Some of the mitigations within the Deficit Management Plan are:

- New Special Schools scheduled 2023/24 to 2029/30.
- SEN Units/ Resource Bases.
- Transfer of Resource Bases to Schools - to be piloted from 2025/26.
- Implementation of a Banding System from 1 April 2026.
- Savings through contract renegotiation.
- Review of internal services.
- Reduction in the use of Agency workers.
- General Housekeeping and the creation of efficiencies.

It is essential that the Council delivers these mitigations and seeks to do all it can to further develop further arrangements to reduce or contain the current level of overspending in this area.



Financial Sustainability considerations

Financial Resilience

The Council's financial planning is a continuous, integrated process that aligns resources with strategic and statutory priorities. It combines scenario planning, risk management, regular performance monitoring, and strong governance to ensure the sustainable delivery of essential services.

The Council has a Strategic Plan 2023-2025 (greener, fairer, healthier Oxfordshire) in place which sets out the Council's vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county. The 2025 - 2028 plan has been presented at the October 2025 Cabinet meeting for recommendation to be submitted to Council for approval.

The Medium-Term Financial Strategy (MTFS) is designed to ensure resources are allocated to priority areas, balancing statutory duties (such as social care and education) with local strategic ambitions.

The annual budget, MTFS, and capital programme are developed together, ensuring a holistic approach to resource allocation. These plans are informed by:

- A comprehensive financial strategy.
- Capital and investment strategies.
- Treasury management and investment strategies.
- Risk assessments of required balances and reserves.

The Council produces monthly Business Management and Monitoring Reports, which track financial performance, service delivery, and leadership risks. The MTFS includes scenario planning to anticipate funding changes, demographic pressures, and inflation. The Council maintains general balances and earmarked reserves, based on annual risk assessments, to provide a buffer against unforeseen pressures and support service sustainability. The latest Financial Outlook Strategy notes that it is possible that existing funding available to the Council could reduce by between £20m and £45m over a two to-three-year period from 2026/27 onwards requiring savings to be made to balance the overall budget. The Council continues to receive additional funding from interest on cash balances which has helped to provide one-off funding for priorities including transformation. As set out on the previous page, the increasing level of overspending against the Council's High Needs DSG budget is now having a significant adverse impact on the level of available cash for investment. This also therefore adversely impacts the additional funding the Council is able to generate from interest on cash balances. The 2025/26 budget also includes an on-going contingency budget of £7.3m. This includes £4.7m for demand risk, £1.7m for the non-achievement of planned savings and £0.9m for other risks.

As well as holding a contingency budget, general balances are also held to ensure that a major incident or emergency can be managed without impacting on other services. In reaching the decision on the level of balances the S151 considers appropriate, there is consideration of the strategic, operational and financial risks facing the Council including the ability to deliver planned savings, as well as external risks such as the impact of climate change. The recommended minimum level of balances for 2024/25 based on this risk assessment is £30.2m.



Financial Sustainability considerations

Financial Resilience (continued)

The proposed capital programme is based on the latest capital programme 2025/26 to 2035/36 as reported to Cabinet in the Capital Programme Monitoring Report in October 2025. The proposed programme consists of the strategy and the split between the Firm Programme and Pipeline Programme

The Capital Programme is fully funded over the ten-year period. The programme is funded by:

- Section 106 and Community Infrastructure Levy.
- Grants and contributions.
- Prudential Borrowing.
- Capital receipts Revenue Contribution.
- Capital Reserves.



VFM commentary: Governance

Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

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Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years in relation to the governance arrangements. The Council's underlying arrangements in relation to governance are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the for Oxfordshire County Council had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.



Governance considerations

Annual Governance Statement

The Audit & Governance Committee approved the Annual Governance Statement (AGS) for 2024/25 at its meeting on 4 June 2025. The statement is guided by CIPFA Advisory Note One, "Understanding the Challenge to Local Authority Governance" (March 2022) and describes the Council's governance framework, the steps that have been taken to ensure that it is effective and establishes key actions that will be put in place to ensure the ongoing effectiveness of the council's arrangements.

In accordance with the Regulation 6 of the Accounts and Audit Regulations 2015, the council has conducted a review of the effectiveness of its system of internal control in accordance with proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016). The review has been undertaken in consultation with the Council's Head of Paid Service, the Monitoring Officer, and the Executive Director of Resources (Section 151 Officer).

Risk Management

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The Executive Director of Resources & Section 151 Officer had overarching responsibility for risk management. She is supported by the Head of Insight and Corporate Programmes. The Risk and Opportunities Management Strategy was approved by the Audit and Governance committee and published in May 2023, and outlines the process of Identification, Assessment, Managing and Controlling and Review and Reporting of risks across the Council.

The Council maintains risk registers at both the strategic and operational levels. These registers are regularly updated and reviewed to ensure emerging risks are identified and managed appropriately. Risk Management is reviewed monthly by Council Management Team, and bi-monthly by Strategic Leadership Team, Informal Cabinet, Cabinet and is also an agenda item for chairs of scrutiny committees. Monthly Business Management and Monitoring Reports which track financial performance, service delivery, and leadership risks using a Red/Amber/Green (RAG) rating system are presented to Cabinet.

There are currently 9 strategic risks listed. All nine strategic risks remained static in their residual risk scores from February 2025 to March 2025. The only two high risks relate to a failure to deliver Oxford Core Schemes (Workplace Parking Levy, Zero Emissions Zone and associated city area schemes such as Low Traffic Neighbourhoods) with public support; and the increasing vulnerability to climate impacts leading to failure of key infrastructure and services with a direct impact on health, safety, environment and businesses.



Governance considerations

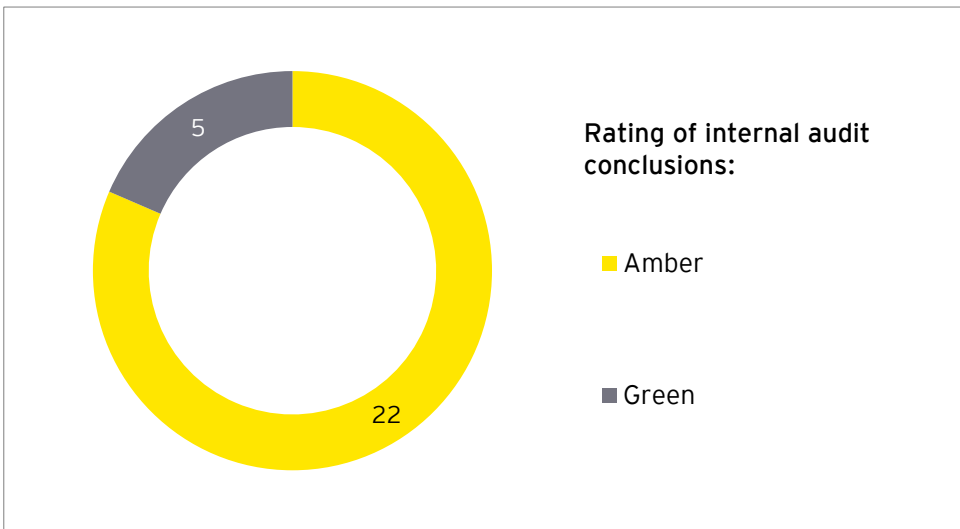
Internal audit arrangements

The Council has an internal audit function that operates according to an annual plan, which is risk-based and approved by the Audit & Governance Committee. The Internal Audit Strategy and Annual Plan for 2024/25 was presented to the May 2024 Audit and Governance Committee, with a revised plan presented to the January 2025 meeting. Progress reports, including summaries of audit findings and conclusions is presented at the Audit and Governance Committee meetings. Internal audit provides independent assurance on the effectiveness of internal controls, risk management, and governance processes. The annual internal audit opinion is a key source of assurance. The 2024/25 Internal Audit Opinion was satisfactory for the current year and there were no overall red rating reports, and no significant weakness in internal controls identified during the year. Internal Audit continue to manage the National Fraud Initiative data matching exercise which is completed once every two years. Key matches are investigated, and results are reported to the Audit & Governance Committee in quarterly updates.

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures. It is recommended that authorities review existing fraud policy and procedures against the latest Home Office guidance. If this review has not yet taken place, it should be prioritised to ensure compliance with the Act and to mitigate the risk of enforcement action.

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Exhibit D: Internal audit's follow up of recommendations noted that around 80% were completed as planned





Governance considerations

Informed decision making and member challenge

The Council has established governance frameworks that set out roles, responsibilities, and decision-making pathways. The Council's decision-making processes are underpinned by comprehensive reports that include financial, legal, risk, and equality implications. Management information systems provide timely and accurate data (both financial and non-financial) to support decisions. Key decisions, reports, and supporting evidence are published and made available to the public, promoting transparency. There is regular consultation with a variety of stakeholders on major proposals, including residents, partners, and other local bodies, ensuring that a range of views inform decision-making.

The Performance & Corporate Services Overview & Scrutiny Committee reviews and challenges budget proposals, policy decisions, and performance reports before they are finalised. The Audit & Governance Committee provides independent oversight of governance, risk management, and internal controls, and can challenge management on the effectiveness of arrangements. Internal audit provides independent assurance on the effectiveness of controls and the integrity of decision-making processes. External audit reviews the council's financial statements, value for money arrangements, and governance processes, offering further challenge and assurance.

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Budgeting setting and monitoring

The annual budgeting process including the responsibilities and procedures in the annual budget process is set out within the Constitution of the Council.

Full Council approves and adopts the Budget and key plans and strategies. The Cabinet is responsible for implementing the approved Budget and plans. The Cabinet drafts budget proposals according to a set timetable, considering legal and policy deadlines. Views are sought from the public, stakeholders, and relevant committees as part of this process, with the feedback received considered and reported. Before finalising, the Cabinet must invite the Overview and Scrutiny Committee to review and advise on the proposals. The Cabinet considers the Scrutiny Committee's recommendations and submits the final proposals to Full Council, explaining how feedback was addressed.

The Council has an established budgetary control framework, with clear roles and responsibilities for budget holders and finance teams. Monthly Business Management and Monitoring Reports, which are presented to Cabinet by the S151 Officer, track financial performance against the approved budget. Budget holders receive regular updates and are responsible for monitoring their own budgets, supported by central finance. An updated Financial Strategy, including financial performance indicators that are tracked and reporting during the following year, is published annually as part of the budget agreed by the Council.



Governance considerations

Budget Process continued

The Financial Strategy outlines the Council's approach to achieving financial sustainability in the medium and long term. It aligns with other corporate strategies, including the Strategic Plan and Capital & Investment Strategy, emphasizing the need for integrated and coordinated plans to ensure financial resilience. Financial resilience refers to the Council's capacity to adapt to changes in service delivery or demand without risking financial failure. The budget is designed to support financial sustainability while delivering essential services and advancing the vision of a greener, fairer, and healthier Oxfordshire. Achieving financial sustainability and resilience requires focus on four critical elements:

- Transforming the Council into a preferred employer and partner.
- Managing rising demand through effective demand management.
- Achieving planned savings and outcomes from investments.
- Maintaining adequate earmarked reserves and general balances, using one-off resources only for temporary needs.

The following management information, including non-financial data points, was considered in the development of the MTFS:

- **Funding Reform Overview:** Starting in 2026/27, the government plans to reform council funding to better allocate resources based on updated assessments of need and local resources. This includes a reset of the business rates retention system and consultations on transitional arrangements.
- **Social Care Grant Distribution:** The increase in the Social Care Grant for 2025/26 has been equalized, with the council receiving approximately 0.7% of the national total, down from 1% in previous years. The Children's Social Care Prevention Grant will be distributed based on a new needs-based formula, with the Council receiving £1.4 million (0.6% of the national total).
- **Business Rates Reset:** A full Business Rates Reset is planned for 2026/27 reallocating growth accumulated since 2013/14 based on the updated funding assessment. Future growth will be retained by local authorities, subject to a levy in some cases.
- **Potential Funding Loss:** The Council may face a loss of approximately £4.9m in growth in business rates. This could lead to an overall funding reduction of £20m to £45m over two to three years starting in 2026/27.
- **Transformation Program:** The Council's "Delivering the Future Together" program aims to enhance financial sustainability by focusing on key priorities, optimizing building usage, leveraging technology, collaborating with partners, and exploring commercial opportunities.
- **High Needs Dedicated Schools Grant Deficit:** Oxfordshire is implementing a Deficit Reduction Plan for High Needs DSG, however annual deficits continue to increase. The DSG Unusable Reserve deficit is expected to reach over £152.9 million by the end of 2025/26 after taking account of the in-year deficit estimated at £60.6m. Despite the action being taken the deficit is likely to continue to increase and is recognized as a serious potential risk to the Council's future financial sustainability. Information on how the deficits will be managed is expected to be shared by the government as part of the Provisional Local Government Finance Settlement for 2026/27. A White Paper on SEND reform is now expected to be published by the Government in early 2026.



VFM commentary: Improving economy, efficiency and effectiveness

Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

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Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years in relation to improving economy, efficiency and effectiveness. The Council's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



Improving economy, efficiency and effectiveness considerations

Financial and performance information

The Council produces monthly Business Management and Monitoring Reports that integrate service performance data (KPIs, outcomes) with financial information and risk assessments. These reports use a RAG rating system to flag services that are performing well, at risk, or underperforming. The integration of financial and non-financial data allows the council to identify trends, emerging issues, and areas needing attention.

Senior leadership, Cabinet, and scrutiny committees review performance reports regularly. Underperformance or adverse trends trigger further investigation, challenge, and the development of corrective action plans. This oversight ensures that both service quality and value for money are kept in focus. The Council benchmarks its service performance against other local authorities and national standards. External audits, inspections, and peer reviews provide independent validation of performance and highlight further areas for improvement.

When performance data highlights issues such as missed targets or declining service quality, the Council develops targeted improvement plans. Progress against improvement actions is tracked in subsequent reports, ensuring accountability and learning. Lessons learned from monitoring, audit, and feedback processes are fed back into planning and decision-making. The Council adapts its strategies and resource allocation in response to changing circumstances and new insights.

Financial performance in the year has been sound. There has been an overall underspend of £12.8m (£0.3m service area underspend and £12.5m in corporate budgets) lower than budget due to an underspend against the contingency budget given the strong financial management within services and a lower than budgeted pay award along with additional interest from higher-than-expected interest rates. In addition, £20.1m savings of the £30.1m budgeted savings were delivered during the year.

The Capital Outturn Report assesses the status of investments and funding for the ten-year Capital Programme at the end of 2024/25. Planned capital spend for 2024/25 totalled £251.1m. Actual capital programme expenditure by 31 March 2025 was £231m. This spend is now expected to take place in 2025/26. The £231.0m expenditure was funded by £146.9m of capital grants and other external contributions, £27.1m of developer contributions and Community Infrastructure Levy, £3.3m of revenue contributions, and £53.7m of prudential borrowing.



Improving economy, efficiency and effectiveness considerations

Partnership working

OXLEP

From 31 March 2024, Local Enterprise Partnerships ceased to have official recognition and existing LEP functions were transferred to upper-tier local authorities or combined authorities. The County Council is the Accountable Body for the Oxfordshire Local Enterprise Partnership (OxLEP) and from 1 April 2024 had a controlling interest in the Partnership. OxLEP's purpose is to inspire and collaborate to deliver economic opportunities for the communities of Oxfordshire. It brings together representatives from academia, business and the public sector across Oxfordshire.

Integrated Business Centre

The Council is a formal partner in the Integrated Business Centre (IBC) hosted by Hampshire County Council. The Council joined in 2014/15 as the first operational partner for the provision of shared financial and HR services. The service offered by the IBC are HR Services, Finance Services, Purchase to Pay Services.

The Council is formally represented on the performance board of the IBC. Performance is formally reviewed on a quarterly basis, and this includes a range of performance measures, overlaid by comprehensive service performance reports, and agreed actions to drive continued collective performance improvement. The IBC also provides an ISAE 3402 Type 2 report in relation to the control environment, which identified no significant control weaknesses in 2024/25. This allows the Council to monitor the control environment and follow up on any control weaknesses noted.

National Health Service Section 75 Pooled Budgets

The Council has two pooled budgets with Oxfordshire Clinical Commissioning Group and Oxford Health NHS Foundation Trust. The pooled budgets operate to provide better outcomes for patients within Oxfordshire and ensure that the resources in place are best utilised for maximum impact.

Oxfordshire Health and Wellbeing Board

The Health and Wellbeing Board is a partnership between local government, the NHS and the people of Oxfordshire. It includes local GPs, councillors, Healthwatch Oxfordshire, and senior local government officers. The Board has been set up to ensure that we work together to improve everyone's health and wellbeing, particularly those who have health problems or are in difficult circumstances. The board provides strategic leadership for health and wellbeing across the county. The Board will also ensure that plans, such as the Joint Local Health and Wellbeing Strategy are in place and action is taken to realise those plans.

Future Oxfordshire Partnership

The Future Oxfordshire Partnership is a joint committee of the six councils of Oxfordshire. The partnership's purpose is to deliver the bold aims of the [Strategic Vision](#) that all six member councils have adopted. It:

- Coordinates local efforts to manage economic, housing and infrastructure development in a way that is inclusive and maximises local social and environmental benefits.
- Supports the development of local planning policy that meets the UK Government's stated aim of net zero carbon by 2050 and contributes towards biodiversity gain whilst embracing the changes needed for a low carbon world.
- Seeks to secure funding in the pursuit of these aims and oversee the delivery of related work programmes delegated to it by the joint committee's constituent local authority members.



Improving economy, efficiency and effectiveness considerations

Procurement and commissioning of services

Within the Constitution of the Council in Part 8, Section 3 it sets out the procurement and contracts procedures. This includes the procedures and statutory requirements in terms of the procurement of services. The relevant procurement team and legal services must be notified before officers enter into any procurement process which will or may result in the incurring of any expenditure for the supply of goods, services or works, where: (i) the estimated value of the proposed Contract is £30,000 incl VAT (£25,000 excl VAT) or more; or (ii) the proposed Contract is for the benefit of two or more services or parties; or (iii) the Contract is considered complex, sensitive or high-risk for any other reason (e.g. an outsourcing involving a TUPE transfer of Council staff), or will involve the use of a third party Framework Agreement, dynamic purchasing system or dynamic market. The council has set procurement thresholds which will determine if requests for quotations will or will not be required. All authorised Officers involved in procurement contracts must actively ensure value for money by following the official Guidance approved by the Executive Director of Resources and the S151 Officer.

The Council has developed an Ethical Procurement Policy which is designed to guide the organisation towards sustainable and ethical procurement practices and crucial for achieving the council's goal of net zero carbon emissions and promoting social responsibility.

Contract management was identified as a key area in the 2024/25 Internal Audit Plan. The plan included targeted audits to assess the effectiveness of contract oversight, compliance, and value for money in strategic contracts. The audits found that contract management processes and procedures are generally well controlled and managed. There were no "red" (critical) reports issued in the period, indicating no significant weaknesses were found in contract management.

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Oxfordshire Pension Fund

Draft Audit Results Report
Year ended 31 March 2025
November 2025



Private and Confidential

18 November 2025

Oxfordshire Pension Fund
County Hall
New Road
Oxford
OX1 1ND

Dear Audit and Governance Committee Members

2025 Draft Audit Results Report

We are pleased to attach our draft Audit Results Report, summarising the status of our audit for the forthcoming meeting of the Audit and Governance Committee.

The audit is designed to express an opinion on the 2025 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on Oxfordshire Pension Fund's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge, the exercise of professional judgement and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process.

This report is intended solely for the information and use of the Audit and Governance Committee, Pension Fund Committee and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 26 November 2025.

Yours faithfully

Simon Mathers

Partner

For and on behalf of Ernst & Young LLP

Encl

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- | | | | | | |
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| 7 | Independence | 8 | Appendices | | |

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (Statement of responsibilities of auditors and audited bodies (from 2023/24 audits) - Page 4 of 7 - PSAA). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance from July 2021" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and legislation and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Governance Committee, Pension Fund Committee, and management in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit & Governance Committee, Pension Fund Committee, and management of Oxfordshire Pension Fund those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee, Pension Fund Committee, and management for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Scope update

In our Audit Planning Report dated 7 April 2025 and presented to the 4 June 2025 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality: We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of Net Assets, we have updated our overall materiality assessment to £36.50 million (Audit Planning Report – £35.41 million). This results in updated performance materiality, at 75% of overall materiality, of £27.38 million, and an updated threshold for reporting misstatements of £1.83 million.

Status of the audit

Our audit work in respect of the Pension Fund opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

- Review of updated financial statements and consistency check of the financial and non-financial information in the Annual Report
- Receipt and checking of final signed accounts
- Receipt of signed management representation letter
- Subsequent events review.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion, a current draft of which is included in Section 03.

Audit differences

At the date of this report, we have identified the following non-trivial misstatements, which the management have chosen to adjust:

- Timing difference in valuation of investment assets which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).
- Disclosure misstatements in relation to the following:
 - Note 24 (Actuarial Present Value of Promised Retirement Benefits) - missing disclosure of key assumptions such mortality rates, salary increases and life expectancy.
 - Note 14a (Reconciliation of Movements in Investments and Derivatives) - variances in sales and change in market value for pooled investments and pooled property investments. Impact of corrections are as follow:
 - Pooled Investments - sales and change in market value decreased by £3.38 million.
 - Pooled Property Investments - sales and change in market value increased by £3.38 million.
 - Note 22 (Contingent Liabilities and Capital Commitments) - outstanding capital commitments should be £182.69 million not £194.95 million as originally disclosed.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Plan, we identified a number of key areas of focus for our audit of the financial statements of Oxfordshire Pension Fund. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Fraud/Significant risks

- **Risk of inappropriate posting of investment journals** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **Presumptive risk of management override of controls** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **Valuation of Level 3 investments** - We have completed all audit procedures in accordance with the Audit Plan. We have identified corrected misstatement in relation to the timing difference in valuation of investment assets which increased Level 3 investments by £6.04 million, see Section 04 for details.

Risk of material misstatement

- **Valuation of investments Level 2 Investments** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.
- **IAS26 disclosure (Actuarial Present Value of Promised Retirement Benefits)** - We have completed all audit procedures in accordance with the Audit Plan. There are no matters to bring to your attention.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues
- You concur with the resolution of the issue
- There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee or Those Charged With Governance.

Control observations

During the audit, we identified control deficiency in relation to the authorization of journals prior to posting. The same observation was raised in the prior year audit results report of Oxfordshire County Council and the Pension Fund.

Independence

Please refer to Section 7 for our update on Independence.

Executive Summary (cont'd)

Factors impacting the execution of the audit

Management, and the Audit and Governance Committee, as the Pension Fund's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table below sets out our views on the effectiveness of the Council's arrangements to support external financial across a range of relevant measures.

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			The financial statements produced were complete and generally of adequate quality. Our procedures identified minor casting errors and inconsistencies within the accounts. We do not, however, consider arrangements in this area to be ineffective.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Effective			Working papers were largely provided to the agreed timetable.	N/A
Quality of working papers and supporting evidence	Effective			Working papers and supporting evidence were generally of a good standard.	N/A
Timeliness and quality of evidence supporting key accounting estimates	Requires improvement			In general, management provided timely and good quality supporting evidence in response to the majority of our audit requests. However, we experienced some delays in receiving responses to follow-up queries, particularly in respect of IAS 19 protocol procedures and review of IAS 26 and investment-related disclosures.	We expect to raise a scale fee variation in respect of this. See Section 07 for further details.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Effective			All key finance staff were generally available to support the audit.	N/A
Volume and value of identified misstatements	Effective			Only one material misstatement were detected as a result of our work which have been corrected by management. This was due to a timing difference related to an estimate on investment valuation.	See Section 04 for details of corrected misstatements.
Volume of misstatements in disclosure	Effective			A relatively small number of misstatements in disclosure were detected in our work.	N/A



02 Areas of Audit Focus

Areas of Audit Focus (cont'd)

Presumptive risk of management override of controls (Fraud risk)

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What are our conclusions?

We have performed enquiries with management and gained an understanding of the oversight and processes in place to address the risk of fraud to determine our audit strategy and risk assessment which is discussed in further detail on the following slides.

We have obtained sufficient audit evidence regarding any business rationale for unusual transactions and for judgements and assumptions for significant estimates. We have not identified any instances of management override of controls, nor fraud risk factors associated with related party relationships and transactions.

Our response to the key areas of challenge and professional judgement

- We identified fraud risks during the planning stage of the audit.
- We enquired management about risks of fraud and the controls put in place to address those risks.
- We gained an understanding the oversight given by those charged with governance of management's processes over fraud.
- We discussed with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions).
- We considered whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud.
- We considered the effectiveness of management's controls designed to address the risk of fraud.
- We determined an appropriate strategy to address those identified risks of fraud.
- We performed mandatory procedures regardless of specifically identified fraud risks, including testing appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated the business rationale for significant unusual transactions outside the normal course of business.
- We assessed accounting estimates for evidence of management bias.

Having evaluated the risks, we have considered whether we need to perform other audit procedures not referred to above. We concluded that no other procedures are required.

Areas of Audit Focus

Risk of inappropriate posting of investment journals (Fraud risk)

What is the risk?

Investment valuations are manually input on the general ledger, so there is opportunity to manipulate the valuation of investments reported in the Net Asset Statement.

What are our conclusions?

We have completed our procedures related to investment valuation journals. We identified variances in our reconciliation of investment asset valuations between the Net Assets Statement, the custodian's holdings report and individual fund managers. This was due to a timing difference between the valuation used by the custodian (i.e., 31 December 2024) and the year-end valuation provided by the fund managers. The timing difference was adjusted by the Pension Fund, which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).

We have not identified any indication of management override in relation to investment journals

Our response to the key areas of challenge and professional judgement

- We tested journals posted near year-end and post-close journals to ensure there are no unexpected or unusual postings and assessed journal entries for evidence of management bias and evaluated for business rationale.
- We performed a reconciliation to test the agreement of the Pension Fund's investment asset holdings as at 31 March 2025, including asset values, to source reports from the Pension Fund's custodian and individual fund managers.
- We obtained the holdings report directly from the custodian, reperformed the investment notes, and checked the classification, presentation, and corresponding disclosures.
- We tested any significant reconciling amounts between the investment asset valuations as reported in the Pension Fund's Net Asset Statement compared to the custodian's investment report as of 31 March 2025.

Areas of Audit Focus

Valuation of Level 3 investments (Significant risk)

What is the risk, and the key judgements and estimates?

Judgements are taken by Investment Managers to value these investments whose prices are not publicly available.

There is a risk that these are materially misstated given the complexity of the measurement and degree of estimation involved.

The material nature of the investments means that any error in judgement could result in a material valuation error. Market volatility means such judgments can quickly become outdated, especially when there is a significant time-period between the latest available audited valuation information and the Fund year end. These variations could have a material impact on the financial statements.

What are our conclusions?

We have completed our audit procedures related to this risk.

For a sample of Level 3 investments, we noted variances between the investment asset valuations per custodian's holdings report and individual fund managers. This was due to a timing difference between the valuation used by the custodian (i.e., 31 December 2024) and the year-end valuation provided by the fund managers. The timing difference was adjusted by the Pension Fund, which increased Level 3 investments by £6.04 million.

We were satisfied that the Pension Fund's disclosures of significant judgements surrounding the valuation of Level 3 investments were appropriate.

Our response to the key areas of challenge and professional judgement

For a sample of Level 3 investments we:

- Reviewed the basis of valuation for pooled property investments and other unquoted investments and assessed the appropriateness of the valuation methods used.
- Checked the valuations against Refinitiv which is an EY approved external sources of pricing. Where this was unavailable, we obtained the latest audited accounts of the funds, assessing the market movement from their audited date to 31 March 2025, using market indices appropriate to the asset.
- Where the latest audited accounts are not as at 31 March 2025, we inquired the procedures management have performed to take account of this risk and performed analytical procedures to check the valuation output for reasonableness against our own expectations.
- Obtained capital statements directly from the investment managers for each fund and compare it against the balance recorded in the custodian report to assess if there are any timing difference and material investment activity during the period.
- Reviewed investment valuation disclosures to verify that significant judgements surrounding the valuation of Level 3 Investments have been appropriately made in the financial statements.

What else did we do?

- Obtained schedule of investments and checked classification, presentation and disclosure of items in the financial statements and corresponding notes.
- We assessed the reasonableness of the Fair Value Hierarchy of the funds.
- We obtained control reports for all fund managers and custodian and evaluated those reports to understand the sufficiency of the valuation processes and controls, and for any other findings or control weaknesses impacting our audit.
- Performed triangulation work to agree the amount per the financial statements to the fund manager and custodian reports.
- Tested accounting entries have been correctly processed in the financial statements.

Areas of Audit Focus

Valuation of investments Level 2 Investments (Risk of material misstatement)

What is the risk, and the key judgements and estimates?

The Pension Fund held £2.5 million Level 2 investments at 31 March 2025. These are assets where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.

Valuations are based on either evaluated prices provided by independent pricing services, closing bid price where bid and offer are published or estimated valuation reported by a counterparty.

Our response to the key areas of challenge and professional judgement

For a sample of Level 2 investments we:

- Checked the valuations against Refinitiv which is an EY approved external sources of pricing. Where this was unavailable, we obtained the latest audited accounts of the funds, assessing the market movement from their audited date to 31 March 2025, using market indices appropriate to the asset.
- Obtained capital statements directly from the investment managers for each fund and compare it against the balance recorded in the custodian report to assess if there are any timing difference and material investment activity during the period.

What are our conclusions?

We have completed our audit procedures related to this risk.

We did not identify audit differences in the valuation of Level 2 investment assets above our reporting threshold.

What else did we do?

- Obtained schedule of investments and checked classification, presentation and disclosure of items in the financial statements and corresponding notes.
- We assessed the reasonableness of the Fair Value Hierarchy of the funds.
- We obtained control reports for all fund managers and custodian and evaluated those reports to understand the sufficiency of the valuation processes and controls, and for any other findings or control weaknesses impacting our audit.
- Performed triangulation work to agree the amount per the financial statements to the fund manager and custodian reports.
- Tested accounting entries have been correctly processed in the financial statements.

Areas of Audit Focus

IAS26 disclosure - Actuarial Present Value of Promised Retirement Benefits (Risk of material misstatement)

What is the risk, and the key judgements and estimates?

IAS26 requires post-employment benefits plans to disclose annually the basis used to determine the actuarial present value of promised retirement benefits, including demographic and financial key assumptions.

The estimate is based on a roll-forward of data from the previous triennial valuation in 2022, updated where necessary, and takes into account assumptions.

The information disclosed is based on the IAS 26 report issued to the Fund by the actuary to the Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Our response to the key areas of challenge and professional judgement

We have:

- Evaluated whether the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary.
- Assessed the work of the pension fund actuary including the assumptions they have used by relying on the work of the Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and considered any relevant reviews by the EY actuarial team
- Evaluated the reasonableness of the Pension Fund actuary's actuarial present value of promised retirement benefits by leveraging IAS 19 pension liability roll-forward procedures for Oxford County Council, which represents 48.62% of the total pension fund assets and supports our IAS 26 disclosure work.
- Assessed the competence of management experts, Hymans Robertson as the Pension Fund's actuary.

What are our conclusions?

We have completed our audit procedures related to this risk.

We did not identify any issues from our procedures, except for the missing disclosure of key assumptions such as mortality rates, salary increases, and life expectancy.



03 Audit Report

Audit Report

Draft audit report

Our opinion on the financial statements

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF OXFORDSHIRE COUNTY COUNCIL ON THE PENSION FUND’S FINANCIAL STATEMENTS

Opinion

We have audited the Pension Fund (“the Fund”) financial statements for the year ended 31 March 2025 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 27, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025 and the amount and disposition at that date of its assets and liabilities as at 31 March 2025; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and the Comptroller and Auditor General’s AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Executive Director for Resources and Section 151 Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority’s ability to continue as a going concern for a period of 12 months from when the Fund’s financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director for Resources and Section 151 Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority’s ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2024/25, other than the financial statements and our auditor’s report thereon. The Executive Director for Resources and Section 151 Officer is responsible for the other information contained within the Statement of Accounts 2024/25.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Audit Report (cont'd)

Draft audit report

Our opinion on the financial statements

Matters on which we report by exception

We report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects

Responsibility of the Executive Director for Resources and Section 151 Officer

As explained more fully in the Statement of the Executive Director for Resources and Section 151 Officer Responsibilities set out on pages [xx], the Executive Director for Resources and Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Executive Director for Resources and Section 151 Officer is also responsible for such internal control as the Executive Director for Resources and Section 151 Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director for Resources and Section 151 Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Executive Director for Resources and Section 151 Officer .

Audit Report (cont'd)

Draft audit report

Our opinion on the financial statements

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.

- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- To address our fraud risk we tested the consistency of the investment asset valuation from the independent sources of the custodian and the fund managers to the financial statements.

- The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Oxfordshire County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Oxfordshire County Council and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Mathers (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Southampton
xx December 2025



04 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than £1.83 million which have been corrected by management that were identified during the course of our audit

- Timing difference in valuation of investment assets which increased net assets by £4.88 million (Level 2 investments decreased by £1.17 million, while Level 3 investments increased by £6.04 million).

We have also identified disclosure misstatements in relation to the following:

- Note 24 (Actuarial Present Value of Promised Retirement Benefits) - missing disclosure of key assumptions such mortality rates, salary increases, and life expectancy.
- Note 14a (Reconciliation of Movements in Investments and Derivatives) - variances in sales and change in market value for pooled investments and pooled property investments. Impact of corrections are as follow:
 - Pooled Investments - sales and change in market value decreased by £3.38 million
 - Pooled Property Investments - sales and change in market value increased by £3.38 million
- Note 22 (Contingent Liabilities and Capital Commitments) - outstanding capital commitments should be £182.69 million instead of £194.95 million

There were no uncorrected misstatements.



05 Other Reporting Issues

Other Reporting Issues

Consistency of information published with the financial statements

We consider the consistency of the financial and non-financial information in the Oxfordshire Pension Fund Annual Report (the Annual Report) with the audited pension fund financial statements. We also are required to give an opinion on the consistency of the pension fund financial statements included in the Annual Report with the audited pension fund financial statements included in the full annual statement of accounts of Oxfordshire County Council. We have prepared and will issue a consistency statement to management alongside our audit report.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014.

We had no reason to exercise these duties in relation to Oxfordshire Pension Fund.

Other reporting issues

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process.

Except for our observations on the control environment, as set out in Section 06 of this report, we have no other matters to report.



06

Assessment of Control Environment

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Assessment of Control Environment

Financial controls

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to you significant deficiencies in internal control.

During our audit, we identified one area of weakness in relation to the Pension Fund's control environment. The same observation was raised in the prior year and in the Audit Results Report of Oxfordshire County Council.

Authorisation of Journals

Observation

As part of our audit procedures performed to test journals to address the significant risk of management override of control, we noted that within the finance system (SAP) there is no system control requiring journals to be approved prior to posting by an appropriate individual independent of the preparer. While journals are reviewed retrospectively on a quarterly basis, this manual control does not mitigate the risk of errors or inappropriate postings impacting more frequent management reporting of the Council.

Impact

Without timely approval by an independent individual, journals could be posted incorrectly or fraudulently, leading to inaccurate financial reporting and potential non-compliance with internal control requirements.




Recommendation

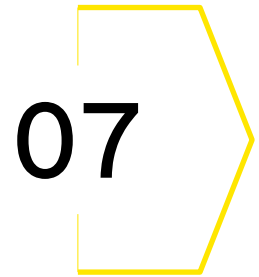
Management should implement a process to ensure that all manual journals are appropriately reviewed and approved by an independent individual prior to being posted.

The table below provides an overview of the 'high' 'moderate' and 'low' rated observations we have from the 2024/25 audit (including IT controls).

	High	Moderate	Low	Total
Open at 31 March 2024	0	2	0	2
Closed during FY25	0	1	0	1
New points raised in FY25	0	0	0	0
Total open points as at 31 March 2025	0	1	0	1

Key:

-  A weakness which does not seriously detract from the internal control framework. If required, action should be taken within 6-12 months.
-  Matters and/or issues are considered to be of major importance to maintenance of internal control, good corporate governance or best practice for processes. Action should be taken within six months.
-  Matters and/or issues are considered to be fundamental to the mitigation of material risk, maintenance of internal control or good corporate governance. Action should be taken either immediately or within three months.



Independence

Independence

Confirmation

We are not aware of any inconsistencies between Ernst & Young (EY)'s policy for the supply of non-audit services and the FRC Ethical Standard. We are not aware of any apparent breach of that policy.

We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

Relationships

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Pension Fund, and its members and senior management and its affiliates, including all services provided by us and our network to the Pension Fund, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2025:

[EY UK 2025 Transparency Report | EY - UK](#)

Services provided by EY

There are no services provided by EY from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

The table on the subsequent page includes a summary of the fees that you have paid to us in the year ended 31 March 2025 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included below. We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO in February 2025.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our financial statements opinion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Pension Fund; and
- ▶ The Pension Fund has an effective control environment
- ▶ The Pension Fund complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular the Pension Fund should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Pension Fund are set out in the fee analysis on this page.

	Current Year	Prior Year
	£m	£m
Scale Fee - Code Work	94,181 Note 2	83,244
Proposed scale fee variation	TBD Note 3	21,430 Note 1
Total audit fees	0	0

All fees exclude VAT

(1) As set in our 2023/24 Audit Results Report / Auditor's Annual Report a scale fee variation was submitted to PSAA covering the following areas:

- Additional procedures to implement the revised ISA 315 (UK) auditing standard as originally set out in our Audit Planning Report totalling £7,252.
- Work to undertake IAS19 procedures on behalf of scheduled body auditors totalling £4,306.
- Work and review processes in relation to address continuing regulatory requirements totalling £2,252.
- Work on technical accounting issues and complex asset valuation totalling £6,838.
- Quality and preparation issues leading to extra work totalling £3,034.

As at the date of this report that scale fee variation has now been determined at a total value of £21,430.

(2) Scale fees for 2024/25 have been increased by PSAA to cover additional audit work under revised standards and a contractual inflationary increase payable to audit firms. The new work relates to revised auditing standard ISA (UK) 315 (risks of material misstatement) and linked work on ISA (UK) 240 (fraud).

(3) We propose to submit a scale fee variation to PSAA for additional 2024/25 work covering the following areas:

- Work on technical accounting issues and complex asset valuation
- Quality and preparation issues leading to extra work



08 Appendices

Appendix A – Required communications with the Audit and Governance Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit and governance committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA’s appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA’s appointed auditors and audited bodies.
Planning and audit approach	Communication of: <ul style="list-style-type: none"> ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit planning report, as presented to the Audit and Governance Committee, June 2025
Significant findings from the audit	<ul style="list-style-type: none"> ▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process 	Audit results report - Audit and Governance Committee, November 2025

Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> Whether the events or conditions constitute a material uncertainty related to going concern Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements The appropriateness of related disclosures in the financial statements 	Audit results report - Audit and Governance Committee, November 2025
Misstatements	<ul style="list-style-type: none"> Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation The effect of uncorrected misstatements related to prior periods A request that any uncorrected misstatement be corrected Material misstatements corrected by management 	Audit results report - Audit and Governance Committee, November 2025
Fraud	<ul style="list-style-type: none"> Enquiries of the audit and governance committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity Any fraud that we have identified or information we have obtained that indicates that a fraud may exist Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> Management; Employees who have significant roles in internal control; or Others where the fraud results in a material misstatement in the financial statements. The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud Any other matters related to fraud, relevant to Audit and Governance Committee responsibility. 	Audit results report - Audit and Governance Committee, November 2025

Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity 	Audit results report - Audit and Governance Committee. November 2025
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Audit planning report, as presented to the Audit and Governance Committee, June 2025</p> <p>Audit results report - Audit and Governance Committee, November 2025</p>

Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	<ul style="list-style-type: none"> Management's refusal for us to request confirmations Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit results report - Audit and Governance Committee. November 2025
Consideration of laws and regulations	<ul style="list-style-type: none"> Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur Enquiry of the audit and governance committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit results report - Audit and Governance Committee. November 2025
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit results report - Audit and Governance Committee. November 2025

Appendix A – Required communications with the Audit and Governance Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit results report - Audit and Governance Committee, November 2025
System of quality management	<ul style="list-style-type: none"> How the system of quality management (SQM) supports the consistent performance of a quality audit 	Audit results report - Audit and Governance Committee, November 2025
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit results report - Audit and Governance Committee, November 2025
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor's report 	Audit results report - Audit and Governance Committee, November 2025
Use of statutory powers	<ul style="list-style-type: none"> Identification of issues that are likely to lead to a form of public reporting, including: <ul style="list-style-type: none"> Statutory recommendations Public interest reporting Referral of matters to the Secretary of State and NHS England 	Audit results report - Audit and Governance Committee, November 2025

Appendix B – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Review of updated annual report and accounts	Review of the updated financial statements and consistency check of the financial and non-financial information in the Annual Report	EY
Review of final signed accounts	Receipt and checking of final signed accounts	EY and management
Management representation letter	Receipt of signed management representation letter	Management and Audit and Governance Committee
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Pension Fund Annual Report and Accounts. At this point no issues have emerged that would cause us to modify our opinion. A draft of the current opinion is included in Section 03.

Appendix C – Management representation letter

Draft management representation letter

Management Rep Letter

Simon Mathers
Ernst & Young LLP
Grosvenor House,
Grosvenor Square,
Southampton
SO15 2BE

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This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire Pension Fund (“the Fund”) for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2025, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of the Fund’s financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

- A. Financial Statements and Financial Records**
 1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and for keeping records in respect of contributions received in respect of active members of the Fund.
 2. We confirm that the Fund is a Registered Pension Fund. We are not aware of any reason why the tax status of the Fund should change.
 3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements and the Summary of Contributions. We believe the financial statements referred to above give a true and fair view of the financial transactions and the financial position of the Fund in accordance with applicable law the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
 4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
 5. As members of management of the Fund we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that are free from material misstatement, whether due to fraud or error.
 6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.
- B. Non-compliance with laws and regulations, including fraud**
 1. We acknowledge that we are responsible to determine that the Fund’s activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

Appendix C – Management representation letter (cont'd)

Draft management representation letter

Management Rep Letter

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2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have not made any reports to the Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.
5. There have been no other communications with the Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.
7. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Fund (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund's financial statements
 - Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund's business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. You have been informed of all changes to the Fund rules.
3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect on the financial statements.
5. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting as published online on the Oxfordshire County Council's website at the date of this letter.
6. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

Appendix C – Management representation letter (cont'd)

Draft management representation letter

Management Rep Letter

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7. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
8. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
9. No transactions have been made which are not in the interests of the Fund members or the Fund during the year or subsequently.
10. From 10 February 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 22 to the financial statements all guarantees that we have given to third parties.

E. Subsequent Events

There have been no events subsequent to the period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report on pages 1 to [x], other than the financial statements, the auditor's report and the statement about contributions.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Advisory Reports

We have not commissioned any advisory reports which may affect the conduct of your work in relation to the Fund's financial statements and schedule of contributions/payment schedule.

H. Independence

As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

I. Derivative Financial Instruments and Pooling investments, including the use of collective investment vehicles and shared services

1. We confirm that the Fund has made no direct investment in derivative financial instruments.
2. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

Appendix C – Management representation letter (cont'd)

Draft management representation letter

Management Rep Letter

J. Actuarial valuation

The latest report of the actuary Hyman Robertson as at 31 March 2022 and dated 31 March 2023 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

K. Estimates

Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgments made in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate.
3. We confirm that the significant assumptions used in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate appropriately reflect our intent and ability to carry out on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the Level 2 and 3 Investment Asset Valuations and Actuarial Present Value of Promised Retirement Benefits Estimate.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements.

L. Use of the Work of a Specialist

We agree with the findings of the specialists that we have engaged to calculate Actuarial Present Value of Promised Retirement Benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Going Concern

Based on our assessment of going concern, the details of which have been shared with you, we confirm that we are not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered as well as the impact resulting from the commitments made by the Fund in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with any statements we have made in the other information or other public communications made by us.

Appendix C – Management representation letter (cont'd)

Draft management representation letter

Management Rep Letter

Yours faithfully,

Lorna Baxter - Executive Director of Resources and Section 151 Officer

Councillor Ted Fenton - Chair of the Audit & Governance Committee

xx December 2025

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EY | Building a better working world

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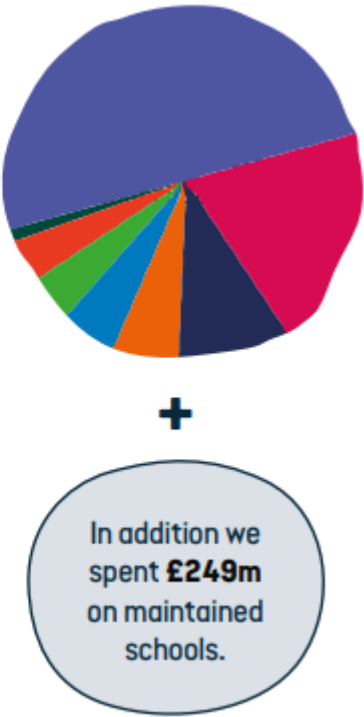
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The County Council’s accounts set out how much money we have spent on services, what we have invested in capital projects, how we have funded the expenditure, and what assets we own.

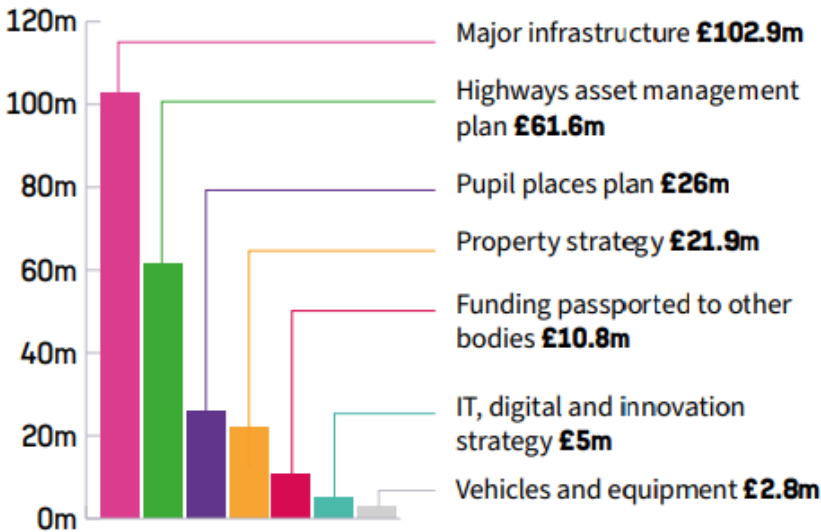
Review of 2024/25

What services the money was spent on - £1,096m

- 50% Adult and children’s social care
- 20% Education and learning
- 10% Highways, transport and infrastructure
- 8% Capital borrowing and other financial costs (eg contingency and reserves)
- 3% Public health improvement and prevention services
- 4% Waste disposal and recycling
- 4% Fire and rescue and community safety
- 1% Libraries, culture and customer service



What the Capital Programme was spend on - £231m



The Council set a net revenue budget for the year of £613.5m to finance day to day service provision. Actual net revenue spending for the year after transfers to earmarked reserves was £600.6m, £12.8m lower than had been budgeted. This means that the County Fund balance has increased by £3.3m from £41.9m at the beginning of the financial year to £45.2m at 31 March 2025. The Provisional Outturn Report contains detailed explanations of the Directorate Outturn and was presented to Cabinet on 17 June 2025.

Summary Statement of Accounts 2024/25

Band	A	B	C	D	E	F	G	H
2024/25	£1,213.71	£1,415.99	£1,618.28	£1,820.56	£2,225.13	£2,629.70	£3,034.27	£3,641.12
2023/24	£1,156.02	£1,348.69	£1,541.36	£1,734.03	£2,119.37	£2,504.71	£2,890.05	£3,468.06
				Gross Expenditure £m	Income £m	Net Expenditure £m		
Cost of services				1,348.9	-578.7	770.2		
Other operating expenditure				20.9	-4.3	16.6		
Financing and investment income and expenditure				22.7	-44.9	-22.2		
Taxation and non-specific grant income				0	-804.4	-804.4		
Deficit on provision of services				1,392.4	-1,432.3	-39.8		
Adjustments between accounting & funding basis						26.9		
Transfers from earmarked reserves						9.6		
Total adjustments and transfers						36.5		
Increase in County Fund balance for the year						-3.3		

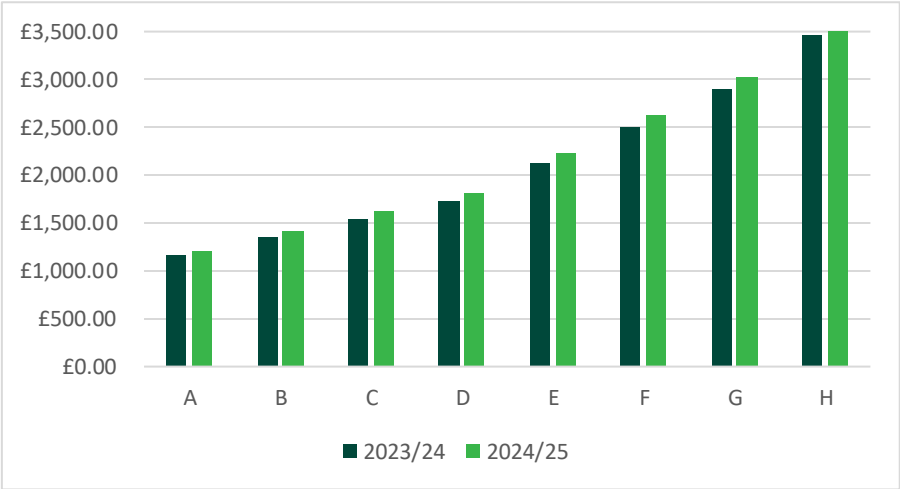
Summarised Revenue

The adjustments between accounting basis and funding basis are those items that regulations require to be added to or removed from the surplus/deficit on provision of services to determine the amount chargeable against the County Fund balance (i.e. to Council Tax).

County Fund Balance	£m
Balance at start of year (1 April 2023)	41.9
Increase in year	3.3
Balance at end of year (31 March 2024)	45.2

Our Council Tax Funding

This graph shows how much Council Tax for County Council services was charged for each property band in 2023/24 and 2024/25. Band D Council Tax increased by 4.99% compared to 2023/24, 2.99% relating to the general council tax and 2% for the Adult Social Care precept.



Capital Investment

We also spent money on improving the council’s assets...

Spending...	£m	Paid for by...	£m
Pupil Places Plan	26.0	Grants & contributions	174.0
Major Infrastructure	102.9	Borrowing	53.7
Highways Asset Management Plan	61.6	Revenue	3.3
Property and Investment	21.9	Capital Receipts	0.0
ICT Strategy	5.0		
Passport Fund	10.8		
Vehicle and Equipment	2.8		

231.1	231.1
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Some of the larger capital schemes that have benefited the community include:

ZEBRA Zero Emission Bus Reg Areas	£23.5m
Surface Treatments Programme Budget	£11.8m
HIF1 Culham River Crossing	£8.7m
BCF Disabled Facilities Grant	£8.2m
A4095-B4100 Roundabout NW Bicester	£7.8m
HIF1 Clifton Hampden bypass	£7.8m
ED965 Grove Airfield - New Secondary	£7.5m
Street Light LED replacement	£6.4m
Access to Witney (Shore Green)	£6.4m
Carriageways Programme Budget	£6.2m
HIF 2 - A40 Eynsham to Wolvercote	£5.7m

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Summarised Balance Sheet as at 31 March 2025

The balance sheet shows the Council's financial position at 31 March 2025, the end of the 2024/25 financial year. It is a snapshot of what we own, what we owe and how this is funded. The balance sheet includes the council’s estimated pensions’ liabilities as at 31 March 2025. This is a snapshot position and is likely to fluctuate year on year.

Net Assets:	£m	Financed by:	£m
Long-term assets	1,528.7	Earmarked Reserves	254.5
Cash and short-term investments	453.6	Other usable reserves	266.4
Money owed to the Council	134.4	Unusable reserves	641.6
Money owed by the Council	-170.5		
Borrowing	-274.7		
Pensions and other liabilities	-295.1		
Capital grants and contributions	-213.9		
Total assets less total liabilities	1,162.5	Net Liabilities	1,162.5

Earmarked Reserves

The Council’s earmarked reserves that have been set aside for agreed purposes and are available to be spent in future years as at 31 March 2024 are as follows:

	2023/24 £m	2024/25 £m
Schools	13.1	10.7
Capital investment	81.0	109.6
Insurance	10.3	10.6
Budget Prioritisation	10.7	11.0
Grants and Contributions	33.6	30.7
Other reserves	61.5	81.9
	210.2	254.5

	2023/24 £m	2024/25 £m
County Fund balance	42.0	45.3
Capital investment balances	255.0	221.2
	297.0	266.5

Cash Flow

The cash flow summary shows the total cash inflows and outflows during the year and includes both capital and revenue transactions

	£m
Cash in hand at 1 April 2024	41.8
Net Movement	5.0
Cash in hand at 31 March 2025	46.8

Other Usable Reserves

The Council’s other usable reserves as at 31 March 2025 are as follows:

The Outlook

The Council’s Financial Strategy for 2025/26, agreed in February 2025, highlighted upcoming changes to local government funding from 2026/27. The Government plans to reform the funding system to better reflect current needs and local resources.

The Strategy warned that the Council could face a funding reduction of £20m–£45m over two to three years from 2026/27, requiring significant savings to balance the budget.

A consultation on the Fair Funding Review 2.0 opened on 20 June 2025 and closes on 15 August 2025. Final funding details for 2026/27 are expected later this year. In the meantime, the Council is exploring options to manage the potential impact through the 2026/27 budget process.

For 2025/26, spending is forecast to remain within budget. Additional income from interest on cash balances has supported one-off priorities, including transformation. The budget also includes a £7.3m contingency: £4.7m for demand risk, £1.7m for unachieved savings, and £0.9m for other risks.

General Balances remain at a risk-assessed level of £30.2m, equivalent to 4.7% of the net revenue budget.

However, rising demand and inflation in High Needs spending continue to outpace achievable savings. Even with the Deficit Management Plan, the High Needs deficit is projected to reach £119.2m by 31 March 2026. A White Paper on SEND reform is expected later this year, but further details are still awaited.

Oxfordshire County Council Pension Fund

The County Council is the administering authority for the Oxfordshire Local Government Pension Fund.

Fund Summary at 31 March 2025		Net Assets Statement at 31 March 2025	
	£m		£m
Opening net assets at 1 April	3,541.4	Net value of investments	3,572.9
Net expenditure from dealings with fund members	-4.3	Net money owed to the pension fund	76.9
Net returns on investments	112.9	Long Term Assets	0.2
Closing net assets at 31 March 2025	3,650.0	Net assets of the pension fund at 31 March 2025	3,650.0

There were 22,462 contributing members to the fund at 31 March 2025, and 20,448 pensions were paid. Contribution rates for 2024/25 were based on the valuation of the Scheme's financial position as at 31 March 2022.

Pension Fund Annual Report

The Pension Fund annual report can be downloaded from the County Council's website at: www.oxfordshire.gov.uk.

Fire-fighters Pension Fund

Separate fire-fighters pension fund accounts are included in the County Council's Statement of Accounts. The scheme has no assets and the surplus or deficit on the pension fund account is paid to/met by central government.

Status of Accounts

The County Council's accounts are prepared in accordance with the Code of Practice on Local Authority Accounting. This summary is taken from the draft Statement of Accounts authorised for issue on 31 May 2019 which are subject to audit.

What do you think?

If you have any questions or suggestions as to how we could improve these summary accounts, please send them to accounts@oxfordshire.gov.uk.

Glossary of Terms

Asset	Something the County Council owns and can be either long term or current.
Balance Sheet	A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities.
Capital Asset	A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.
Capital Expenditure	Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.
Capital Investment	Investment in assets that will be used for more than one year, e.g. buildings or roads.
Capital Investment Balances	Capital grants and contributions and capital receipts reserves that will be used to fund capital expenditure in future years.
Capital Receipts	Receipts from the sale of capital assets.
Cash Flow	The movement of money into or out of the County Council during the year.
County Fund	The main revenue fund of the County Council into which Council Tax income and Government grants are paid and from which day-to-day payments are made.
Financial Year	The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.
Financing and Investment Income and Expenditure	This mainly comprises interest charges, for example on borrowing, and interest earned on investments.
General Revenue Government Grants	These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.
Liabilities	Amounts owed by the County Council which will be paid some time in the future.
Long Term Assets	Capital assets, long-term investments and money owed to the Council over the long-term.
Non- Domestic Rate	A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.
Net Operating Expenditure	The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.
Non-specific Grant Income	Grant income from general revenue government grants and capital grants and contributions.
Provision	An amount of money put aside in the accounts for anticipated liabilities, which cannot be accurately estimated e.g. insurance provision for claims awaiting resolution.
Reserves	Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.
Revenue Expenditure	The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.
Specific Grants	Grants paid by the government towards either revenue or capital to support the cost of specific services.
Unusable Reserves	Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it must be funded.

**DRAFT Letter of Representations
2024/25**

**Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND**

Simon Mathers
Ernst & Young LLP
Grosvenor House
Grosvenor Square
Southampton
SO15 2BE

**Lorna Baxter
Executive Director of
Resources and Section 151
Officer**

Date to be confirmed

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Dear Simon

This letter of representations is provided in connection with your audit of the financial statements of Oxfordshire County Council ("the Council") for the year ended 31 March 2025. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Council financial position of Oxfordshire County Council as of 31 March 2025 and of its income and expenditure for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
2. We acknowledge, as members of management of the Council, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Council in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The material accounting policy information adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Council, we believe that the Council has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have not corrected these differences identified by and brought to the attention from the auditor because [specify reasons for not correcting misstatement].
6. We confirm the Council does not have securities (debt or equity) listed on a recognised exchange.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Council's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal control to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - involving financial improprieties;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Council and committees of the Council and Audit & Governance Committee meeting held through the period to the most recent meeting at the date of this report.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom
6. 2024/25.

7. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
8. From 10 February 2025 through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note 58 to the financial statements all guarantees that we have given to third parties.
4. The claim by [name of claimant] have been settled for the total sum of XXX which has been properly accrued in the financial statements. No other claims in connection with litigation have been or are expected to be received.

E. Going Concern

1. Note 1 to the financial statements discloses all the matters of which we are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than major fire in Bicester as described in Note 59 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Statement and the Annual.
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Climate-related matters

1. We confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered: including the impact resulting from the commitments made by the Council, and reflected in the financial statements.
2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, aligned with the statements we have made in the other information or other public communications made by us.

I. Ownership of Assets

1. Except for assets capitalised under finance leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.
2. The agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.

J. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

K. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of Property, Plant and Equipment, Investment Property, IAS 19 Pension Liability and Financial Instruments and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

L. Estimates

Valuation of property, plant and equipment and investment property

1. We confirm that the significant judgments made in making the valuation of land and buildings classified as property, plant and equipment, and investment property have taken into account all relevant information of which we are aware.

2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of land and buildings classified as property, plant and equipment and investment property.
3. We confirm that the significant assumptions used in making the valuation of land and buildings classified as property, plant and equipment and investment property appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimates, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of property, plant and equipment and investment property.
6. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements.

Pension liability

1. We confirm that the significant judgments made in making the valuation of the pension liability have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the pension liability.
3. We confirm that the significant assumptions used in making the valuation of the pension liability appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the pension liability.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

Service concession liability (PFI)

1. We confirm that the significant judgments made in making the valuation of the service concession liability have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of the service concession liability
3. We confirm that the significant assumptions used in making the valuation of the service concession liability appropriately reflect our intent and ability to carry out these valuations on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty, are complete and are reasonable in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.
5. We confirm that appropriate specialized skills or expertise has been applied in making the valuation of the service concession liability.
6. We confirm that no adjustments are required to the accounting estimate and disclosures in the financial statements.

Yours faithfully,

-

Lorna Baxter - Executive Director of Resources and Section 151 Officer

Date to be confirmed

Councillor Roz Smith - Chair of the Audit & Governance Committee

Date to be confirmed

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AUDIT & GOVERNANCE COMMITTEE – 26 NOVEMBER 2025

TREASURY MANAGEMENT MID-TERM REVIEW 2025/26

Report by Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the council's treasury management activity for the first half of 2025/26 and recommend Council to note council's treasury management activity in the first half of 2025/26.**

Executive Summary

1. 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."
2. 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 second for the 2025/26 financial year and sets out the position at 30 September 2025.
3. Throughout this report, the performance for the first half of the year to September 2025 is measured against the budget agreed by Council in February 2025.
4. As at 30 September 2025, the council's outstanding debt totalled £270m and the average rate of interest paid on long-term debt during the 6 months was 4.41%. No new external borrowing was raised during the first half of the year, 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.
5. The [Treasury Management Strategy for 2025/26](#) agreed in February 2025 assumed an average base rate of 4.00%.
6. 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%.
7. During the six months to 30 September 2025 the council achieved an average in-house return of 4.60% on average cash balances of £447.966m, producing gross interest receivable of £9.896m. In relation to external funds, the return for the six

months was £2.004m, bringing total investment income to £11.900m. This compares to budgeted investment income of £6.771m, giving a net overachievement of £5.129m.

8. At 30 September 2025, the council's investment portfolio totalled £490.582m. This comprised £356.500m of fixed term deposits, £32.972m at short term notice in money market funds and £101.110m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 September 2025.

Treasury Management Activity

Debt Financing & Maturing Debt

9. The strategy for long term borrowing agreed in February 2025 included the option to fund new or replacement borrowing up to the value of £300m through internal borrowing. The aim was to reduce the council's exposure to credit risk and reduce the long-term cost of carry (difference between borrowing costs and investment returns).
10. The council is able to borrow from the Public Works Loan Board (PWLB) or through the money markets. Because inflation has been higher than the Bank of England target bond yields, and therefore PWLB rates, remain high. Average CPI inflation for the first half of the year was 3.65%, which was significantly above the target of 2%. The expectation is that as inflation falls, PWLB rates should reduce over the medium term. Given the forecast for borrowing rates, the strategy for 2025/26 assumes no new external borrowing during the year, with any increase in the capital financing requirement met through internal borrowing. The exception to this being the council actively considering raising further funding through a second community municipal investment.
11. As at 30 September 2025, the authority had 41 PWLB loans totalling £239.383m, five LOBO loans totalling £25m and two money market loans totalling £5.5m. The average rate of interest paid on PWLB debt was 4.47% and the average cost of LOBO debt for the first half of 2025/26 was 3.84%. The cost of debt on the money market loan was 3.99%. The combined weighted average for interest paid on long-term debt was 4.41%. The council's debt portfolio as at 30 September 2025 is shown in Annex 1.
12. The council repaid £2m of maturing PWLB loans in the first half of the year. The weighted average interest rate payable on the matured loans was 4.25%. No LOBO¹ loans have been called and repaid in 2025/26. The forecast outturn for interest payable in 2025/26 is £11.887m.

¹ LOBO (Lender's Option/Borrower's Option) Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.

Investment Strategy

13. The council holds deposits and invested funds representing income received in advance of expenditure plus balances and reserves. The guidance on Local Government Investments in England gives priority to security and liquidity and the council's aim is to achieve a yield commensurate with these principles. The council continued to adopt a cautious approach to lending to financial institutions and continuously monitored credit quality information relating to counterparties.
14. During the first half of the financial year term fixed deposits have been placed with other local authorities as per the approved lending list, whilst Money Market Funds have been utilised for short-term liquidity. Inter local authority lending remains an attractive market to deposit funds from both a security and return view point.
15. The Treasury Management Strategy Statement and Annual Investment Strategy for 2025/26 included the use of external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the council's in-house investment performance over a rolling three-year period. The strategy permitted up to 50% of the total portfolio to be invested with external fund managers and pooled funds (excluding Money Market Funds). The performance of the pooled funds will continue to be monitored by the Treasury Management Strategy Team (TMST) throughout the year against respective benchmarks and the in-house portfolio.
16. At the start of the year the UK Bank Rate was 4.50% which was in line with the forecast. The Bank of England cut rates by 0.25% in May 2025 to 4.25%, and again in August to 4.00%. The market is forecasting that the base rate will continue to reduce to between 3.75% and 3.50% by the end of 2025/26.

The Council's Lending List

17. In-house cash balances are deposited with institutions that meet the council's approved credit rating criteria. The approved lending list, which sets out those institutions, is updated to reflect changes in bank and building society credit ratings. Changes are reported to Cabinet as part of the Business Management & Monitoring Report. The approved lending list may also be further restricted by officers, in response to changing conditions and perceived risk. There were no changes to the lending list during the first quarter of 2025/26.

Investment Performance

18. Temporary surplus cash balances include: developer contributions; council reserves and balances; and various other funds to which the council pays interest at each financial year end. The budgeted annual return on these in-house balances for 2025/26 was 3.25% and assumed an average annual in-house cash balance of £303.534m.

19. The actual average daily balance of temporary surplus cash invested in-house was £447.966m for the first half of 2025/26 and the average in-house return was 4.60%, producing gross interest receivable of £9.896m. Gross distributions from pooled funds totalling £2.004m were also realised in the quarter, bringing total investment income to £11.900m. This compares to budgeted investment income of £6.771m, giving a net overachievement of £5.129m. This over achievement is a combination of higher than forecast balances, base rate forecasts remaining higher than previous forecasts, and a decoupling of the local to local lending market from the remainder of the money market. The local to local lending market is more aligned to the gilt market, which remains elevated as a result of persistently high inflation. As set out in Business Management & Monitoring Report to Cabinet in October 2025, £1.5m of the forecast additional income has been included in the forecast revenue position for 2025/26 and is offsetting service overspends. The use of the remainder will be considered later in the financial year or as part of the budget process for 2026/27.
20. Cash balances for the year are forecast to be lower than they otherwise would be as a result of negative Dedicated Schools Grant (DSG) balances relating to High Needs. As set out in the Business Management & Monitoring Report to Cabinet in October 2025, the negative DSG balance is forecast to be £153.4m as at 31 March 2026. Because this expenditure is currently unfunded it is suppressing the amount of cash balances held by the council. This would have an estimated opportunity cost of £6.14m in unearned interest during 2025/26.
21. The council operates a number of instant access call accounts and money market funds to deposit short-term cash surpluses. During the first quarter of 2025/26 the average balance held on instant access was £85.903m, at an average rate of 4.28%.
22. At 30 September 2025 the total value of pooled fund investments was £101.110m. This has increased from the reported value of £97.919m at 31 March 2025.
23. At 30 September 2025, the council's investment portfolio totalled £490.582m. This comprised £356.500m of fixed term deposits, £32.972 at short term notice in money market funds and £101.110m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 September 2025.
24. The council's Treasury Management Strategy Team regularly monitors the risk profile of the council's investment portfolio. An analysis of the credit and maturity position of the portfolio at 30 September 2025 is included at Annex 4.

Prudential Indicators for Treasury Management

25. During the first two quarters of the year, the council operated within the treasury limits and Prudential Indicators set out in the council's Treasury Management Strategy for 2025/26. The position for the Prudential Indicators as at 30 September 2025 is shown in Annex 3.

Financial Implications

26. This report is mostly concerned with finance and the implications are set out in the main body of the report. The impact of additional interest on cash balances and income from investments is reflected in the forecast position set out in the Business Management & Monitoring Reports to Cabinet. The use of further funding to support the council's capital programme will be considered through the budget process for 2026/27.

Comments checked by:

Kathy Wilcox, Head of Corporate Finance, kathy.wilcox@oxfordshire.gov.uk

Legal Implications

27. The report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003. There are no other legal implications.

Comments checked by:

Jay Akbar, Head of Legal and Governance Services,
jay.akbar@oxfordshire.gov.uk

Staff Implications

28. There are no staffing implications arising from the updates set out in this report

Equality & Inclusion Implications

29. There are no equality or inclusion implications arising from the report.

Sustainability Implications

30. This report is not expected to have any negative impact with regards to the Council's zero carbon emissions commitment by 2030.

Risk Management

31. The purpose of treasury management is the management of the council'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 Prudential Code

32. Prudential indicators and credit criteria are agreed by Council each year as part of the Treasury Management Strategy.
33. The credit quality of institutions, changes in the interest rate forecast, cash flow, and prudential indicators are monitored throughout the year and reported monthly to the TMST and quarterly to the council's Audit & Governance Committee, Cabinet and Council.

LORNA BAXTER

Executive Director of Resources & Section 151 Officer

Annex: Annex 1 – Oxfordshire County Council Debt Financing
2024/25

Annex 2 – Long Term Debt Maturing 2025/26

Annex 3 – Prudential Indicator Monitoring to 30 September 2025

Annex 4 – Oxfordshire County Council Investment Portfolio at 30 September 2025

Background papers: [Treasury Management Strategy for 2025/26](#)

Contact Officer: Tim Chapple, Treasury Manager, 07917 262935,
tim.chapple@oxfordshire.gov.uk

October 2025

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2025/26

<u>Debt Profile</u>		£m
1. PWLB	49%	241.38
2. Other Long Term Loans	6%	<u>30.50</u>
3. Sub-total External Debt		271.88
4. Internal Balances	45%	<u>218.33</u>
5. Actual Debt at 31 March 2025	100%	490.21
6. Prudential Borrowing		85.17
7. Borrowing in Advance		0.00
8. Minimum Revenue Provision		<u>-16.38</u>
9. Forecast Debt at 31 March 2026		559.00
<u>Maturing Debt</u>		
10. PWLB loans maturing during the year		-2.00
11. PWLB/LOBO Loans repaid prematurely		<u>0.00</u>
12. Total Maturing Debt		-2.00
<u>New External Borrowing</u>		
13. PWLB Normal		0.00
14. PWLB loans raised in the course of debt restructuring		0.00
15. Money Market loans		<u>0.00</u>
16. Total New External Borrowing		0.00
<u>Debt Profile Year End</u>		
17. PWLB	43%	239.38
18. Money Market loans (incl £25m LOBOs)	5%	<u>30.50</u>
19. Forecast Sub-total External Debt		269.88
20. Forecast Internal Balances	52%	<u>289.12</u>
21. Forecast Debt at 31 March 2026	100%	559.00

Line Explanation

- 1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 2025). The PWLB is a government agency operating within the Debt Management Office. LOBO (Lender's Option/ Borrower's Option) loans are long-term loans, with a maturity of up to 60 years, which includes a re-pricing option for the bank at predetermined time intervals. Internal balances include provisions, reserves, revenue balances, capital receipts unapplied, and excess of creditors over debtors.
- 6 'Prudential Borrowing' is borrowing taken by the authority whereby the associated borrowing costs are met by savings in the revenue budget.
- 7 'Borrowing in Advance' is the amount the Council borrowed in advance to fund future capital finance costs.
- 8 The amount of debt to be repaid from revenue. The sum to be repaid annually is laid down in the Local Government and Housing Act 1989, which stipulates that the repayments must equate to at least 4% of the debt outstanding at 1 April each year.
- 9 The Council's forecast total debt by the end of the financial year, after taking into account new borrowing, debt repayment and movement in funding by internal balances.
- 10 The Council's normal maturing PWLB debt.
- 11 PWLB/LOBO debt repaid early during the year.
- 12 Total debt repayable during the year.
- 13 The normal PWLB borrowing undertaken by the Council during 2025/26.
- 14 New PWLB loans to replace debt repaid early.
- 15 The Money Market borrowing undertaken by the Council during 2025/26
- 16 The total external borrowing undertaken.
- 18-22 The Council's forecast debt profile at the end of the year.

Long-Term Debt Maturing 2025/26**Public Works Loan Board: Loans maturing during 2025/26**

Date	Amount £m	Rate %
30/04/2025	2.000	4.250%
Total	2.000	

LOBO Loans called & repaid during 2025/26

Date	Amount £m	Rate %
Total		

Prudential Indicators Monitoring at 30 September 2025

The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. To demonstrate that the Authority has fulfilled the requirements of the Prudential Code the following indicators must be set and monitored each year.

Authorised and Operational Limit for External Debt

Actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below. The Operational Boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The council confirms that the Operational Boundary has not been breached during the third quarter of 2025/26.

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The Authorised Limit was not breached in the in the third quarter of 2025/26 and is not expected to be breached by year end.

Authorised limit for External Debt	£610,000,000
Operational Limit for External Debt	£595,000,000
Capital Financing Requirement for year	£559,201,000

	Actual 31/03/2025	Forecast 31/03/2026
Borrowing	£271,882,618	£269,882,618
Other Long-Term Liabilities	£ 836,000	£ 836,000
Total	£272,718,618	£270,718,618

Interest Rate Exposures

These indicators are set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures. Fixed rate investments are borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Fixed Interest Rate Exposure

Fixed Interest Net Borrowing limit	£350,000,000
Actual at 30 September 2025	-£111,617,382

Variable Interest Rate Exposure

Variable Interest Net Borrowing limit	£0
Actual at 30 September 2025	-£108,246,019

Principal Sums Invested over 365 days

Total sums invested for more than 364 days limit	£150,000,000
Actual sums invested for more than 364 days	£ 25,000,000

Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing and the actual structure at June 2025, are shown below. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

	Limit %	Actual %
Under 12 months	0 - 20	5.22
12 – 24 months	0 - 25	15.23
24 months – 5 years	0 - 35	11.37
5 years to 10 years	5 - 40	24.08
10 years +	25 - 95	44.09

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 30/09/2025

Fixed term deposits held at 30/09/2025

Counterparty	Principal Deposited	Maturity Date
Surrey Heath Borough Council	£5,000,000.00	01/10/2025
Surrey Heath Borough Council	£5,000,000.00	02/10/2025
Bradford Metropolitan District Council	£5,000,000.00	06/10/2025
Surrey Heath Borough Council	£5,000,000.00	08/10/2025
West Dunbartonshire Council	£5,000,000.00	14/10/2025
Aberdeen City Council	£5,000,000.00	28/10/2025
Fife Council	£5,000,000.00	30/10/2025
Wakefield Council	£5,000,000.00	30/10/2025
Kingston Upon Hull City Council	£5,000,000.00	04/11/2025
Aberdeen City Council	£5,000,000.00	06/11/2025
North East Lincolnshire Council	£5,000,000.00	21/11/2025
Worthing Borough Council	£5,000,000.00	21/11/2025
Bradford Metropolitan District Council	£5,000,000.00	21/11/2025
Conwy County Borough Council	£5,000,000.00	21/11/2025
Moray Council	£5,000,000.00	24/11/2025
Fife Council	£5,000,000.00	02/12/2025
Ashford Borough Council	£5,000,000.00	08/12/2025
The Highland Council	£3,000,000.00	10/12/2025
High Peak Borough Council	£2,500,000.00	18/12/2025
Staffordshire Moorlands District Council	£2,500,000.00	18/12/2025
Aberdeen City Council	£5,000,000.00	06/01/2026
Police and Crime Commissioner for Merseyside	£5,000,000.00	07/01/2026
Leeds City Council	£10,000,000.00	12/01/2026
Wrexham County Borough Council	£5,000,000.00	14/01/2026
Aberdeen City Council	£5,000,000.00	29/01/2026
West Dunbartonshire Council	£10,000,000.00	26/02/2026
Wrexham County Borough Council	£5,000,000.00	27/02/2026
London Borough of Newham Council	£5,000,000.00	11/03/2026
London Borough of Newham Council	£10,000,000.00	30/03/2026
Gravesham Borough Council	£7,500,000.00	01/04/2026
Police and Crime Commissioner for Lancashire	£5,000,000.00	02/04/2026
Great Yarmouth Borough Council	£5,000,000.00	22/04/2026
Eastleigh Borough Council	£6,000,000.00	22/04/2026
Plymouth City Council	£5,000,000.00	24/04/2026
Eastleigh Borough Council	£5,000,000.00	08/05/2026
Surrey County Council	£10,000,000.00	08/05/2026
Darlington Borough Council	£5,000,000.00	11/05/2026
Blackpool Council	£5,000,000.00	12/05/2026

Counterparty	Principal Deposited	Maturity Date
Monmouthshire County Council	£5,000,000.00	12/05/2026
Central Bedfordshire Council	£5,000,000.00	12/05/2026
Isle of Wight Council	£5,000,000.00	18/05/2026
Central Bedfordshire Council	£5,000,000.00	20/05/2026
Sefton Metropolitan Borough Council	£5,000,000.00	27/05/2026
Ashford Borough Council	£5,000,000.00	28/05/2026
Rotherham Metropolitan Borough Council	£5,000,000.00	28/05/2026
Cheshire East Council	£5,000,000.00	29/05/2026
London Borough of Newham Council	£5,000,000.00	01/06/2026
London Borough of Haringey Council	£5,000,000.00	01/06/2026
Manchester City Council	£5,000,000.00	02/06/2026
Cheshire East Council	£5,000,000.00	02/06/2026
Manchester City Council	£5,000,000.00	10/06/2026
South Ayrshire Council	£5,000,000.00	17/06/2026
Plymouth City Council	£5,000,000.00	17/06/2026
Isle of Wight Council	£5,000,000.00	24/06/2026
West Dunbartonshire Council	£5,000,000.00	01/07/2026
Plymouth City Council	£5,000,000.00	02/07/2026
Blackpool Council	£5,000,000.00	13/07/2026
Cheshire East Council	£10,000,000.00	13/07/2026
Bury Metropolitan Borough Council	£5,000,000.00	30/07/2026
Derbyshire County Council	£5,000,000.00	25/08/2026
Blaenau Gwent County Borough Council	£5,000,000.00	28/08/2026
Kingston Upon Hull City Council	£5,000,000.00	03/09/2026
Short Term Deposit Total	£331,500,000.00	
Counterparty	Principal Deposited	Maturity Date
Kirklees Council	£5,000,000.00	22/01/2027
Kirklees Council	£5,000,000.00	17/03/2027
Worcestershire County Council	£5,000,000.00	17/12/2027
Worcestershire County Council	£5,000,000.00	23/12/2027
Falkirk Council	£5,000,000.00	31/01/2028
Long Term Deposit Total	£25,000,000.00	
Total Deposits	£356,500,000.00	

Money Market Funds

Counterparty	Balance at 30/09/2025 period	Notice
Aberdeen Liquidity Fund	£50,000.00	Same day
Goldman Sachs Sterling Liquid Fund	£0.00	Same day
Deutsche Sterling Liquid Fund	£27,890.84	Same day
Federated Sterling Liquidity Funds	£7,700,000.00	Same day
Legal & General Sterling Liquidity Fund	£25,081,499.61	Same day
CCLA Public Sector Deposit Fund	£5,619.88	Same day
Morgan Stanley Sterling Liquid Fund	£100,000.00	Same day
Insight GBP Liquidity Fund	£0.00	Same day
JP Morgan Sterling Liquidity Fund	£4,585.26	Same day
Total	£32,969,595.59	

Notice / Call Accounts

Counterparty period	Balance at 30/09/2025 (£)	Notice
Handlesbanken	£2,389.13	Same day
Total	£2,389.13	

Strategic Bond Funds

Fund period	Balance at 30/09/2025	Notice
Threadneedle strategic bond fund (income)	£12,645,423.58	4 days
Threadneedle Global Equity Income Fund	£18,047,910.10	4 days
Kames Diversified Income	£9,773,911.43	4 days
Ninety One Diversified Income	£9,117,011.11	4 days
M&G Strategic Corporate Bond Fund	£11,100,231.08	4 days
Schroder Income Maximiser	£12,412,962.90	4 days
CCLA Better World Cautious Fund	£4,627,979.37	4 days
Total	£77,725,429.56	

Property Funds

Fund Notice period	Balance at 30/09/2025 (£)	
CCLA Local Authorities Property Fund	£23,384,604.36	6 Monthly
Total	£23,384,604.36	

Summary of Investments as at 30/09/2025

Term Deposits	£356,500,000.00
Money Market Funds	£32,969,595.59
Notice & Call Accounts	£2,389.13
Subtotal Short Term Notice	32,971,984.70
Pooled Funds	£77,725,429.56
Property Funds	£23,384,604.36
Subtotal Pooled & Property Funds	101,110,033.92
Total Investments	£490,582,018.64

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AUDIT & GOVERNANCE COMMITTEE 26 November 2025

COUNTER FRAUD UPDATE

Report by Executive Director of Resources

RECOMMENDATION

1. The Committee is **RECOMMENDED** to note the summary of activity against the Counter Fraud Plan for 2025/26.

Executive Summary

2. This report presents a summary of activity against the Counter Fraud Plan for 2025/26, presented to the July 2025 Audit & Governance committee meeting. The Counter Fraud plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has proportionate and effective resources and controls in place to prevent and detect fraud as well as investigate those matters that do arise.

Counter Fraud Team Update

3. **Counter Fraud Service Resources Update**
 - As reported to the July 2025 meeting, the Counter Fraud Team comprises of a Counter Fraud Team Manager, Senior Counter Fraud Officer, Intelligence & Data Officer and an Assistant Counter Fraud Officer.
 - As noted in previous updates, the Counter Fraud team receive, log and triage all whistleblowing reports. The Chief Internal Auditor and Counter Fraud Team Manager meet with the Director of Law & Governance regularly to review, discuss and progress all whistleblowing investigations.
4. **Case Figures 2025/26 (at end of October 2025):**

Indicator	Value
New Cases 2025/26 (April – end of October 2025)	11 cases
Current open cases (by year)	2025/26: 8 2024/25: 9

With the Police	2023/24: 1 For 3 cases, the Team are currently in liaison with the police.
New Cases by type	Blue Badge: 1 Bus Pass: 1 Contractor: 2 Employee: 5 Financial Abuse: 1 Insurance: 1
New Cases by referral source	Employee / Internal Control: 10 External: 1

Since July 2025, **11 cases have been resolved** with the following outcomes:

- Three blue badge misuse cases: Two resulted in successful criminal prosecutions, and one resulted in a warning letter being issued to the badge user.
- One concessionary bus pass case, where it was determined that fraud had not taken place following an investigation.
- One case where control improvements were required around portable assets.
- One multiple employment case closed where no fraudulent activity was identified, however was referred to HR for further investigation due to breaches with employee policy, resulting in dismissal of the employee.
- One case of alleged misuse of Council equipment by an employee, where it was determined that fraud had not been committed, but control improvements were identified and agreed.
- One financial assessment case where an investigation concluded that the Council had been supplied with incorrect information about the residency of a service user's family member, resulting in a full civil recovery of £56,872.
- One direct payment case, where an investigation resulted in the Council's Debt Recovery Team pursuing civil recovery.
- One Financial Abuse case, where it was determined by the police following a referral that it did not meet the evidential threshold for criminal prosecution and was therefore taken forward by the Council's Debt Recovery team for civil recovery.
- One Employee Expenses case, where an investigation concluded that there was no evidence of fraud, but advice was provided regarding appropriate purchasing routes.

The total value of the alleged fraud/irregularity for these 11 cases was calculated at **£62,810**. A total of **£57,848** was recovered back to the Council from the 3 cases where financial restitution was achieved.

The total future loss prevented from the cases closed has been calculated at **£10,026**. This total includes actual funds that were prevented from being lost to fraud, and where appropriate, an estimate of the additional losses that would have occurred over a 12-month period had the fraud not been detected.

Not included in the above figures is a Deprivation of Assets case that was closed for monitoring in 2019/20 following an investigation by the Counter Fraud Team. The case has moved through the legal process and has recently achieved a recovery of **£199,000**. Further details are included in Section 8.

While there is currently no public sector standard for the calculation of future loss prevented in fraud investigations, the Counter-Fraud Team applies a consistent methodology that is both evidence-based and in line with good practice. Where an investigation identifies and stops a fraudulent activity before Council funds have been disbursed, the full value of the attempted fraud is recorded as the future loss prevented. This reflects the direct loss that was averted through the intervention. Where a fraud has been identified and stopped that was likely to have continued over time, the future loss prevented is estimated by identifying the known value of the fraud over the period that it occurred and then extrapolating that value up to a 12-month period. This approach provides a proportionate estimate of the financial impact that would have occurred had the fraud not been disrupted.

5. Update against the Counter-Fraud Plan 2025/26

The Counter Fraud team continues to maintain a balanced approach, responding to incidents through investigations and pursuing appropriate actions, while also proactively working to prevent fraud and irregularities, thereby reducing the risk of financial loss to the council before it occurs.

The Counter Fraud Plan for 2025/25, which was previously presented to the July 2025 Audit & Governance Committee is included within Annex 1. This reports on progress with delivery of the plan. The plan is on track for delivery of all key activities.

6. National Fraud Initiative Update (NFI):

The data match review for the 2024/25 exercise is currently underway. Each area has been summarised below:

Pensions:

As reported in the July 2025 Counter Fraud update, the NFI exercise identified 5 deaths that were previously unknown to the Pension Service. The total overpayment was £2,297.55, of which £1,553.11 has been recovered. Recovery of the overpayments from two matches is still ongoing.

Of the 57 matches in the 'Deferred Pensions to DWP Deceased' report, 23 deaths were already known to the Pension Service, and 8 deaths were previously unknown. 26 matches remain open and under review. These matches have enabled the Pension

Service to proactively contact the next of kin and ensure that entitlements are appropriately managed.

Payroll:

It was reported in the July 2025 Counter Fraud update that the 39 Payroll to Payroll matches had been reviewed in full, and 5 had resulted in a secondary employment declaration being completed with the employee's line manager, in accordance with the Council's Declaring and Registering Interests Policy.

Of the 5 matches that were previously open, 3 have now been closed. For 2, there was found to be no overlapping periods of employment between the two organisations. For the third, the issue of undeclared secondary employment was taken forward as part of a HR investigation, resulting in employee dismissal. There are 2 matches that remain under investigation.

Blue Badges:

The exercise identified 1,273 blue badges active in September 2024 that were connected to a resident identified as deceased. These matches have been reviewed in full.

A total of 640 blue badges were cancelled as a result of the NFI exercise, resulting in an estimated saving of £508,160 (using the NFI's saving methodology of £794 saved per cancelled blue badge). 587 badges had already been cancelled due to the Council being notified of the death from the Tell Us Once service. 45 badges had expired and did not require cancellation.

A total of 14 matches were identified where a blue badge holder concurrently held a second blue badge with another local authority. A total of 9 matches have been resolved with no issues found, and 5 remain under investigation.

Concessionary Travel Passes:

The NFI exercise produced 1,634 data matches related to Concessionary Travel Passes, which are currently under review.

Parking Permits:

There were 11 matches released relating to a Parking Permit held by an Oxfordshire resident who was identified as deceased. All permits were confirmed to be expired and therefore no further action was required.

Adult Social Care Matches:

It was reported in March 2025 that the Counter Fraud Team were awaiting instructions from the NFI regarding the reintroduction of the data matches relating to Personal Budgets (for Adult Social Care clients) and Private Supported Care Home Residents. The extraction and upload of the relevant data to the NFI platform is currently in

progress. An update on these matches will be provided at the next Counter Fraud update.

Duplicate Creditor Payments & Conflict of Interest Matches:

A review of the matches within these reports are currently in progress, with an update to follow in the next Counter Fraud update to the March 2026 Audit & Governance Committee.

7. Blue Badges

In the July 2025 Counter Fraud update to Audit & Governance Committee, it was reported that the Counter Fraud Team were preparing criminal prosecution files for four cases identified in the January 2025 Blue Badge Enforcement exercise.

Two of these cases were heard in September 2025 and resulted in successful prosecutions. Court fines totalling £976 were issued, and the Council were awarded costs totalling £2,287. Victim surcharges totalling £390 were also issued. A third case resulted in a warning letter being issued to the badge user.

The fourth case was adjourned and is due to be heard at Oxford Magistrates Court in November 2025.

The Counter Fraud Team completed additional checks of blue badges in Oxford in April 2025 and identified one case of suspected misuse. A prosecution file for this case is currently being prepared. The next enforcement exercise is being planned for the end of Q3.

8. Controls Improvement & Case Updates:

Upon the conclusion of each investigation, where applicable, the control environment is reviewed, and a post investigation report issued. The report highlights any weaknesses identified and includes agreed actions to prevent, stop and minimise the risk of reoccurrence. The agreed action plan is monitored for implementation by the Counter Fraud Team.

Since the last update to the July 2025 Audit & Governance Committee, the team have issued four investigation reports:

Report Reference	Description	Date Issued	Number of Management Actions
1	Report on an investigation into invoicing and contract compliance by a transport provider.	Q1	1
2	Improvements to controls around the use of assets within the Supported Transport Team.	Q2	3

3	Report on an investigation into invoicing and contract compliance by a transport provider.	Q2	5
4	Interim report on an investigation into contract compliance by an education provider.	Q2	Actions to be agreed within final report.

Financial assessment case:

It was reported to the Audit & Governance Committee in March 2025 that an investigation was being carried out into an allegation that the Council was provided with incorrect information regarding the residency of an Adult Social Care client's family member, which materially affected the client contribution. Following an investigation and subsequent correspondence with the family member's solicitor, it was agreed that the Council would be repaid in full following the sale of the client's property. The Council has since received all funds, totalling £56,572.

Deprivation of assets case:

In 2019 the Counter Fraud Team was contacted by Debt Recovery to assist in a case where the failure of the service user and her family to pay for care contributions had resulted in a debt to OCC of £199,000. The CFT liaised with Devon and Cornwall Police where family members of the service user lived and identified a property undeclared to OCC during financial assessments. An accredited financial investigator was instructed and confiscation proceedings under the Proceeds of Crime Act (POCA) 2002 were instigated. As part of this process, a restraint order was obtained, preventing the family from disposing of assets without the permission of the court. A benefit figure was agreed and in September 2025, the property was sold and full payment made to OCC.

Other cases to note:

There are several cases to note within the 18 cases currently open. A summary of these investigations is provided below, with further updates to be provided to the Audit & Governance Committee as they progress.

There are two live investigations relating to undisclosed secondary employment. One case is in the evidence-gathering stage of the investigation, and the second case is currently with the police. A third case, currently also with the police, relates to an investigation around an education provider's compliance with the terms of a contract they held with the Council. A fourth case relates to alleged inflated expenses by an employee and is subject to HR/disciplinary processes. A fifth investigation relates to the misappropriation of unused Direct Payment funds following the death of a client of Adult Social Care, which breached the terms of the Direct Payment Agreement. The Council is pursuing civil recovery of the full amount lost, of which a partial repayment of £5,000 has so far been received.

Highways Contract – Controls Improvement:

Concerns were raised with the Internal Audit and Counter Fraud Team regarding potentially duplicate job requests being submitted to our Highways Contractor. In collaboration with the service area, the team conducted a thorough investigation using data matching and analytical techniques to identify and validate possible duplicates.

The service responded promptly to address the identified weaknesses, implementing improvements to processes and internal controls. Where duplicate requests had resulted in overcharging, these instances were resolved with the contractor, and a payment adjustment has been made accordingly.

The issues identified related to processes under the previous contract. Within the 2025/26 Internal Audit plan, there is a planned audit of the new contract which will follow up on these findings and assess the effectiveness of the enhanced controls and procedures now in place.

Financial Implications

9. There are financial risks associated with fraudulent activity, as well as with the non-recovery or delayed recovery of funds, which can directly impact the Council's financial position. The Counter Fraud Team continues to play a key role in preventing and detecting fraud and financial irregularities and promoting a strong system of governance and internal controls.

Comments checked by: Lorna Baxter, Executive Director of Resources & S151 Officer lorna.baxter@oxfordshire.gov.uk

Legal Implications

10. There are no direct legal implications arising from this report which presents a summary of activity against the Counter Fraud Plan for 2025/26.

Comments checked by: Jay Akbar, Head of Legal and Governance Services, jay.akbar@oxfordshire.gov.uk

Staff Implications

11. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

12. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

13. There are no direct sustainability implications arising from this report.

Risk Management

14. There are no direct risk management implications arising from this report.

Annex: Annex 1: 2025/26 Counter Fraud Plan

Lorna Baxter, Executive Director of Resources & S151 Officer

Contact Officers: Sarah Cox, Chief Internal Auditor,
sarah.cox@oxfordshire.gov.uk
Declan Brolly, Counter Fraud Team Leader,
Declan.brolly@oxfordshire.gov.uk

November 2025.

ANNEX 1: Counter Fraud Plan 2025/26 – Position as at end of October 2025

Theme	Ref	Action	Timescale	Position as at end of October 2025
Govern / Acknowledge	1	Publish an updated version of the Council's Anti-Fraud and Corruption Strategy for 2025/26 as part of its two-yearly review.	November 2025	Updated and presented to the November 2025 Audit & Governance Committee.
	2	Continue development of the Council's fraud risk register.	Ongoing	Ongoing
	3	Develop a new Initial Fraud Impact Assessment process to enable the assessment of the fraud risks of a new system or process.	December 2025	Ongoing. Timescale extended to March 2026.
	4	Complete a self-assessment against the standards published by the Public Sector Fraud Authority. The standards contain basic measures that an organisation should have in place to enable an effective counter-fraud response.	March 2026	On track to be completed by March 2026.
	5	Review and promote available fraud reporting routes for both internal and external sources. Update any associated guidance if required.	December 2025	Ongoing. On track to be completed by December 2026.
Prevent	6	Fraud intelligence alerts to be provided to service areas as necessary.	Ongoing	Ongoing
	7	Review and investigate the results of the National Fraud Initiative 2024/25 exercise, released between January and April 2025.	March 2026	The match review is in progress. On track to be completed by March 2026.
	8	Continue to enhance data analytics capability to support potential areas of proactive work.	Ongoing	Ongoing

	9	Complete joint proactive reviews with Internal Audit, with a focus on preventing and detecting fraud with the use of data analysis techniques.	March 2026	One audit of Absence Recording, which focused on testing compliance with policies and procedures around the recording of annual leave and sickness absences, has been completed and is at draft report stage.
	10	Provide targeted fraud awareness training to internal teams and service areas.	Ongoing	Two training sessions have been delivered to Adults' Direct Payment staff and Headteachers. A further four sessions are booked for Education and Social Care teams within the wider Children's Direct Payments team.
Pursue	11	Conduct investigations into suspected fraud and irregularity (this includes participation in joint investigations with other enforcement authorities).	Ongoing	Ongoing. 11 new cases have been opened from April 2025 to date.
	12	Continue enforcement activities against Blue Badge fraud and misuse by completing on-street exercises, pursuing criminal prosecutions against detected misuse or applying sanctions as required.	3-4 targeted exercises per financial year	One enforcement exercise was conducted in April 2025. A further exercise is planned for the end of Q3.
	13	Respond to information requests from the Police, other Local Authorities, and investigation bodies such as HMRC.	Ongoing	Ongoing
Protect	14	Review and share fraud trends and new threats with relevant service areas.	Ongoing	Ongoing. 9 fraud alerts from the National Anti-Fraud Network (NAFN) have been disseminated to relevant internal teams from April 2025 to date.
	15	Continue to foster relations with other internal and external teams (e.g. Gangmasters Authority, Anti-Slavery Coordinator, Care Quality Commission).	Ongoing	Ongoing

AUDIT & GOVERNANCE COMMITTEE

26 November 2025

Anti-Fraud and Corruption Strategy

**Report by Executive Director of Resources & S151 Officer &
Director of Law & Governance and Monitoring Officer**

RECOMMENDATION

1. **The Committee is RECOMMENDED to consider and approve the revised Anti-Fraud and Corruption Strategy.**

Executive Summary

2. This report presents the revised Anti-Fraud and Corruption Strategy, which is subject to review every two years.

Anti-Fraud and Corruption Strategy

3. The Anti-Fraud and Corruption Strategy serves as a formal framework for preventing, detecting and responding to fraud and corruption. It supports good governance, protects public resources and promotes integrity across the organisation.
4. The Internal Audit & Counter Fraud Team is responsible for developing and implementing the Anti-Fraud and Corruption Strategy and monitoring the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with the strategy and that action is identified to improve controls and reduce the risk of reoccurrence.
5. The Anti-Fraud and Corruption Strategy is reviewed every two years. It has been subject to review during November 2025 and has been approved by the Executive Director of Resources & S151 Officer and the Director of Law & Governance and Monitoring Officer. The revised strategy is included in Annex 1.
6. There has been one amendment to the content of the strategy. It has been updated to reflect that the new offence of “failure to prevent fraud” introduced under Section 199 of the Economic Crime and Corporate Transparency Act 2023 came into effect on 1 September 2025. (see Annex 1, section 2.9). Large organisations including councils can be held criminally liable if they fail to prevent fraud by employees or associates. Organisations must demonstrate “reasonable procedures” to prevent fraud, which includes robust internal controls, training and reporting mechanisms. Other amendments to the strategy have been minor updates to job titles.

Financial Implications

7. There are no direct financial implications arising from this report.

Comments checked by: Lorna Baxter, Executive Director of Resources & S151 Officer lorna.baxter@oxfordshire.gov.uk

Legal Implications

8. The Council has a statutory duty under Section 151 of the Local Government Finance Act 1972 to make arrangements for the proper administration of its Financial Affairs. The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business, including the risks of fraud and corruption, which are specifically considered.
9. The Anti-Fraud and Corruption Strategy sets out the Council's arrangements to deal with investigations in relation to alleged fraud as set out in the Fraud Act 2006 and in response to alleged offences under the Bribery Act 2010.
10. The legal implications in relation to the new offence of "failure to prevent fraud" introduced under Section 199 of the Economic Crime and Corporate Transparency Act 2023 are set out at paragraph 6 of this report.

Comments checked by: Anita Bradley, Director of Law & Governance and Monitoring Officer anita.bradley@oxfordshire.gov.uk

Staff Implications

11. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

12. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

13. There are no direct sustainability implications arising from this report.

Risk Management

14. There are no direct risk management implications arising from this report.

Annex: Annex 1: Anti-Fraud and Corruption Strategy October 2025

Lorna Baxter, Executive Director of Resources & S151 Officer
Anita Bradley, Director of Law & Governance and Monitoring Officer

Contact Officers:

Sarah Cox, Chief Internal Auditor,
sarah.cox@oxfordshire.gov.uk

Declan Brolly, Counter Fraud Team Leader,
Declan.brolly@oxfordshire.gov.uk

November 2025.

Annex 1

ANTI-FRAUD AND CORRUPTION STRATEGY

1. INTRODUCTION

- 1.1 The Council is responsible for ensuring taxpayers' money is spent in a way that best serves the people of Oxfordshire. In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor. The Council is committed to a **zero-tolerance** approach to fraud, corruption and theft.
- 1.2 The Executive Director of Resources as the "Section 151 Officer" has a statutory responsibility under section 151 of the Local Government Act 1972 to ensure the proper arrangements for the Council's financial affairs and has developed financial codes of practice and accounting instructions. The Executive Director of Resources & Section 151 Officer exercises a quality control on financial administration through delegation of responsibilities to the Director of Financial and Commercial Services, Head of Financial Services, Head of Corporate Finance and the Strategic Finance Business Partners. The delegations provided are set out in the Scheme of Financial Delegation for Financial and Commercial Services.
- 1.3 The Director of Law & Governance and Monitoring Officer has a statutory responsibility to advise the Council on the lawfulness of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. It is therefore essential for employees to follow the Council's policies and procedures to demonstrate that the Council is acting in an open, transparent and lawful manner.
- 1.4 Oxfordshire County Council will thoroughly investigate all allegations of fraud, corruption or theft, both from within the Council and from external sources, which it recognises can:
 - Undermine the standards of public service that the Council is attempting to achieve.
 - Reduce the level of resources and services available for the residents of Oxfordshire.
 - Result in consequences which reduce public confidence in the Council.
- 1.5 Any proven fraud will be dealt with in a consistent and proportionate manner. Appropriate sanctions and redress will be pursued against anyone perpetrating, or seeking to perpetrate fraud, corruption or theft against the Council.
- 1.6 The Council is committed to the highest possible standards of openness, probity, honesty, integrity and accountability. The Council expects all staff, Councillors and partners to observe these standards which are defined within

the Code of Conduct, underpinned by its values and help to achieve the Council's vision to lead positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

2. DEFINITIONS

2.1 **FRAUD:** Is defined by The Fraud Act 2006 (Sections 2, 3 and 4) as follows:

A person is guilty of fraud if they are in breach of any of the following:

Fraud by false representation; that is if a person:

- (a) dishonestly makes a false representation, and
- (b) intends, by making the representation:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

Fraud by failing to disclose information; that is if a person:

- (a) dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and
- (b) intends, by failing to disclose the information:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

Fraud by abuse of position; that is if a person:

- (a) occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person,
- (b) dishonestly abuses that position, and
- (c) intends, by means of the abuse of that position:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

The term "fraud" is usually used to describe depriving someone of something by deceit, to make a financial, material or other gain for themselves or loss to another. It has to have been intentional in order to qualify as being fraudulent.

2.2 **CORRUPTION:** Is the deliberate use of one's position for direct or indirect personal gain. "Corruption" covers the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person to act inappropriately.

2.3 **THEFT:** Is the physical misappropriation of cash or other tangible assets. A person is guilty of "theft" if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it.

2.4 **MONEY LAUNDERING:** Money laundering is the process by which criminals attempt to 'recycle' the proceeds of their criminal activities in order to conceal its origins and ownership and which leaves them with money that cannot be traced back.

All employees are instructed to be aware of the increasing possibility of receiving requests that could be used for money laundering and illicit requests for money through e-mails. Detailed guidance is set out in the Council's Money Laundering Policy.

- 2.5 Any Service that receives money from an external person or body is potentially vulnerable to a money laundering operation. The need for vigilance is vital and if there is any suspicion concerning the appropriateness of the transaction then advice must be sought. The Council's Money Laundering Reporting Officer (MLRO) is the Executive Director of Resources & Section 151 Officer.
- 2.6 **BRIBERY:** Prior to the Bribery Act 2010, bribery had been viewed within the definition of corruption. The Bribery Act 2010 introduced four main offences, simplified as the following:
- Bribing another person: a person is guilty of an offence if they offer, promise or give a financial or other advantage to another person.
 - Offences relating to being bribed: a person is guilty of an offence if they request, agree to receive, or accept a financial or other advantage. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate advantage or not.
 - Bribery of foreign public officials: a person who bribes a foreign public official is guilty of an offence if the person's intention is to influence the foreign public official in their capacity, duty or role as a foreign public official.
 - Failure of commercial organisations to prevent bribery: organisations, which include the County Council, must have adequate procedures in place to prevent bribery in relation to the obtaining or retaining of business or to the obtaining or retaining an advantage in the conduct of business.

Note: A 'financial' or 'other advantage' may include money, assets, gifts or services.

- 2.7 For more information on exactly what constitutes bribery and the Council's policy towards it, please refer to the Anti-Bribery Policy. *(link to be inserted at end of November once current policy is updated and published).*
- 2.8 Prior to entering into any business arrangements, all Council officers and/or business units should ensure that they have taken all reasonable steps to identify any potential areas of risk relating to bribery or corruption. For further information contact governance@oxfordshire.gov.uk
- 2.9 **FAILURE TO PREVENT FRAUD:** In 2023, the government introduced the Economic Crime and Corporate Transparency Act 2023 along with a new 'failure to prevent fraud' offence. This offence came into effect on 1 September 2025.

Oxfordshire County Council falls within the scope of the legislation as a large organisation. A "large organisation" is defined in Section 201 as meeting two or three of the following criteria:

- More than 250 employees
- More than £36 million turnover
- More than £18 million in total assets.

The offence will hold large organisations to account for fraud committed by their employees, agents, subsidiaries or other “associated persons” who provide services for or on behalf of the organisation, where the fraud was committed with the intention of benefitting the organisation or their clients. The intention to benefit the organisation does not have to be the sole or dominant motivation for the fraud. The offence can apply where a fraudster’s primary motivation was to benefit themselves, but where their actions will also benefit the organisation. It does not need to be demonstrated that the organisation’s senior managers or directors ordered or knew about the fraud.

An employee, agent, or subsidiary of the Council is automatically classed as an “associated person” under the new offence. Additionally, anyone who provides services for or on behalf of the Council is also considered an associated person whilst they are doing that work.

Organisations in the Council’s supply chain are not considered associated persons unless they are actively delivering services for or on behalf of the Council. For example, an employee of a Council-owned subsidiary company, or a company contracted to deliver services such as highway maintenance or outreach programmes, would be considered associated persons.

Importantly, the term “providing services” refers to acting for or on behalf of the Council, and does not include simply supplying goods or services to the Council. Therefore, individuals or firms such as commercial cleaners, external lawyers, valuers, accountants, or engineers—who provide services to the Council—are not acting for or on behalf of it, and would not be considered associated persons for the purposes of the offence.

Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.

3. SCOPE

3.1 This document applies to:

- All County Council Employees (including Agents and Agency Staff) and Councillors
- Staff and Committee Members of Council funded voluntary organisations
- Partner organisations
- Oxfordshire County Council Maintained Schools
- Council Suppliers, Contractors and Consultants
- General Public
-

4. AIMS AND OBJECTIVES

4.1 The aims and objectives of the Anti-Fraud and Corruption Strategy are to:

- Ensure that the Council is protected against fraud and loss.
- Protect the Council's valuable resources by ensuring they are not lost through fraud but are used for improved services to Oxfordshire residents and visitors.
- Create an "anti-fraud" culture which highlights the Council's zero tolerance of fraud, corruption and theft, which defines roles and responsibilities and actively engages everyone (the public, Councillors, staff, managers and policy makers).
- To provide a best practice "Counter Fraud" service which:
 - Proactively deters, prevents and detects fraud, corruption and theft in the Council.
 - Investigates suspected or detected fraud, corruption and theft.
 - Enables the Council to apply appropriate sanctions and recover losses.
 - Provides recommendations to inform policy, system and control improvements, thereby reducing the Council's exposure to fraudulent activity.

5. PRINCIPLES

- 5.1 The Council will not tolerate abuse of its services or resources and has high expectations of propriety, integrity and accountability from all parties identified within this strategy. The Council will ensure that the resources dedicated to "Counter Fraud" activity are sufficient and all those involved are trained to deliver a professional "Counter Fraud" service to the highest standards.
- 5.2 All fraudulent activity is unacceptable and will result in consideration of legal action being taken against the individual(s) concerned. The Council will also pursue the repayment of any financial gain from individuals involved in malpractice and wrongdoing. The Council will ensure consistency, fairness and objectivity in all its "Counter Fraud" work and that everyone is treated equally.
- 5.3 This strategy encourages those detailed in section 3.1 to report any genuine suspicions of fraudulent activity. However, malicious allegations or those motivated by personal gain will not be tolerated and, if proven, disciplinary or legal action may be taken. Sections 8.3 and 8.4 detail the reporting arrangements in relation to incidents of fraud or irregularity.
- 5.4 The Council will work with its partners (such as the Police, local authorities and other investigative bodies) to strengthen and continuously improve its arrangements to prevent fraud and corruption.

6. RESPONSIBILITIES

STAKEHOLDER	SPECIFIC RESPONSIBILITIES
Chief Executive Officer	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Executive Director of Resources (Section 151 Officer)	To ensure the Council has adopted an appropriate anti-fraud strategy, there is an effective internal control environment in place and there is an adequately resourced and effective Internal Audit service to deliver "Counter Fraud" work.
Director of Law & Governance and Monitoring Officer	To advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice.
Audit & Governance Committee and its Audit Working Group	To monitor the Council's strategies and policies and consider the effectiveness of the arrangements for Raising Concerns at Work, Whistle-blowing Procedures, Anti-Fraud and Corruption and the Complaints Process.
Councillors	To comply with the Code of Conduct and related Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns accordingly.
External Audit	Statutory duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption and theft.
Internal Audit and Counter Fraud	Responsible for developing and implementing the Anti-Fraud and Corruption Strategy and monitoring the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy and that action is identified to improve controls and reduce the risk of recurrence.
Executive Directors, , Directors, Deputy/ Assistant Directors, Heads of Service and Service Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to Internal Audit. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing strong internal controls.
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns to management, Internal Audit or via the Raising Concerns at Work policy and Whistleblowing Procedures.

Public, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions.
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7. APPROACH TO COUNTERING FRAUD

7.1 Oxfordshire County Council will fulfil its responsibility to reduce fraud and protect its resources by completing work in each of the following key areas:

7.2 **PREVENT AND DETECT:** The Council will promote and develop a strong “anti-fraud” culture, raise awareness and provide information on its Counter Fraud work. This includes dedicated fraud web pages, a fraud e-learning tool for all staff, delivering fraud training to Officers, undertaking proactive fraud detection work and investigations.

Internal Audit and Counter Fraud will work with managers and policy makers to ensure new and existing systems, procedures and policy initiatives consider any fraud risks and anti-fraud controls are built in. Audit activity will also consider fraud risks as part of each review.

Fraud trends will be monitored and a Fraud Risk Register maintained and routinely updated to identify areas of new or existing fraud exposure – preventive and detective measures can then be taken.

The Council also relies on employees, Councillors and the public to be alert and to report suspicion of fraud and corruption. Managers should pay particular attention to circumstances which may require additional and sensitive monitoring or supervision. Examples of Fraud Indicators are detailed in Appendix B.

7.3 **INVESTIGATION:** The Council will securely record all fraud referrals and cases, which will be robustly investigated to conclusion by the Counter Fraud team. Please see Appendix A for the Protocol for Investigating Irregularities.

7.6 **SANCTIONS:** The Council will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This will include legal action in addition to criminal and disciplinary action, where appropriate.

7.7 **REDRESS:** A crucial element of the Council’s response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an important part of the Council’s strategy and will be pursued, where appropriate.

7.8 In addition to the above, Internal Audit also prepares an annual Counter Fraud Work Plan that details the key objectives and areas of work for the year and when actions are due to be completed. The work plan is agreed and

monitored by the Audit & Governance Committee and Executive Director of Resources & Section 151 Officer.

8. REPORTING, ADVICE AND SUPPORT

- 8.1 The Council's expectation is that Councillors and managers will lead by example and that employees at all levels will comply with the Constitution, Council Policies, Financial Regulations, Financial and Contract Procedure Rules and service Procedures.
- 8.2 The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. It is essential that employees of the Council report any irregularities, or suspected irregularities to their line manager and if this is not appropriate then to the Head of Service or Service Manager. The Council will provide all reasonable protection for those who raise genuine concerns made in the public interest, in accordance with the Raising Concerns at Work, Grievances and Whistle-blowing policies.
- 8.3 The line manager, Service Manager or Deputy Director/Head of Service who receives the allegation (whether from a Councillor or a Council employee) must refer the matter to the Counter Fraud team (fraud@oxfordshire.gov.uk) and where appropriate the following people, to determine how the potential irregularity will be investigated:
- Executive Director of Resources (Section 151 Officer)
 - Director of Law & Governance and Monitoring Officer
 - Relevant Director
 - Chief Internal Auditor
 - Director of HR & Cultural Change
 - Strategic People Partners and Strategic Finance Business Partners
- 8.4 Where appropriate, the Director of Law & Governance and Monitoring Officer will liaise as appropriate with the Leader, Deputy Leader and relevant portfolio holder where the irregularity is material and/or could affect the reputation of the Council. The Executive Director of Resources & Section 151 Officer will liaise with the Cabinet Member for Finance, Property and Transformation as appropriate. The Media Team should also be informed if the matter is likely to be communicated externally.
- 8.5 The Investigating Officer will follow the Protocol for Investigating Irregularities (Appendix A), which includes the need to:
- Deal promptly with the matter
 - Recover and record all evidence received
 - Ensure that evidence is sound and adequately supported
 - Ensure security of all evidence collected
 - Contact other agencies, if necessary, e.g. Police (see appendix A - Police Involvement)

- Notify the Council's insurers if applicable
- Implement Council disciplinary procedures where appropriate

8.6 The Council will also work in co-operation with the following bodies that will assist in scrutinising our systems and defences against fraud and corruption:

- Local Government and Social Care Ombudsman
- External Audit – Relationship Manager
- National Fraud Initiative (Cabinet Office) and related Audit Networks
- Central Government Departments
- HM Revenue and Customs
- UK Border Agency
- Department for Work and Pensions
- Police

8.7 Any concerns or suspicions reported will be treated with discretion and in confidence. Key contacts include:

- Chief Internal Auditor – Sarah.Cox@Oxfordshire.gov.uk
- Counter Fraud Team Manager – Declan.Brolly@Oxfordshire.gov.uk
- Confidential e-mail: fraud@oxfordshire.gov.uk
- Confidential phone number: 01865 328573

8.8 Other Council means for raising concerns:

▪ Chief Executive
▪ Executive Director of Resources (Section 151 Officer)
▪ Director of Law & Governance and Monitoring Officer
▪ Relevant Director
▪ Audit & Governance Committee Chair

Write to:
Oxfordshire County Council,
County Hall,
New Road,
Oxford,
OX1 1ND

8.9 External means of raising concerns:

▪ External Audit (Ernst & Young)	0118 928 1100
▪ Citizens Advice Bureau	Website: www.citizensadvice.org.uk
▪ Police	Website: www.thamesvalley.police.uk
▪ Your Local Councillor	Website: www.oxfordshire.gov.uk Click on: About your Council > Councillors.

8.10 Attached are the following Appendices:

- Appendix A: The Protocol for Investigating Irregularities
- Appendix B: Examples of Fraud Indicators

9. FURTHER INFORMATION

9.1 Further information on Council policy can be found in the following documents:

- The Constitution
- Codes of Conduct (Councillors and Officers)
- Resolving Concerns (Grievance) Policy
- Whistle-Blowing Procedure
- Anti-Bribery Policy
- Gifts and Hospitality Policy
- Policy on Declaring and Registering Interests
- Financial Regulations
- Contract Procedure Rules
- Money Laundering Policy
- Regulation of Investigatory Powers Act (RIPA)

10. STRATEGY REVIEW

10.1 The Audit & Governance Committee will continue to review and amend this strategy as necessary to ensure that it continues to remain compliant and meets the requirements of the Council.

Responsible Officer: Chief Internal Auditor

Date: November 2025

Review Date: November 2027

Approved By: Executive Director Resources and S151 Officer

Date: 10 November 2025

Director Law and Governance and Monitoring
Officer

Date: 10 November 2025

APPENDIX A

PROTOCOL FOR INVESTIGATING IRREGULARITIES

a) Fraud Referral and Investigation

Employees, Councillors and other groups are encouraged to report suspected fraud and irregularities in accordance with section 5.3 of the Strategy and the Council's Raising Concerns at Work, Grievances and Whistleblowing policy.

When a referral or allegation is raised, the incident will be reported to the Counter Fraud team (fraud@oxfordshire.gov.uk) and key contacts detailed in section 8.3 above, as appropriate.

The referral will then be assessed by the Counter Fraud Team and if after a risk assessment it is determined that it meets the threshold for referral, a case will be opened on the Council's Fraud case management system.

Where necessary a strategy meeting will be called to discuss the matter between the relevant parties (e.g. the Service, HR, Legal, Counter Fraud). The decisions and actions from this meeting will be documented and circulated to attendees.

Where issues are of an HR nature – these will be investigated by the Employee Relations team. Where they are of a fraudulent nature – these will be investigated by the Counter Fraud Team. In some cases, the Service is best placed to investigate the matter. The responsibility for investigation will be clarified between the various parties. In all cases that are logged on the Counter Fraud case management system, these will be monitored for progress by the Counter Fraud team.

b) Evidence and Interviews

All evidence gathered will be regarded as strictly confidential and will be the property of the investigation team. It will only be made more widely available on agreement with the necessary officers. The team will be responsible for gathering all evidence, whether it is verbal, written or electronic, which may include the need to interview employees or others.

When obtaining written evidence, the source copy of any documentation should be obtained. Electronic evidence will be stored on the Counter Fraud case management system. Hard evidence will be stored in the appropriate evidence store.

Some investigations may require either covert surveillance or a covert operation to obtain information. If this is required, formal authorisation will need to be obtained under the Regulation of Investigatory Powers Act 2000 (RIPA). Authorising any action under RIPA regulation needs to be obtained from the Director of Law and Governance and Monitoring Officer.

The conduct of interviews and gathering of evidence which may subsequently be used as criminal evidence is governed by specific rules and Acts. In this respect, the following statutes are relevant:

- Police and Criminal Evidence Act 1984 (PACE).
- Regulation of Investigatory Powers Act 2000 (RIPA).
- Human Rights Act 1998.
- Data Protection Act 2018 and GDPR
- Proceeds of Crime Act 2002 (POCA)
- Criminal Procedure and Investigations Act 1996 (CPIA)

The investigation team should ensure that a fully referenced investigation file is maintained, which includes all documentation, records and notes collated during the investigation. These must also adhere to Disclosure requirements.

c) Disciplinary and Capability Proceedings

Deputy Directors/Heads of Service and Service Managers will be expected to take action in accordance with the Council's Disciplinary and Capability Procedures, where the outcome of the investigation indicates improper behaviour. School Governors (of Oxfordshire County Council Maintained Schools) are also required to take similar action where the outcome of the investigation indicates improper behaviour. This must be undertaken upon advice and support from HR.

If an investigation requires that an employee is suspended, this must be done in accordance with the Disciplinary Procedure upon completion of a suspension risk assessment. The procedure states that the suspension period should be as short as is reasonably practical. Senior employees should record in writing a decision to suspend and any subsequent review of that decision, setting out the reasons for the decision and whether alternative options have been considered.

If it is necessary to interview employees, the Deputy Director/Head of Service or Service Manager should be informed. Employee Relations should also be contacted to ensure the interview is arranged, conducted and managed correctly to ensure the employee is supported and the investigation is not compromised. Interviews with employees must be conducted in accordance with the relevant Council standards and procedures, with allowances for proper representation.

The Deputy Director/Head of Service or Service Manager should ensure, normally through the investigation team, that the relevant written reports are available in a timely manner, for disciplinary and criminal proceedings. Necessary members of the investigation team may be required to give written evidence and attend at hearings to give verbal evidence and answer questions.

Where there is a possibility of criminal proceedings, the disciplinary process should ensure that it does not compromise a potential criminal proceeding, such as for fraud. In these cases therefore, careful collaboration between the Service, Employee Relations and Counter Fraud should be ensured and clarity on roles and outcomes documented. Normally, any internal disciplinary process can take place at the same time as the fraud investigation. However, this should be agreed in advance by all parties to ensure that neither investigation is compromised.

d) Police Involvement

Reporting incidents to the Police must be considered on an individual basis. If criminal activity is suspected, the matter should be promptly reported to the Police once sufficient evidence has been gathered. Approval to report the matter to the Police must be obtained from the Executive Director of Resources and Section 151 Officer, Service Director and Director of Law & Governance and Monitoring Officer.

The Counter Fraud team in most cases is best placed to report the case to the Police as they have an agreed reporting route for fraud and economic crime cases to Thames Valley Police (TVP). In these cases, the Counter Fraud team would then maintain ongoing contact with the TVP Officer in Charge in order to progress the investigation and report back to the relevant Service managers or Directors, as appropriate.

e) Post Investigation

For the larger or more impactful investigations, once the investigation work has been concluded, the team will need to prepare a written report detailing the initial referral or allegation, the work completed (including documents obtained and interviews conducted) and an opinion or conclusion on the outcome of the investigation.

The report should also detail any breakdown in management, operational or financial controls to the Deputy Director/Head of Service or Service Manager, who will have to agree the necessary actions to address the issues.

The report should be circulated to the Executive Director of Resources and Section 151 Officer, Director of Law & Governance and Monitoring Officer, Service Director, Chief Internal Auditor and Director of HR and Cultural Change (as appropriate). Other officers should be notified on a strictly confidential, need to know basis.

The Council wishes to see that following an investigation, action is taken to minimise future occurrence. This may involve improvements in control, changes to systems and procedures or employee training.

Any publicity arising from an investigation will be co-ordinated by the Council's Media Team.

f) Training

The Council acknowledges that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees and Councillors throughout the organisation. To facilitate this, fraud awareness training is routinely delivered to teams and services across the Council by the Counter Fraud Team. The Team also delivers fraud awareness sessions as required as a result of investigations and audits. The subject is also included as part of Councillor training.

APPENDIX B

A number of frauds can come to light because of suspicions aroused by, for instance, the behaviour of certain individuals. It is impossible to give a definitive list of fraud indicators or warning signs. The following are types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of fraud and may therefore warrant further investigation or enquiry.

- **Unusual employee behaviour:** Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long-hours, job dissatisfaction/unhappy employee, secretiveness or undue defensiveness.
- **Financial irregularities:** Key documents missing (e.g. invoices, contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; excessive variations to budgets or contracts.
- **Bad procurement practice:** Too close a relationship with suppliers/contractors; suppliers/contractors who insist on dealing with only one particular member of staff; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to fall within small purchase requirements or to avoid prescribed levels of review or approval.
- **Disorganisation:** Understaffing in key control areas; consistent failure to correct major weaknesses in internal control; inadequate or no segregation of duties.
- **Inadequate supervision:** Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); low staff morale, weak or inconsistent management.
- **Lax corporate culture:** Management frequently override internal control; climate of fear or a corporate culture; employees under stress without excessive workloads; new employees resigning quickly; crisis management coupled with a pressured business environment; high employee turnover rates in key controlling functions.
- **Poor work practices:** Lack of common sense controls; work is left until the employee returns from leave; post office boxes as shipping addresses; documentation that is a photocopy or lacking essential information; lack of rotation of duties; unauthorised changes to systems or work practice.

AUDIT and GOVERNANCE COMMITTEE 26 November 2025 RISK MANAGEMENT OVERVIEW

**Report by Lorna Baxter, Executive Director Resources and
Section 151 Officer**

RECOMMENDATION

- 1. The Committee is RECOMMENDED to note the risk management update and approve the revised risk and opportunities policy 2025/26**

Executive Summary

2. This report sets out updates to the risk and opportunities policy and an overview of the latest strategic risk register which contains the Council's most significant strategic risks. The strategic risk register is proactively managed by the senior leadership team (SLT) and reported into the strategic leadership board (SLB) as part of the council's business management and monitoring reports (BMMR). These combined reports contain performance, risk, and finance progress updates against the delivery of the current strategic plan priorities.

Introduction

3. The Oxfordshire County Council risk and opportunities policy is the overarching framework of the risk management process across the council. The policy is reviewed and updated on an annual basis. This annual review ensures the policy is linked to the budget and business planning process, the strategic plan and captures any external influence that may impact on the risk management process. The policy has been submitted for review and approval as part of this risk and opportunities management update.

4. The current 2025 – 2028 Strategic Plan was approved by Cabinet in November 2025, focussing on our vision to make Oxfordshire a greener, fairer, healthier county. Centred around strong and connected communities, healthy places to live, and a thriving local economy that benefits everyone.

5. The Performance and Insight (P&I) team are responsible for the management and reporting of strategic risks and continue to work with services to assess training needs and further embed the risk and opportunities management process across the organisation.

Key updates

6. The scheduled strategic risk review and discussion was conducted in September 2025. The strategic register looks to reduce in size from 10 strategic risks to 6, as a positive consequence of effective and dynamic risk management. The revised strategic risk register will be at Cabinet for approval on 18 November 2025. Post Cabinet an updated risk position will be available.

Potential strategic risks are now in development with regards to inclusion, congestion charge and data. Once the services have completed their proposals, the proposed strategic risks will be presented to SLB for potential addition to the strategic risk register. Recommendations have been shared with SLT regarding horizon scanning, from a political, economic, social, technological, environmental, legal, and organisational point of view. including consideration of the impact of local government reorganisation (LGR) on 'business as usual' in addition to identifying risk and opportunity regarding each of the three proposal submissions.

The further delay in the announcement of the fair funding review on budget pressures and impact of extreme weather events across all services have also been shared for consideration.

7. Control owners are required to review the effectiveness of controls as and when required and as a minimum on a quarterly basis. The business management and monitoring report (BMMR), from Quarter 2 2025/26 now shows the risk manager's assessment regarding the overall effectiveness of controls, to demonstrate our commitment to effective risk and opportunity management.

Audit and Governance committee are encouraged and welcomed to discuss the management of controls and mitigation action with the risk owners and the performance and insight (P&I) team, to gain a further perspective on the organisations current strategic risk position.

8. The P&I team have refreshed all risk documentation for publication on the internal intranet, 'The Hive'. The team have also created and are developing a SharePoint site, where information is provided for colleagues who are new to the world of risk and opportunity, aligning to the key areas of focus of.

Consistent messaging to reinforce the following principles:

- "Everyone is a Risk Manager" to encourage shared responsibility across all colleagues.
- Risk management adds value and supports our organisations goals.
- Proactive risk identification and speaking up about risks is encouraged.
- Consistency in all risk processes and continuous learning is vital.
- Leadership support and available tools empower employees.

9. The P&I team are responsible for collating and reporting the business management and monitoring report, which includes the three elements, performance, risk, and finance. A member of the team will be commencing a Level 6 senior compliance and risk apprenticeship in early 2026 to further develop knowledge to continue to support the organisation in our risk journey.

Strategic Risk Register

10. The term “Strategic risk” refers to both strategic risks (risks to the Council’s strategic objectives) and operational or programme/project risks which have been escalated due to the severity of their likelihood and/or impact. It does not necessarily include risks to the community, which are managed through the Community Risk Register, overseen by the Local Resilience Forum, (of which the Council is a member).

11. The strategic risk register records the risks identified as requiring the most senior management attention. The strategic risk register is reviewed monthly by the strategic leadership board (SLB) and will be reviewed quarterly by Informal Cabinet, Cabinet and is also an agenda item for chairs of scrutiny committees as part of the Business Management and Monitoring reporting process.

12. The high-level overview of the strategic risks will be reported publicly as part of the business management and monitoring report (BMMR) pack which goes to Cabinet.

13. Listed below is a summary of risk status updates following the risk review in September. This register is included in the most recent business management and monitoring report (BMMR) to Cabinet on 18 November 2025. Strategic risks can be added and escalated/deescalated at any time during the year.

14. Risk Status Updates

SR01 – Financial Resilience

Risk updated description to reflect short-, medium-, and long-term sustainability concerns.

Continued monitoring due to delayed financial settlement announcement and pressures from reduced funding, rising costs, and the end of statutory override for high needs.

SR02 – Cyber Security

Risk reviewed. The organisation demonstrates effective risk management and has implemented robust assurance mechanisms to provide the highest level of confidence in our controls and processes.

SR03 – Housing Infrastructure Fund (HIF1)

Risk reviewed. Strategic capital and commercial board (SCCB) agreement.

SR05 – SEND (Special Educational Needs and Disabilities)

Risk reviewed.

SR06 – Oxford Core Schemes

Risk reviewed. The organisation demonstrates effective risk management and has implemented robust assurance mechanisms to provide the highest level of confidence in our controls and processes.

SR07 – Strategic Workforce Planning

Risk reviewed. The organisation demonstrates effective risk management and has implemented robust assurance mechanisms to provide the highest level of confidence in our controls and processes.

SR09 – Delivering the Future Together (DTFT)

Risk reviewed with emphasis on transformation delivery and financial sustainability.

SR10 – Climate Impact

Risk reviewed. Description reviewed expanded to include infrastructure vulnerability and broader societal impacts.

SR11 - S106

Risk reviewed. The organisation demonstrates effective risk management and has implemented robust assurance mechanisms to provide the highest level of confidence in our controls and processes.

The service area are developing two annual performance metrics to support the effective risk management.

SR12 – Local government reform (LGR)

Risk reviewed. Review and escalates as required.

SR13 – SEND Sufficiency

Risk reviewed. Risk added to strategic risk register

Strategic risk key













Status Indicator	Status Description
High	Residual risk rating is high (Score 16 and above)
Medium	Residual risk rating is medium (Score 10-15)
Low	Residual risk rating is low (Score 1-9)
	Risk score has increased, and position declined
	Risk score has stayed the same and position maintained
	Risk score has decreased, and position improved

Table 1 – Strategic risk key

Strategic risk table – position as at September 2025

Risk Title	Risk Description	Inherent Risk Score	Inherent Risk Rating	Residual Risk Score	Residual Risk Rating	Effectiveness of Controls	Direction of travel since previous reporting period
SR10 Climate Impact	Increasing vulnerability to climate impacts leads to failure of key infrastructure and services with a direct impact on health, safety, environment, and businesses.	25	High	20	High	Partially Effective	
SR09 Delivering the Future Together	Failure to deliver organisation wide transformation	25	High	16	High	Substantially Effective	
SR01 Financial resilience	The council is not financially sustainable in the immediate / medium term	25	High	12	Medium	Substantially Effective	
SR03 Housing Infrastructure (HIF1)	HIF1 – Programme and cost pressures posing financial and reputation risk to the council	16	High	12	Medium	Substantially Effective	
SR13 SEND Sufficiency	Sufficiency demands for SEND places	25	High	9	Low	Partially Effective	Not applicable
SR05 Special educational needs and disability (SEND)	Local area SEND partnership inspection outcomes found widespread systemic failure. Delay for children having their SEND	25	High	20	High	Substantially Effective	

	needs met. Reputational damage (locally, regionally, and nationally)						
SR02 Cyber Security	A successful and significant Cyber-attack leading to disruption, damage or compromise of any of the council's computer services, information systems, infrastructure or data.	25	High	15	Medium	Substantially Effective	
SR11 Section 106	Event: leads to loss of public and organisational confidence	25	High	6	Low	Substantially Effective	
SR12 Local Government Reform	Event: changes to the structural form/s and functions of the County Council as a result of local government reform. Creating a risk to the delivery of existing county council services during the transition to a new structure/s	25	High	15	Medium	Substantially Effective	
SR07 Strategic Workforce planning	A risk that the county council's workforce does not have capacity, capability or resilience to	16	High	12	Medium	Substantially Effective	

	deliver key functions, statutory services or transformational changes required to ensure the councils objectives and long-term priorities are met						
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Table 2: Strategic Risk Overview for September 2025 – to be approved at Cabinet 18 November 2025

Corporate Policies and Priorities

20. The risk management process links to the council's corporate themes of greener, fairer and healthier.

All templates include the link to these corporate themes to ensure risks are identified with any effect on headline projects or wider objectives possibly not being delivered.

Financial Implications

21. There are no significant financial implications from this paper

Comments checked by:

Lorna Baxter, Executive Director Resources and Section 151 Officer

Lorna.Baxter@oxfordshire.gov.uk

Legal Implications

22. There are no significant legal implications from this paper

Comments checked by:

Anita Bradley, Director of Law & Governance and Monitoring Officer

Anita.Bradley@oxfordshire.gov.uk

Risk Management

23. There are no significant risk implications from this paper.

Comments checked by

Louise Tustian, Director, Transformation, Data, Digital and Customer Experience

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November 2025

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Policy

Risk and Opportunity



Owner: Director of Transformation, Digital, Data and Customer Experience
Authors: Head of Transformation and Digital
Date of next review: September 2026

Version History:

Version	Date	Section	Reviewer	Description of Amendment
0.1	16 May 2019	All	Ian Dyson	Version created
0.2	1 Aug 2019	All	Claire Taylor	Full review
0.3	14 Aug 2019	All	Steven Fairhurst Jones	Administrative review
0.4	29 Aug 2019	3	Robin Rogers	Minor revisions
0.5	22 Sep 2019	All	Steven Fairhurst Jones	Revisions prompted by Audit & Governance Committee, 11 Sep
1.0	20 Oct 2019	All	Steven Fairhurst Jones	Version published following Cabinet approval on 19 Oct
1.1	24 Mar 2021	All	Louise Tustian	Review and update of titles and next review dates.
1.2	31 Mar 2022	All	Louise Tustian	Revision and minor updates
1.3	31 Mar 2023	All	Louise Tustian	Revision and minor updates
1.4	31 Aug 2023	All	Louise Tustian	Minor updates reflecting reporting and impact updates.
1.5	31 Jan 2025	All	Rachel Brolly / Craig Miles-Clarke	Full review
1.6	16 Sept 2025	All	Rachel Brolly	Minor revisions

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Section 1: Introduction

1.1 An overview of Risk Management

This policy outlines the overall approach to risk and opportunity management for Oxfordshire County Council.

Risk management is recognised as being concerned with both the positive and negative aspects of risk – that is to say, opportunities as well as threats. This policy therefore applies to risk from both perspectives.

Oxfordshire County Council will use risk management to add value, aiming to achieve a balance between under-managing risks (i.e. being unaware of risks or having little or no control over them), and over-managing them (i.e. a resource heavy and bureaucratic level of management and control which could stifle innovation and creativity).

The aim of the risk management policy is to ensure the council identifies and manages risk, especially with regards to those risks (both financial and non-financial) that may have an impact on the performance of the council as a whole and on its ability to deliver its strategic priorities and financial sustainability. Non-financial risks include those which are reputational, environmental, and legal, among others. See the Process Guide for further information and a full list of risk categories.

Risk is defined at Oxfordshire County Council as:

“An uncertain event or set of events that, should it occur, will have an effect (positive or negative) on the achievement of the council’s objectives, performing its duties or meeting the expectations of its stakeholders.”

Simply, negative risks might threaten the delivery of objectives, or the resources required to achieve objectives. On the other hand, positive risks – opportunities – are those where the benefits of taking a risk are greater than the benefits or costs of not taking it.

The council is aware that threats will always arise, and that risk associated with this cannot be fully eliminated, only managed to an acceptable level. Within this context the council is committed to managing risk to reduce the impact on the organisation, its priorities and service provision.

Risk management will be embedded within the daily operations of the council, from policy and strategy formulation through to business planning and general management processes. It will also be applied where the council works in partnership with other organisations, to ensure that partnership risks are identified and managed appropriately.

Through understanding risks, decision-makers (councillors and officers) will be better able to evaluate the likely impact of a particular decision or action on the achievement of the council’s strategic priorities.

1.2 The Risk Management Framework

Oxfordshire County Council is committed to ensuring risk management is embedded across the whole organisation. For risk management to be successful, it is imperative that there is a single, yet flexible, approach for the management of business risk, adopted through all levels of the organisation.

The council's risk management framework follows good practice guidance to help the council to be an effective and efficient organisation. Councillors and officers are supported in this activity by the Performance and Insight Team, which maintains and promotes the risk management framework, which includes:

- Risk Management Policy
- Risk Management Process Guide
- Risk Management Strategy
- Risk Management Strategy Example
- Risk Management Templates
- Risk Management Glossary of Terms

Effective risk management is an important part of corporate governance, performance management and financial planning. It adds value by:

- raising awareness of significant risks with priority ranking assisting in the efficient control of the risks
- allocating responsibility and accountability for risks and associated control measures and control actions (how we intend to manage the risk) and any actions required to improve their effectiveness
- aiding the process of strategic and business planning
- identifying new opportunities and supporting innovation
- providing a framework for the effective management of strategic risks
- aiding effective partnership working, particularly in terms of identifying shared risks (opportunities and threats)

Primarily, councillors and senior leaders of the organisation will be focused on the strategic and business critical risks that could impact on the achievement of objectives or successful delivery of outcomes. Collectively these are known as "Strategic risks" and are managed via the Strategic Risk Register.

Programmes are managed by their respective managers. Their objectives are concerned with achieving desired outcomes in the form of step change improvements to organisational performance. Their risks tend to be concerned with transforming the business and adopting new ways of working that deliver measurable benefits to the organisation.

Like programmes, projects are managed by their respective managers. A project's goal is to deliver a set of business products in line with an agreed business case. Therefore, project risks are concerned with delivering specified outputs to an appropriate level of quality within agreed scope, time, and cost constraints.

More detailed operational risks will be the primary concern of services. Here managers will manage and monitor their risks and escalate these to a programme or strategic level if the risk is no longer appropriately contained and managed at an operational level.

Identified risks and controls are managed through risk registers and should be regularly discussed, reviewed, and updated. Frequent risk reporting takes place across all levels of the organisation.

The Performance and Insight Team has a key role to play in supporting the operating principles of the council and helping to achieve the strategic aims and priorities by providing oversight, challenge and assurance that risk is being effectively managed across the organisation.

1.3 Policy Objectives

The objectives of the Risk Management Policy are to:

- support understanding and consistent implementation of the council's approach to risk management
- raising awareness of significant strategic risks assisting in the efficient management of the risks
- facilitate compliance with best practice in corporate governance, which will inform the Annual Governance Statement (issued with the annual statement of accounts)
- support the use of standard risk registers that:
 - identify and assess all strategic risks and opportunities to assist the council in achieving its strategic priorities through proactive risk management
 - rate all significant risks in terms of probability (likelihood) of occurrence and potential impact upon the council
 - establish effective control measures and actions to reduce significant risks, maximise opportunities, and provide assurance that these control measures and actions are effective
 - allocate clear ownership, roles, responsibilities and accountability for risk management
- ensure that good quality and consistent risk information is provided to the Senior Leadership Team (SLT), Senior Leadership Board (SLB) senior

managers and councillors, providing a framework for assurance that the control measures and actions identified are operating effectively.

1.4 Risk Appetite

Risk management should not focus on risk avoidance, but on the identification and management of an acceptable level of risk.

The term for the general level of risk we find acceptable across the whole council is “risk appetite”.

Risk appetite means ‘the amount and type of risk that an organisation is willing to take in order to meet its strategic objectives.’

This also sets the tone of our approach to risk, which helps to achieve an appropriate balance between caution and innovation.

The council aims to proactively identify, understand and manage the risks inherent in services and associated with business/service plans, policies and strategies. We do this to support responsible, informed risk-taking and, therefore, aim to achieve measurable value. The council provides for a supportive culture but will not support inappropriate risk taking.

Appropriately managed and controlled risk-taking and innovation will be encouraged where it supports the delivery of the Council’s strategic priorities.

Particular focus will be on the Council’s ambitions for increasing income generation and self-sufficiency. This might be achieved through, for example, sound investments, effective asset management or commercialisation opportunities.

Any risks associated with these ambitions will be managed at the appropriate risk level – strategic, programme, project or operational - ensuring due diligence has taken place. These include sound business cases, effective project management and working with external partners for specialist advice. Channels will be in place to report risks into the relevant management groups/programme boards and democratic committees to ensure full transparency and allow any actions to be taken as necessary.

1.5 Embedding Risk Management

Strategic Risk Management is a standing item on the Strategic Leadership Board (SLB) agenda as part of the business management and monitoring reporting. This ensures that identification and consideration of risk, corporately and across services, is emphasised and highlighted regularly. Risks can be escalated at any point to SLB to discuss and decide as to whether the risk is a strategic risk or should be managed at programme, project or operational level.

Risk is reported to Cabinet as part of an integrated budget, performance and risk framework. This ensures that strategic risks are kept in focus by the relevant lead cabinet portfolio holders.

The Audit and Governance Committee (see section 3.2 below) is supported by the Audit Working Group. This is made up of members of the Audit and Governance committee and Officers from the Internal Audit and Counter Fraud team. This team receives regular risk management updates and periodically reviews the Strategic Risk Register. This scrutiny of risk ensures there is both senior officer level and political commitment to effective risk management.

The inclusion of risk registers within service areas seeks to reinforce the importance of assessing and being aware of the risks associated with each programme, project, or operation. Risk management activities should be included within service plans and progress monitored at director-led service meetings. As such the integration of risk into business planning, strategic priorities and performance management is an essential part of the drive to effectively embed risk management.

Activities such as training, communication and clear risk management support arrangements help to embed risk. The following summarises key activities to be undertaken to ensure risk management is embedded across the council:

- A monthly review of the Strategic Risk Register by SLB, who take responsibility for ensuring that management actions highlighted in the risk registers are implemented.
- Risk management and awareness supporting documentation can be found on the OCC risk intranet pages. These are reviewed and revised where appropriate on an annual basis.
- The Performance and Insight team are available to provide support and information regarding risk management and raising risk awareness. In addition, they can also provide training as required.
- Risk management and risk escalation awareness training sessions are held annually and will be facilitated for councillors and officers.
- A process of annual review is undertaken by SLT to ensure the Strategic Risk Register remains up to date and that obsolete risks are archived to ensure a full audit record of risk status.
- An officer working group will be set up to embed, review and develop risk practices. Operational and Strategic risks are to be discussed as appropriate and ensure officers have the necessary training.
- Internal Audit will be asked to give assurance with regards to risk management structures and processes.

Section 2: Risk Management Processes

2.1 The Risk Management Process

Risk Management follows a four-stage process:

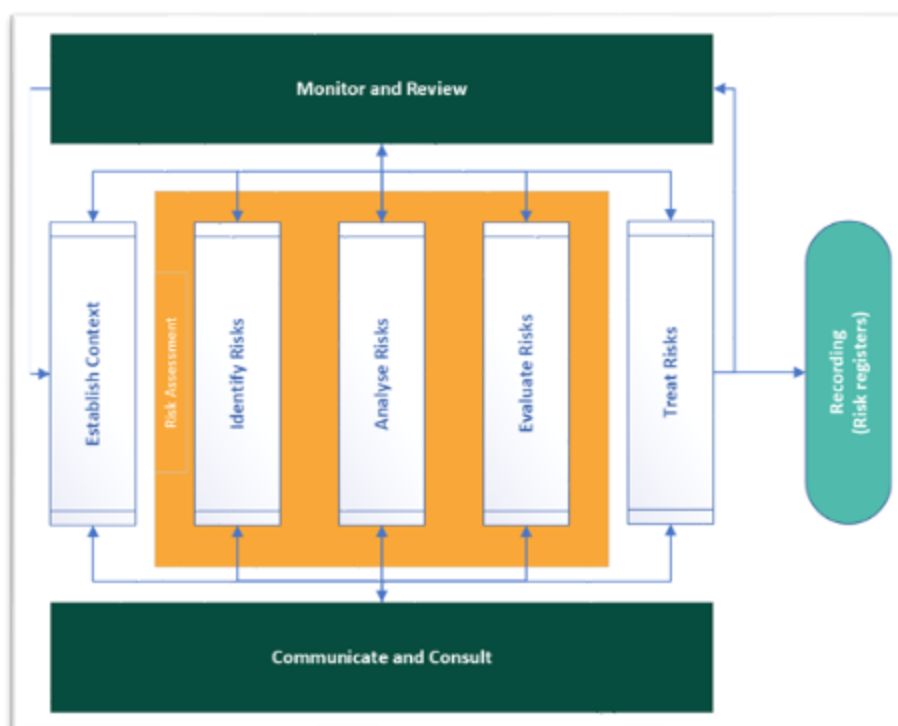


Figure 1- The risk management process

The risk management process applies equally to threats and opportunities. Effective risk management is a comprehensive process that helps the council meet its objectives. It helps the council avoid issues, losses and situations that could result in failing to meet strategic priorities, failure of corporate systems or failure of significant partnerships, services, programmes, and projects.

To ensure this process is effectively undertaken the council maintains and reviews a register of Strategic risks and opportunities which are linked to strategic business priorities.

For strategic risks, ownership is assigned at an SLT level. Risk owners may delegate the management of each risk to an appropriate officer. SLB identify risks and review the register.

The Performance and Insight team oversee the escalation of risks from an operational to strategic level.

The council's committees also undertake a monitoring and oversight role on a regular basis.

2.2 Identifying Risk and Opportunity

The process of identifying risk is both formal (risk-related documentation, including risk registers) and informal as part of everyday activities (colleague awareness and engagement). This section sets out the organisational process for identifying risk. However, it must also be recognised that councillors and colleagues should be continuously risk aware and are encouraged to identify, assess, and suggest additional risks to the register at any time.

For any risk identified the following should be considered:

- The scope of business likely to be affected by the risk
- An assessment of the risk's probability (likelihood) and impact
- The identification of key control measures and actions currently in place to manage the risk
- Assurances about the key controls that have already been established
- Gaps in key controls
- Gaps in assurance
- Additional management actions which may further reduce the risk
- Allocation of responsibility for the implementation of those additional control management actions and (where possible) an implementation date

For each opportunity identified the following should be considered:

- Details of the opportunity identified
- Allocation of responsibility for the opportunity
- Any additional risks that this opportunity raises (including financial)
- Actions necessary to make use of the opportunity and mitigate any additional risks, if appropriate.

The different types of risk

Strategic Risks:	risks that are significant in size and duration and will impact on the performance of the Council as a whole, and in particular on its ability to deliver its strategic priorities. This may include operational risks escalated to the Strategic level due to the scale of their impact.
Programme Risks:	programme risk in a council context refers to an uncertain event or set of events that, if they occur, will have an effect on the achievement of the council delivering business change. This can include risks related to costs, timescales, and the overall success of the programme
Project Risks:	project risk is the potential that a circumstance could arise that alters the outcome of delivering a set of business products, for better or for worse. It affects deliverables, timelines, and budgets, and can lead to a project's failure if not managed properly. Multiple projects often sit within a programme
Operational Risks:	risks affecting systems or processes that underpin the organisation's overall governance, operation and ability to deliver services. These may be located within a single service or span more than one service area. These often relate to 'business as usual'

Strategic risks

Strategic risks are owned by an SLT member and managed by a senior manager. Strategic risks are distinct from risks which impact directly on the community, such as flooding, pandemic disease or fuel shortage, although a

community risk may also be a Strategic risk, depending on its impact on the Council. Community risks are managed in the Community Risk Register by the Thames Valley Local Resilience Forum, of which the Council is a member.

Strategic risks will be fully reviewed by SLT on an annual basis in the fourth quarter as part of the business planning process for the forthcoming year. This provides a clear opportunity to identify new risks and opportunities. The result of this discussion will also be considered by the relevant Council committees.

SLB review strategic risks as part of the monthly business management and monitoring reports.

At any point in the year SLT, SLB and Council committees may identify new risks. If this is the case the risk evaluation method should be followed as outlined in the Process Guide.

Programme/Project Risks

Risk management should be incorporated into programme and project management from the outset. All programmes and projects should undertake full risk assessments. The size and scope of the programme or project will dictate the best way of managing the risks.

All significant programmes and projects should use a risk register to be managed by the programme/project manager and reviewed by the relevant board.

For programmes and projects with significant value or strategic importance to the Council as a whole, additional requirements are in place so that:

- The high-level risk and its controls will be recorded and managed through the Council's Strategic Risk Register. Detailed risks associated with the programme/project will be recorded in its risk register.
- Risk should be a standing item on each programme/project board meeting to review existing risks and the effectiveness of their control measures and actions and to identify any new risks.
- Risk management in programmes and projects will be undertaken by the Programme or Project Manager.

For minor projects (low value or single service-based) a risk register should be maintained as part of good project management. However, it is unlikely that the project risks will appear on the Strategic Risk Register unless they have the potential for significant health and safety or service provision risks, or potentially significant financial impact. If this is the case, then the approach set out above with regards to significant programme/project risks should be followed.

Operational Risks

Operational risks should be identified and owned by the relevant service, led by the senior manager. The annual service and resource planning process provides an opportunity to fully review all current operational risks, including

closing or removing obsolete risks that are no longer relevant and identify any new risks. Closed or obsolete risks should not be deleted, to ensure an accessible audit trail. However, the identification of risk is not limited to a single point in the year and new risks may be added at any time.

The Performance and Insight Team can support services with any risk related questions or issues. The team can attend DLT meetings to assist in identifying risks and to review the management of operational risks alongside performance updates.

2.3 Assessing Risk

Once a risk has been identified (of any type strategic, programme, project or operational), it needs to be assessed. The assessment process considers the probability (likelihood) that the risk may occur and its potential impact. This allows for risks to be ranked and prioritised, as not all risks represent equal significance to the council.

The council uses a risk scoring matrix to work out the inherent risk score (probability multiplied by the impact). The inherent risk score helps to make decisions about the significance of risks to the organisation, how they will be managed, the controls measures and actions required and the treatment of the risk.

The owner of the risk undertakes this assessment.

For a strategic risk this is checked by the Insight team, for programme / project risks by the relevant board and for operational risks by the Head of Service.

		Probability (Likelihood)				
		Remote 1	Unlikely 2	Possible 3	Probable 4	Highly Probable 5
Impact	5 Catastrophic	5	10	15	20	25
	4 Major	4	8	12	16	20
	3 Moderate	3	6	9	12	15
	2 Minor	2	4	6	8	10
	1 Insignificant	1	2	3	4	5

Probability (Likelihood)	Description
Remote	May only occur in exceptional circumstances (0-5%)
Unlikely	Is unlikely to occur, but could occur at some time (6-25%)
Possible	Fairly likely to occur at some time, or in some circumstances (26-50%)
Probable	Will probably occur at some time, or in most circumstances (51-75%)
Highly Probable	Is expected to occur in most circumstances (76-100%)

Risk Score	How the risk should be managed
High Risk (16-25)	Requires active management Risk requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10-15)	Contingency plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1-9)	Good housekeeping May require some risk controls to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

The Risk Management Process Guide and Risk Template explain in greater detail what defines the probability (likelihood) and impact scores.

The inherent risk score will determine how the risk is controlled and managed using one or a combination of the following risk responses; avoid a threat, exploit an opportunity, reduce the threat, enhance an opportunity, transfer the risk, share the risk, accept the risk, and prepare contingent plans as the options available. Once control measures and actions to mitigate the risk have been identified a residual risk score should be assessed. The inherent and residual risk scores, along with the control measures and actions then form the basis of reviews.

Organisational risk profile

Once Strategic risks and mitigating control measures and actions have been assessed the results are then plotted on a risk matrix, included as part of the Strategic Risk Register. Programme, project and operational risks may be plotted in a similar way if required.

2.4 Managing and Controlling Risk

Once risks have been identified and assessed, the next step is to control and manage them, through the use of control measures and actions. Where risks are negative (threats), this will involve the consideration of cost-effective action aimed at reducing the inherent risk rating. These management actions should be focused on gaps in risk controls or assurance. For positive risks (opportunities), this will involve considering actions aimed at realising the potential benefits.

The proposed action(s) to manage the risk will then be mapped against the specified risk together with an implementation date, and a named person will be designated as responsible for 'owning' the risk. The residual risk rating is the assessment of the risk after these control measures and actions have been put in place.

These control measures and actions should be included in risk documentation and/or service plans. Where a risk is associated with a programme or project it should be entered into the relevant risk register.

Managing risk is an ongoing process. Commentary provided as part of the risk review process should reflect activity taken within the period to manage the risk.

Risk response options

The level of the inherent risk will help determine the best treatment for a risk, whether at strategic, programme, project or operational level. The risk owner has a number of options:

Accept

The Council may decide to accept a risk where, for example:

- The risk opens up greater benefits
- The risk is already effectively mitigated by controls, even if it is high-risk
- The risk cannot be mitigated cost-effectively i.e. the cost of mitigating it would be greater than the cost of the risk materialising

Note that "accept" does not mean "do nothing". Accepted risks must still be monitored, and contingency plans put in place, in case the risks occur.

Reduce a threat or Enhance an opportunity

This is the most widely used approach.

The purpose of treating a risk is to continue with the activity which gives rise to the risk, but to bring the risk to an acceptable level by taking action to control it through either containment actions (which lessen the likelihood or consequences of a risk and are applied before the risk materialises) or contingency actions (these are put into action after the risk has happened, reducing the impact, and must be pre-planned). Enhancing an opportunity is the reverse process i.e. making the opportunity more likely to occur and increasing the impact if it did.

Because the option involves immediately committing to costs (in their various forms) for reduction/enhancement, these costs must be justified in terms of the change to the residual risk.

Taking management action is the main difference between 'treat' and 'accept'.

Avoid a threat or Exploit an opportunity

This means making the uncertain situation certain and therefore removing the risk. This can often be achieved by removing the cause of a threat, or by implementing the cause of an opportunity. This option may be adopted for no

extra cost, for example by changing the way the work is planned. However, in most cases additional costs will be incurred due to the removal of all residual risk for threats and opportunities. As with reducing a threat or enhancing an opportunity, all costs must be justified.

For threats, this may mean stopping the activity which gives rise to the risk. This is particularly important in terms of project risk. However, it may be limited as an option for our organisation's strategic risks.

Transfer the risk

Transferring some aspects of the risk to a third party.

For example, via insurance, or by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks, or risks to assets. However, it is a limited option – very few strategic risks are insurable.

Share the risk

This looks for multiple parties, typically within a supply chain, to share the risk on a pain/gain share basis. It is unusual for risks to be shared entirely this way, and ordinarily it will be the case that the primary risk taker will always need to protect their brand and/or reputation. This option can have success within both the programme and project contexts.

2.5 Reviewing and Reporting on Risk

Strategic risks will be reported to councillors and committees through business management reporting arrangements and be reviewed monthly by SLB. This review involves consideration of all strategic risks facing the Council, which could impact on the achievement of strategic priorities or are highly rated and escalated to the register from an operational or project team.

The review should focus on five key factors:

1. whether there are any changes to the inherent/residual risk scores
2. whether existing controls or actions remain relevant
3. whether new controls or actions are required
4. to what extent there are any gaps in the assurance of identified controls
5. whether the risk is still relevant

Operational, programme and project risks will be monitored and reviewed monthly within director-led service meetings.

All risks will be clearly defined, together with the controls that currently exist to manage them. Risk ratings will be reviewed and, where relevant, commentary will be provided to identify progress against planned action or emerging issues.

It is important that the internal systems and procedures in place are adequate to manage the identified risk. Where control weaknesses are identified, these

should be noted so that action can be taken to remedy such weaknesses. Action to address these weaknesses should be included within the report.

2.6 Linking risk to business plans and performance

Linking Strategic Risk to the Corporate Plan

The Strategic Risk Register is owned and managed by SLT. Where appropriate risks will be associated with Council priorities and objectives. On occasion a risk may sit outside a Council priority, for example where it affects all priorities or has whole organisation impact (e.g. the risk of systems failure or climate change).

Incorporating Operational Risk into Service Delivery Plans

Each service is required to produce a plan on an annual basis. The format of the service plan is common across the organisation and ensures there are clear links between Council priorities and service deliverables.

Each service delivery plan is required to identify operational risks associated with service delivery. Ideally these should also be directly linked to service priorities. Likewise, actions to control risks should be included within the service plan or the risk documentation itself. Responsibility for monitoring operational risk lies with Heads of Service.

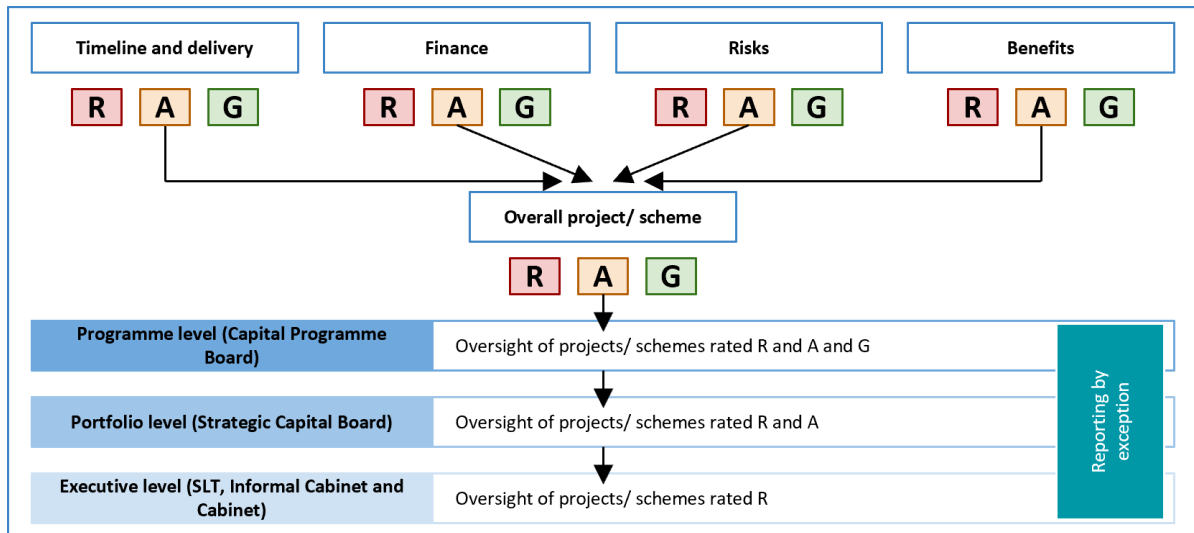
Integrating Risk and Performance Management

Performance and risk will follow the same reporting regime. Risks should be reviewed at the same time as reviewing performance of objectives/projects/programmes as they will impact each other.

2.7 Linking risk to programmes and projects

Programmes and projects adhere to the agreed risk management policy. It is recognised that the risk environment is different within programmes and projects. In these contexts, risks can be identified, actioned and closed on a faster basis than within the strategic environment, where risks are linked into long-term objectives.

The overall RAG status of the category should be the **same as the highest rated risk**. For example, if the highest rated risk is 'Low' then the overall RAG status of the category should be green. If the highest rated risk is 'Moderate' then the overall RAG status of the category should be amber. If the highest rated risk is 'High' then the overall RAG status of the category should be red. Additionally to this, all risks should be escalated in line with the Council-wide approach to risk; e.g. strategic risks should be escalated to SLT for review and those deemed necessary should be added to the strategic risk register. See the Process Guide for further details.



Programme or project risks may be escalated to the Strategic Risk Register if they reach a defined threshold as outlined in this document.

Risk Management responsibilities in project environments

Corporate Management (SLT)	Responsible for providing and ensuring adherence to the Risk Management Policy
Capital Programme Team	Responsible for
Programme Senior Responsible Owner	Accountable for risk management actions agreed at Programme Board level, following escalation from projects
Senior Managers	Accountable for risk management actions agreed at service leadership meetings following escalation from projects and operational risks within the service
Project Sponsor	<ul style="list-style-type: none"> Accountable for all risk management within the project, and for putting in place a risk management approach or strategy specific to the project Ensures all risks associated with the project business case are identified, assessed and controlled Triggers an escalation
Senior user/ customer/client board Member	Responsible for ensuring all risks to users are identified, assessed and controlled
Senior supplier board Member	Responsible for ensuring all risks to delivery are identified, assessed and controlled

Project Manager	<ul style="list-style-type: none"> • Creates the project-specific risk management approach as directed by the sponsor • Responsible for creating and maintaining the risk register in line with requirements of the project risk and opportunities management strategy, ensuring risk identification, assessment and control measures are implemented.
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Section 3: Roles and Responsibilities

3.1 Accountability

There will be clear accountability for risks and risk management. This is supported through the Council's Annual Governance Statement process, signed by the Chief Executive and the Leader of the Council, and by making the risks and risk management process open to regular Member overview, colleagues with risk ownership, internal audit and external inspections.

The Audit and Governance Committee has specific responsibility for monitoring the Council's risk management arrangements. This includes undertaking an annual review of this policy to ensure it remains current and reflects best practice in risk management. In addition, they will make recommendations to the Cabinet, if it is considered that any improvements or amendments are required.

Cabinet members will be briefed regularly by SLT members to ensure they are aware of Strategic risks affecting their service areas/portfolios and any improvements in controls which are proposed.

Sections 3.2 and 3.3 of this policy outline specific Councillor and officer accountabilities and responsibilities with regards to risk management.

3.2 Council Committees

Audit and Governance Committee

The Committee will monitor the effective development and operation of the Council's risk management activities. The Committee provides independent assurance to the Council on the effectiveness of risk management and internal control arrangements and performance effectiveness to the extent it affects exposure to risk and to inform the Annual Governance Statement.

Cabinet

Cabinet will receive a regular update on Strategic risks, through the regular Business Management and Monitoring Report.

Reflecting the roles of these committees the relevant Chairs and Portfolio Holders will be briefed on risk matters whenever appropriate.

3.3 Section 151 Officer

The Council's Section 151 Officer is the lead officer for risk management and ensures that the Council has a robust risk management policy and strategies in place that effectively support the system of internal control.

3.4 Senior Leadership Team (SLT) and Senior Leadership Board (SLB)

SLB is made up of the Chief Executive, Executive Directors and Directors. SLT is made up of OCC Directors. Both have a number of roles with regards to risk management. As the senior leadership board, they will own the risks on the Council's Strategic Risk Register. As such, they are responsible for risk review and monitoring on a regular basis. SLB are responsible for reviewing the strategic risk updates at monthly SLB meetings, and for ensuring regular reporting to the relevant council committees.

SLT and SLB also has a role in discussing proposed new risks, working to ensure they are properly assessed, recorded and managed.

3.5 Performance and Insight Team

The Performance and Insight Team works on behalf of the whole council to co-ordinate risk and performance management. The team is responsible for preparing and updating the Risk Management Policy and related materials, for compiling and managing the Strategic Risk Register (including preparing regular reports) and for ensuring that operational risk management is being undertaken by services.

The team leads the production of regular business management and monitoring reports to SLB, and regular reports to Cabinet, which includes information on Strategic risks and other risk matters.

In addition, the team provides risk-related support to managers, officers and councillors (risk management training) and provides information for the Annual Governance Statement.

3.6 Team Managers, Officers and Colleagues

Service managers and team leaders will often be responsible for operational, project and programme risks. This includes risk identification, assessment, and management. At these levels risks should be included in the appropriate risk register and linked into the service delivery and project plans. Service delivery plans, project plans, and risk registers should be updated as part of each team's regular performance and risk review.

In some cases, SLT members may devolve the day-to-day responsibility for managing a strategic risk to a senior service manager. If so, the manager will be expected to update the Strategic Risk Register monthly.

Colleagues without direct responsibility for owning and managing a risk have an essential role to play in identifying potential risks. All colleagues should be involved in regular risk discussions within teams as they would be with regards to performance.

3.7 Director-led service meeting

Director-led service meetings are responsible for monitoring the management of operational risks and escalating to SLT when risk mitigation cannot be managed effectively, and the risk could impact on strategic priorities.

Section 4: Monitoring and Review

4.1 Annual Review of the Risk Policy

The Risk Management Policy will be reviewed on an annual basis. This will take into account any issues highlighted by the internal audit of risk management. In addition, the Strategic Risk Register will be fully reviewed by SLT during the fourth quarter. As part of the annual service delivery planning process managers will be asked to fully review their operational risks.

4.2 Monitoring of the Policy and Register

As part of the risk and opportunities management process it is expected that strategic risks are reviewed regularly via SLB. The Cabinet will also monitor Strategic risks on a regular basis as part of the business management and monitoring report.

Reports will be taken to the relevant Council committees providing a summary of the most recent review and highlighting any issues arising with regards to the implementation of or compliance with the Risk Management Policy. The review will include commentary regarding the current risk score, the controls in place and whether any gaps have been identified in terms of the assurance that the controls are effective.

4.3 Internal Audit

Internal Audit will be in a position to provide assurance on the internal control environment, in line with their planned programme of work. Internal Audit will plan the annual audit coverage based on the risk management process. The Code of Practice for Internal Audit in Local Government in the United Kingdom defines Internal Audit as:

‘An assurance function that primarily provides an independent and objective opinion to the organisation on the control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation’s objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources’.

Internal Audit and Risk Management will co-ordinate assurance by:

- Independently reviewing the risk management policy and process
- Completing risk-based reviews of the key controls identified to mitigate the principal risk to the council’s achievement of its strategic objectives
- Referring to the council’s risk registers when planning audit work

4.4 External Audit and Review

External Audit

External Audit is a key source of assurance and the council should take into account the external audit management letter and reports. However, it is worth noting that the work of external audit has to be independent and the council should not rely on external audit for advice and guidance as that is not their role.

Review Agencies and Inspectorates

Aspects of the organisation's activities may be subject to independent inspection and assessment. These reports are likely to identify areas of strength and issues to address and may also provide some assurance. Reports from the Local Government Ombudsman may also provide a further source of assurance.

Section 5: Corporate Governance

5.1 Annual Governance Statement

Regulation 4 of the Account and Audit Regulations (2003) requires audited bodies to conduct a review, at least once a year, of the effectiveness of their systems of internal control. This review is incorporated within the Annual Governance Statement that is published alongside the statement of accounts.

The purpose of the Annual Governance Statement is to provide a continuous review of the effectiveness of an organisation's internal control and risk management systems, to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses in either process. The process of preparing the Annual Governance Statement will add value to the corporate governance and internal control framework of an organisation.

The statement needs to be approved separately to the accounts and signed as a minimum by the Chief Executive and the Leader of the Council. The production of the Annual Governance Statement will be reliant upon the contents of some or all of the following:

- Internal audit annual report
- External audit management letter
- Review Agencies and Inspectorates (where appropriate)
- Other internal review mechanisms
- Strategic Risk Register, including controls and actions
- Operational Risk Registers, including controls and actions
- Statements of Assurance
- Identification of risks highlighted by SLT
- Audit Committees
- Performance Management Framework

- Health and Safety Adviser

5.2 Statements of Assurance

In order for the Chief Executive and the Leader of the Council to be able to sign off the Annual Governance Statement there is a requirement for each Director to complete a statement of assurance taking responsibility for their individual service/operational risk registers and the implementation of the management actions contained within it. These statements of assurance will be completed on an annual basis to feed into the Annual Governance Statement.

The Chief Executive or, in the absence of the Chief Executive, a Director/Section 151 Officer, needs to sign a statement of assurance for the Strategic Risk Register.

Section 6: Further Guidance and Contacts

6.1 Supporting Documents / Guidance

In addition to this policy the following documents provide information and guidance with regards to risk management:

1. The council's intranet page on risk management provides a gateway to risk management resources, in particular:
 - The council's risk register template
 - The Risk Management Toolkit, offering detailed advice on each of the four stages in the risk cycle
2. A short, accessible E-learning course on risk management aimed at all council colleagues.
3. Assessment template for new risks: a two-page template that takes you through the process of assessing a new risk or fully reviewing an existing risk
4. Additionally, the Performance and Insight team can attend team meetings, or bespoke sessions, to provide colleagues with an introduction to risk management, or more detailed advice, as required.

6.2 Contacts

Rachel Brolly – Team Leader, Performance and Insight

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Performance and Insight team

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Louise Tustian – Director Transformation, Data, Digital and Customer Experience

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Ian Dyson – Director of Financial and Commercial Services

ian.dyson@oxfordshire.gov.uk

Community Safety Services
Oxfordshire Fire and Rescue Service
Fire & Rescue Service Statement of Assurance 2024/25

Report by Mike Adcock, Deputy Chief Fire Officer

RECOMMENDATION

The Committee is RECOMMENDED to

1. Consider and approve the Oxfordshire Fire and Rescue Service Statement of Assurance 2024/25 for publication. This document is procedural and not recommending any policy decision, strategy or project involving major change.

Executive Summary

2. The Fire and Rescue National Framework for England 2018 sets out a requirement for all fire and rescue authorities to provide annual assurance on financial, governance and operational matters through publishing an Annual Statement of Assurance. Oxfordshire Fire and Rescue Service's Statement of Assurance confirms that we are demonstrating due regard to the requirements included in the framework and the expectations set out in the authorities' risk management plans.

Exempt Information

3. No areas of exemption requested. Content will be public facing and open to public scrutiny.

Purpose

4. Oxfordshire Fire and Rescue Authority is the designated Fire and Rescue Authority for the County of Oxfordshire. It has a primary responsibility to protect the community, reduce harm and save lives. The Chief Fire Officer and the Cabinet Member for Community Wellbeing and Safety ensure the Council meets its legal and operational responsibilities to provide an effective fire and rescue service for Oxfordshire's communities.
5. The Oxfordshire Fire and Rescue Service Statement of Assurance is published in line with statutory reporting requirements. It provides assurance against the four strategic areas of protection, prevention, response and people outlined in the Fire and Rescue Service Delivery Plan.
6. The Statement of Assurance supports principles of good governance by ensuring transparency, regular reporting and public accountability across the Services strategic priorities. Information has been presented with "readability" and engagement in mind and will be available online.
7. The Statement of Assurance signposts readers to further information to support understanding of the Directorates activities and performance. For example, the CSS Directorates Annual Report 2024/25 which includes a more detailed breakdown of the types and numbers of incidents fire crews attended. Both documents support assurance and good governance enabling elected members and communities to scrutinise how outcomes are being achieved efficiently, effectively and in accordance with statutory requirements.

Aligning with Oxfordshire County Council's Corporate Policies and Priorities

8. The Statement of Assurance is aligned directly to the Council's Vision, Values, Objectives and Strategic Priorities. The document highlights how Community Safety Services contribute in particular to the following strategic priorities:
- a. Taking action to address the climate emergency in the way we work
 - b. Tackling inequalities in Oxfordshire
 - c. Prioritising the health and wellbeing of residents through our prevention and response work
 - d. Supporting carers and the social care system through safeguarding referrals
 - e. Creating opportunities for children and young people to reach their full potential through education and outreach programmes
 - f. Engaging with our communities to play our part in a vibrant and participatory local democracy.
 - g. Working with local businesses and partners for environmental, economic and social benefit.

Financial Implications

9. There are no new or additional financial implications arising from the Statement of Assurance. The document forms part of the annual procedural reporting process.

Drew Hodgson – Strategic Finance Business Partner: Resources, FRCS & TDCE

Legal Implications

10. There are no new or additional legal implications arising from the Statement of Assurance. The document forms part of the annual procedural reporting process.

Jay Akbar – Head of Legal & Governance Services

Staff Implications

11. There are no new or additional resourcing implications. The document forms part of the annual procedural reporting process.

Equality & Inclusion Implications

12. There are no additional equality and inclusion implications. The Community Safety Services Directorate aims to ensure all areas of service delivery are considered within a risk based framework targeting those most vulnerable from harm. The Statement of Assurance contains references to initiatives designed to develop inclusivity within the Community Safety Services Directorate. All policies, procedures and working practices are assessed against an Equality Impact assessment. The Statement of Assurance document has been produced with accessibility and readability in mind.

Sustainability Implications

13. There are no sustainability implications within this proposal. Consideration has been given to limit environmental impact from printing and the publication will be made available to the general public as an online publication.

Risk Management

14. Community Safety Services activities are managed through robust national and local risk assessment frameworks. These include utilising and aligning with National Fire Chiefs Council guidance and National Fire Standards to manage operational and strategic risks. The Service also maintains a Directorate risk register and acts as the local authorities lead agency in business continuity, resilience, and emergency planning. This report is not recommending any policy decision, strategy or project that would impact on the existing risk management strategy.

Consultations

15. There were no specific consultation requirements to producing the Oxfordshire Fire and Rescue Service Statement of Assurance

Annex

Oxfordshire Fire and Rescue Service Statement of Assurance 2024-2025

Background Papers

CSS Annual Report 2024/25

Oxfordshire Fire and Rescue Service, Statement of Assurance 2023/24

Other Documents

Oxfordshire Fire and Rescue Service Community Risk Management Plan 2022-26

HMICFRS Inspection Report 2023-25: Oxfordshire Fire and Rescue Service, Effectiveness efficiency and people.

Contact Officer

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Station Manager - Strategic Risk & Assurance

Oxfordshire Fire and Rescue Service - Community Safety Services

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November 2025

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Oxfordshire Fire and Rescue Service's Statement of Assurance 2024-2025

This important document outlines the way we meet our statutory duties.

On this page

- Introduction to our Statement of Assurance
- What is a Statement of Assurance
- Governance
- Identify and Assess
- Operational - Overview
- Operational - Prevention activity
- Operational - Protection activity
- Operational - Response activity
- Collaborative Arrangements
- National Resilience
- Terrorism
- People & Wellbeing
- NFCC
- HMICFRS Inspection
- Finance

Introduction

Welcome to Oxfordshire Fire and Rescue Service's Statement of Assurance for 2024-2025. As the Cabinet Member and Chief Fire Officer for Oxfordshire Fire and Rescue Service (OFRS), we are pleased to present this statement of assurance for our local communities outlining how we meet the statutory duties of the Fire and Rescue Services Act 2004, Regulatory Reform (Fire Safety) Order 2005, Civil Contingencies Act 2004, The Fire and Rescue National Framework for England 2018 and The Local Government and Housing Act 1989

Cllr Jenny Hannaby, Cabinet Member for Community Wellbeing and Safety

Rob MacDougall, Chief Fire Officer and Director of Community Safety

What the Statement of Assurance (SOA) is

The Fire and Rescue National Framework for England 2018 sets out the requirement for all fire and rescue authorities to provide annual assurance. It specifies that:

- Every fire and rescue authority must have regard to the Fire and Rescue National Framework for England 2018 in carrying out their functions.
- Every authority must publish an annual statement of assurance of compliance with the Framework.
- The statement of assurance should outline the way in which the fire authority and its fire and rescue service has had regard – in the period covered by the document – to the National Framework, their Community Risk Management Plan and any other strategic plan prepared by the authority for that period.

- The authority must also provide assurance to their community and to government on financial, governance and operational matters.

In 2022 we published our four-year Community Risk Management Plan (CRMP). Our CRMP is a strategic document that identifies potential risks within our community and outlines effective strategies to manage and mitigate these risks. It is a crucial tool for any fire and rescue service, as it allows us to proactively address the unique challenges faced by our communities in Oxfordshire.

Our approach is proactive and focused on preventative activities. We believe that prevention is better than cure, and our strategies are designed to prevent incidents before they occur. This involves educating the public, conducting regular risk visits, and implementing effective risk management strategies.

Through our CRMP and annual plans, we aim to create a safer and thriving Oxfordshire. We are committed to protecting our communities and ensuring their prosperity, and our CRMP is a testament to this commitment. By identifying and managing risks, we can ensure the safety and well-being of all residents in Oxfordshire.

In addition, the Fire and Rescue National Framework for England 2018 states that the priorities for Fire and Rescue Authorities is to:

- Make appropriate provision for fire prevention and protection activities and response to fire and rescue related incidents;
- Identify and assess the full range of foreseeable fire and rescue related risks their areas face;
- Collaborate with emergency services and other local and national partners to increase the efficiency and effectiveness of the service they provide;
- Be accountable to communities for the service they provide; and
- Develop and maintain a workforce that is professional, resilient, skilled, flexible and diverse

Our Statement of Assurance will also assure that we have focused and met these priorities as required by the Framework.

As well as our SOA, the service also produces a separate Annual Report for 24/25 detailing performance in all areas of service delivery across Oxfordshire County Council (OCC) Community Safety Services. You can read a copy of the Annual Report 2024/2025 [here](#).

Governance

Oxfordshire Fire and Rescue Authority is the designated Fire and Rescue Authority for the County of Oxfordshire. It has a primary responsibility to protect the community, reduce harm and save lives through prevention, protection and response activities. The Chief Fire Officer and the Cabinet Member for Community Wellbeing and Safety ensure the Council meets its legal and operational responsibilities to provide an effective fire and rescue service for Oxfordshire's communities.

OFRS governance is carefully managed through regularly reviewed policies, procedures and assurance systems managed by monitoring Officers and Senior Leadership Officers. Effective systems of internal control are assured through a corporate governance framework. The Service adheres to the principles of the CIPFA / SOLACE framework “Delivering Good Governance in Local Government”. Our Annual Governance statement demonstrates that we have fulfilled its obligations under this framework.

In February 2025, the government asked councils in Oxfordshire to submit an interim proposal(s) for local government reorganisation by 21 March 2025, with a full proposal by 28 November 2025. Three options for unitary councils have been developed, with each option having due regard for OFRS and how the service will operate post reorganisation and devolution. OFRS is working closely with OCC and District Councils to ensure OFRS and the service the public expect from its Fire & Rescue Service is fully considered through the process and when the new model is established.

Further information can be found in our Annual Governance Statement, which is included in our Statement of Accounts publication [here](#), and further information on local government reorganisation and devolution can be found [here](#).

Identify and Assess

Our overarching risk identification and assessment process for Oxfordshire has seen a review and change in approach over the last year in order to ensure we are identifying all foreseeable risk in our communities. Now known as our Oxfordshire Needs and Risk Analysis (ONRA), it serves the purpose of:

- Acting as our “risk assessment” of the County from a Fire and Rescue perspective
- Allowing us to look at the various hazards that are present in the County and assess the risks our communities and service face from these hazards
- Helping guide our plan as a service in everything that we do and how we respond through our Community Risk Management Plan. The plan is framed by our statutory duties under the legislation named in this Statement of Assurance

We follow nationally produced processes and guidance when producing our ONRA and CRMP, including the NFCC Community Risk Management Planning Strategic Framework and Fire Standard’s Board Community Risk Management Planning Standard. By following these we are able to assess risk holistically and target our prevention, protection and response work through our CRMP.

Over 2025, our ONRA process explored these risks in detail taking a significant amount of data, information and feedback from across the service. Some of the key risks identified that will be informing our work now and as we start to prepare for our next CRMP are:

- Staff Mental Health, Physical Health, Wellbeing and Competency

- Ensuring appropriate responses to the wide range of incidents we respond to
- Emergence of new risks or evolving risks such as flooding, adverse weather and Lithium Ion Battery use
- Public Physical and Mental Health & Social Economic Deprivation and the impact this has on the service

Operational – Overview

The way in which we carry out our prevention, protection and response activities is based on our CRMP. This CRMP was published in 2022 and is our 4 year plan based on our Strategic Risk Analysis process that identified what risks exist in Oxfordshire that we are required to act upon through various statutory obligations, legislation, and regulations. This has now been updated through our ONRA process.

Our ONRA and CRMP are not static documents but living processes that evolve with the changing needs and developments within our communities and the fire sector. To ensure their continued relevance and effectiveness, we produce our service delivery annual plan that incorporates our ONRA findings and CRMP objectives which then defines the annual strategies for each service area of our organisation. These annual plans consider the latest developments in Oxfordshire and the fire sector so we can integrate them into our overall strategy.

Operational - Prevention Activity

Our prevention strategy is based around continuing to see a reduction in fires, road traffic collisions and other emergencies attended by OFRS through proactive, targeted prevention work across the county. This includes delivering educational programmes, providing advice and supporting visitors, residents and businesses to prevent incidents occurring. This year, we have been carrying out the following activity in line with our prevention strategy in our CRMP:

Prevention Activity Area	What We Have Done
Conduct a review of OFRS' Prevention Strategy to ensure that we continue to offer effective and efficient prevention services to our communities.	A significant amount of work has been undertaken in relation to ensuring that the Service's prevention activities are efficient and effective. This includes a review of our Home and Community Safety policy, refresh of the Safe and Well app and associated training of crews, work to improve the quality of safeguarding referrals sent to the service and work to target Safe and Well visits to those presenting a possible higher risk. As a result of our work with an emergency services planning organisation (ORH) we are now exploring a future area of work with ORH on both improving our assessment of community risk and the

	evaluation of our prevention activities. This work is continuing at present.
Further develop our Wholetime watch based staff to confidently and competently complete increased Prevention activity to support public and firefighter safety.	New performance measures have been put in place for Prevention work to better enable performance management in the areas. The Safe and Well competency project is being rolled out with training to crews.
Carry out targeted, proactive prevention activities in our communities.	We have visited over 2,300 vulnerable households providing safe and well advice, referred 208 residents on to partner agencies, helping more vulnerable residents receive the support they need from the right agency. Additionally, our community safety van has been deployed 27 times to various locations, providing safety messages and support to the community and we have promoted 631 safety messages to the public.
Collaboration with partners to ensure we target the right people with the right prevention activities.	Worked with Active Oxfordshire and the cycling and walking activation programme within OCC to deliver bike libraries to disadvantaged communities. We also partnered with the University of Oxford and Thames Valley Police to hold a Vision Zero safety event focusing on 'Be Bright Be Seen', which aims to educate cyclists who put themselves and others at risk when riding without lights. Additionally, we conducted road traffic collision demonstrations for the Ministry of Defence's drink driving campaign, showcasing extrication techniques. This includes a presentation on the 'Fatal 4' which highlights the dangers of drink and drug driving.

Operational - Protection Activity

Our team remains committed to the comprehensive delivery of protection services throughout Oxfordshire, leveraging both technology and direct engagement to ensure adherence to the Regulatory Reform (Fire Safety) Order 2005. Our efforts have been instrumental in maintaining compliance among commercial entities, with a focus on diminishing the risk of fire in non-residential buildings through a calculated, risk-based approach to business interaction and inspection. This year, we have refined our Risk Based Inspection Programme (RBIP) to further prioritise the inspection of high-risk commercial properties, enhancing our community service effectiveness.

In instances where individuals have neglected their legal duties, thereby endangering lives, we have not hesitated to initiate legal proceedings when it serves the public interest. This past year has seen us undertake prosecutions within our area of responsibility.

Fulfilling our role as a statutory consultee under Building Regulations, we have diligently ensured that new or modified buildings meet fire safety standards, with 694 formal fire safety and building regulation consultations conducted this year. In alignment with our protection strategy outlined in our CRMP, we have engaged in the following activities:

Protection Activity Area	What We Have Done
Continue to increase the number of audits undertaken via our Risk Based Inspection Program and 'themed' activity to address high-risk premises-types.	Proactively completed 491 audits (an increase of 42 from last year), of which 211 (43 per cent) were unsatisfactory. The audits address fire safety concerns, providing improvement measures to those that are unsatisfactory and improve overall safety standards.
To implement and evaluate changes to Unwanted Fire Signals procedures.	Following on from the consultation exercise on this subject, the agreed policy went live on the 10 th October 2024. Significant work took place with partners across the Thames Valley to ensure as much consistency as possible and to support Thames Valley Fire Control Service. In addition, a significant engagement programme was put in place to advise and support businesses during this change. Evaluation is being undertaken but initial indications show that the expected outcomes are being achieved with no concerns of note
Implement a revised building regulatory inspection programme to incorporate new national best practice.	OFRS' Protection team continue to meet the requirements of the current risk-based inspection programme with no outstanding visits. We continue to await the publication of the new national guidance from NFCC, and are ready to implement once received
Gather and update risk information to keep our firefighters and the public safe	We completed 165 fire risk audit workbooks which collect and disseminate operational risk information to prevent injury, ill health, or death of emergency responders and the public, as well as to limit damage to property, infrastructure, and the environment. Additionally, we completed 71 Site Specific Risk Information (SSRI) processes - a detailed

	assessment and documentation of risks associated with specific sites or premises.
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Operational - Response Activity

Since 2023, we have been evaluating how we can adapt to changes in risk across Oxfordshire by beginning a comprehensive review of our response functions. The review process analysed the effectiveness, efficiency and resilience of the service whilst also look at ways of reducing our environmental impact. This resulted in recommendations for improvements across six areas of our response activity.

Five of these recommended changes have been implemented as they relate to specific, internal improvements. The final change – a new operational response model – is currently in the final stages of development. Once complete, public consultation will take place in relation to this new operational response model, which aims to improve response times and resilience of the service for the community of Oxfordshire.

In addition, this year our plan was to work on other specific areas within response which align with our ONRA and CRMP:

Response Activity Area	What We Have Done
New Fire Appliances being rolled out across the county	Six new fire appliances are being introduced across the county, equipped with updated technology and systems designed to enhance safety for both the public and crews during incidents. One of the features of these new vehicles is the incorporation of "clean cab" principles, intended to support crew health and safety.
Improve the operational availability of our fire appliances, through recruitment and retention of operational staff, ensuring we provide an effective and timely emergency response.	An On-call availability strategy has been drafted, looking at ways of reversing the drop in availability and creation of a strategic approach to station-area availability management. The interim availability model was released in April 2025 and is currently being monitored for effectiveness.
Shared Evacuation Tracker implemented across Oxfordshire FRS, Royal Berkshire FRS and Buckinghamshire FRS to enhance tall building fire response	An electronic system for tracking evacuations and fire incidents in tall buildings was designed and implemented internally between all three Thames Valley FRS. In addition, Oxfordshire FRS has implemented additional bespoke pre-conceived trackers for all individual tall buildings within the County to improve our response capability even further.

Introduction of new Command Support Boards	Our new Command Support Boards help us develop and communicate a command structure at dynamic operational incidents. These new boards were developed in partnership with Royal Berkshire and Buckinghamshire FRS' and are aligned to other services in the Southeast region. These command support boards represent a huge step towards aligning our operational response with our Thames Valley partners.
Introduction of the new Operational Learning Tracking System (Volts)	The introduction Volts has improved the way operational learning is captured and implemented. The system allows for the recording and analysis of operational incidents, training exercises, and other relevant activities, ensuring that valuable insights are systematically incorporated into practice. This has help develop our response capabilities, enhance crew safety, and better serve the community.

Collaborative Arrangements

Thames Valley Fire Control Service (TVFCS) which officially opened in 2015 and bought together the three control rooms from the fire and rescue services within Thames Valley, continues to handle and manage the mobilisation of resources to incidents In Oxfordshire, Berkshire and Buckinghamshire areas, demonstrating the benefits and positive outcome of collaborative arrangements.

The Thames Valley collaboration board continues to explore further areas in which the three Thames Valley FRSs can work together to achieve positive outcomes for its residents. This has included work such as the Thames Valley Breathing Apparatus Alignment as well as other areas such as production of joint policies and operating procedures so fire crews can work more closely together across the three counties. This has included work on implementing National Operational Guidance from the NFCC into all services' policies and procedures across the 3 counties to ensure standardisation and interoperability in our response work.

Memorandums of understanding (MOUs) for support exist with agencies such as Thames Valley Police, South Central Ambulance Service and the Defence Fire and Rescue Service, alongside MOUs with the voluntary sector including The British Red Cross and Oxfordshire Lowland Rescue. We have successfully worked alongside the broad spectrum of organisations throughout the year, including the wider Oxfordshire County Council, other blue light responders, partner agencies, utilities and services and the voluntary sector in order to provide a more holistic approach to our prevention, protection and response activities.

National Resilience

The National Resilience programme was established as part of the UK response to the terrorist attacks on the World Trade Centre in New York on 11 September 2001 and is a shared responsibility between central and local government. National Resilience provides specialist capabilities, personnel and resources which enhance the ability of the sector to respond effectively to large-scale or critical incidents. Those incidents may be natural disasters, industrial accidents or terrorist attacks.

OFRS is responsible for two national resilience functions for a large geographical area. These are:

- Detection, Identification and Monitoring - specialist teams that provide the Fire and Rescue Service with the ability to make an assessment on the potential presence of chemical, biological and radiological agents
- High Volume Pumping capability - Used to move significant volumes of water over long distances, either in response to floods, or to provide a water supply to fight fires in locations where large amounts are required.

Our staff train and exercises on national assets through the year to ensure their efficient and effective deployment and use of equipment when requested. Over the last year, we have deployed these national assets 6 times within Oxfordshire and 15 times nationally, demonstrating our dedication and commitment to protecting the wider population and our responsibilities as a National Resilience asset holder.

Terrorism

Chaired by OFRS's Deputy Chief Fire Officer, the Channel Panel is an early intervention scheme that supports people who are at risk of radicalisation and provides practical support tailored to individual needs. It can help people to make positive choices about their lives. It is about safeguarding individuals vulnerable to radicalisation by using existing multi-agency working between local authorities to identify individuals at risk of being drawn into terrorism, assess the nature and extent of that risk, develop the most appropriate support plan for the individual concerned, with a clear process in place to ensure that the right people are referred to the panel.

In addition, the findings and recommendations from the Manchester Arena Inquiry have been reviewed in detail and actioned by the service, and we are working on continuing to ensure that OFRS is able to respond to terrorist incidents through development of policy and procedures with the Thames Valley alignment group. We currently have a dedicated operational response team shared across the Thames Valley who are trained and equipped to respond to terrorism incidents, and we are currently rolling out training packages to the rest of our operational firefighters and officers to ensure they are able to safely and efficiently respond to terrorism incidents to support these teams and other Category 1 responders.

People and Wellbeing

As part of our people strategy, we have continued to work to ensure a positive culture as an organisation over the last year. In order to achieve this, we

commissioned an independent cultural review by Stephanie Wheeler Associates in 2023 across a range of topics, and we have continued to work with Stephanie and the wider service to implement a number of improvements and strategies over the last year, including:

People Activity Area	What We Have Done
Develop our Mental Health and Wellbeing plans by reviewing our work in this area and driving continuous improvement in this area.	The Health, Safety and Wellbeing department has run two Real Talk, Real People sessions this year which have been a big success with staff. Additionally, the team are visiting all On Call stations during drill nights to update them on all wellbeing access.
Capture learning and understanding from the 2024 HMICFRS Inspection, including reviewing and implementing improvements in areas identified.	The HMICFRS Inspection action plan is in place with Heads of Service providing monthly updates and tracking of progress. This has resulted in a number of areas for improvement being completed with work continuing on others.
Continue to lead the Clean Working Principles work for the service	Some of the outputs from our work in this area has resulted in the procurement of “clean cab” fire appliances and purchase of BA washers to help keep our crews cleaner, safer and healthier.
Continue to grow and develop our staff	We trained 33 new firefighters and 11 new incident commanders, whilst also recruiting 32 on-call staff, and 16 wholetime firefighters over the last year.
Undertook a review of the Employee Relations and Resourcing Team (ERRT) function following staff feedback in the culture review citing capacity issues in some key areas	We have reviewed the roles and responsibilities required across our middle manager roles in ERRT and Development. This resulted in us making changes to the roles and responsibilities for 3 middle managers with the aim of reducing capacity issues and allowing for business to be managed effectively when resource demand is high for some of our core deliverables such as recruitment or staff consultation projects.
Improving promotional processes.	We have introduced more independence into our interview panels by inviting colleagues from other fire and rescue services to form part of our panels. This has meant that we can increase diversity of our interview panels and better reflect the candidates. It has also resulted in sharing best practice ideas and assuring ourselves of objectivity and independence, helping to select the right candidates for the roles.
Improved development programmes at all levels of the Service	All of our development programmes have been reviewed which includes the reduction of input required by candidates as we have removed duplication and cross mapped various requirements. This supports our strategy for aligning all career pathway options to mirror the NFCC Leadership Framework of Leading Yourself, Leading the Team, Leading the Function and Leading the Service. One of the initial benefits is reducing

	workload required of those who are promoted into new roles with less work to undertake in development.
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National Fire Chief's Council (NFCC)

The NFCC is the professional voice of the UK fire and rescue service and aims to drive improvement and development throughout the UK Fire and Rescue Sector. OFRS has a proud history of engagement with the NFCC, and we are represented on a number of NFCC working groups covering a broad range of topics across the sector. Our Chief Fire Officer and Director of Community Safety Rob MacDougal serves as Chair of the NFCC People Programme, which sees him leading a team that is defining the next People Strategy, providing a direction of travel for the sector over the next few years. OFRS have also worked with the NFCC over the last year on the Direct Entry Station Manager programme, and continue to implement NFCC devised guidance's and processes, such as the NFCC Community Risk Management Planning Strategic Framework for our Oxfordshire Needs and Risk Analysis process, demonstrating commitment to NFCC best practices and projects.

HMICFRS Inspection

In 2024, His Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) inspected OFRS, with their report published in July 2024. Their report highlighted several positive aspects as well as some areas for improvement. It highlighted that the service has:

- Improved the availability of risk information for control room staff
- Maintained a well-qualified protection team
- An effective prevention strategy that is focused on those most at risk
- Collaborated effectively with other organisations to enhance community safety
- Sound financial management, with strategic plans to improve efficiency and sustainability.

However, the inspection also identified several areas needing improvement. There are some delays in updating risk information on mobile data terminals, which hampers effective risk mitigation. The service struggles with the availability of on-call fire appliances (which is recognised as a nationwide issue) and has not met its response time targets in certain areas. Staff workloads, particularly in the prevention team and at middle management level are high, and there is a high number of temporary promotions and movements that can cause instability. The service could do more to enhance its approach to equality, diversity, and inclusion, and there is a need for clearer communication and better support for staff during the ongoing change programme.

Overall while OFRS has shown strengths in several areas, we also face challenges. Addressing these issues will be crucial for us to improve our effectiveness and efficiency whilst keeping the community safe. The ongoing improvements and development within the service, led by our Community Safety Services review, are key steps in the right direction, but we must ensure we continue this work in the most effective way with clear communication at our core.

Upon publication of the report, OFRS immediately began developing a robust action plan to address the areas identified as requiring improvement. We have made progress in some areas already, such as launching our updated Automatic Fire Alarm Response Policy, however some areas will require more time to refine and implement to ensure the best outcomes. Currently out of the 26 identified areas for improvement, we have 8 considered addressed and closed by the service, with 13 currently in progress and on target.

We will continue to work with HMICFRS to ensure our actions provide the results needed to address the areas for improvement whilst also continuing to deliver and drive our positive work in the areas identified.

More detail on assessments of Oxfordshire Fire and Rescue service can be found on the [HMICFRS website](#).

Finance

Our budget for 2024-2025:

- The total net expenditure for Oxfordshire Fire and Rescue Service was £32.1m
- The cost of providing the fire and rescue service in 2024/25 was approximately 12p per day for each person within Oxfordshire and the cost per head of population was £42.84 per year.
- Our overall expenditure against the number of incidents we attend is £5310.48 per incident in 2024-25.

Financial data is taken from the CIPFA Fire and Rescue Statistics Auditors' findings. Oxfordshire Fire and Rescue Service (OFRS) are an integral part of Oxfordshire County Council (OCC) who provide the statement of accounts, audit reports and pay policy statement.

A summary of auditors' reports and findings can be found in the annual audit letter for 2024-2025. The accounts and audit regulations require local authorities, including fire and rescue authorities, to prepare an annual governance statement in support of the annual statement of accounts. Full details can be found in the annual governance statement, which is included in our statement of accounts.

Further information

A PDF version of this report can be downloaded from: [HERE](#)

Legislative frameworks that govern Oxfordshire Fire and Rescue Services Oxfordshire Fire and Rescue functions within a clearly defined statutory and policy framework. The key documents setting this out are:

- [The Fire and Rescue Services Act 2004](#)
- [The Civil Contingencies Act 2004](#)
- [The Regulatory Reform \(Fire Safety\) Order 2005](#)

- [The Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)
- [The Localism Act 2011](#)
- [The Fire and Rescue National Framework for England](#)
- [Local Government and Housing Act 1989](#)

Further reading

- [Oxfordshire Fire and Rescue Service Performance](#)
- [The Council Constitution](#)
- [Annual Accounts and Audit](#)

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Division: **ALL**

AUDIT AND GOVERNANCE COMMITTEE 26 November 2025

ANNUAL GOVERNANCE STATEMENT 2024/25 – UPDATE ON ACTIONS

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. The Committee is **RECOMMENDED** to receive this update on the actions from the Annual Governance Statement 2024/25 and to make any comment upon them.

Executive summary

2. On 4 June 2025, this Committee approved the Annual Governance Statement (AGS) for the year 2024/25. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles and to give an opinion on the effectiveness of those arrangements. As part of the process, authorities are expected to highlight areas of focus for the year following.
3. This report therefore updates the Committee on the eight specific areas of focus identified for 2025/26.

Annual Governance Statement actions for 2025/26

4. The eight actions were:

Service area	Action
A. Schemes of Delegation	Work is still being undertaken with the new services formed as a result of the Tier 3/ 4 restructure, implemented on 16 December 2024.
B. Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.	It is important that the legal status of and responsibilities and accountabilities of Members are clearly understood in relation to outside bodies they are appointed to by the Council.

C. Contract Management	<p>A Contract and Supplier Management project has been mobilised with the following five workstreams:</p> <ul style="list-style-type: none"> • The Contract Management Framework • Ways of Working • Governance and Oversight • Systems, processes and data • Skills, capability and knowledge
D. Executive Officer Decisions	To provide guidance to officers on the procedure for making officer executive decisions, in particular the process that applies to key decisions
E. Code of Practice on Good Governance for Local Authority Statutory Officers	To undertake a self-assessment against the Code of Practice on Good Governance for Local Authority Statutory Officers.
F. Appointment of Independent Member of the Audit & Governance Committee	To appoint into this role.
G. To commission an Independent Remuneration Panel	To appoint a panel – to consider member allowances.
H. Inspections Review: Readiness and Sharing Learning	<p>To facilitate opportunities for assurance colleagues to:</p> <ul style="list-style-type: none"> • Share experiences and learning; • Raise awareness through internal communications and cultural change; • Leverage technology for data efficiencies.

UPDATES

5. An update on the progress made on the eight actions is below:

A. Schemes of Delegation

Finance and Governance officers continue to progress work on local Schemes of Delegation. Key officers have met to discuss strategies for improved coordination of workflows to ensure the March 2026 deadline

is met. The Finance team is working towards completing all Financial Schemes of Delegation by the end of December 2025, with four remaining to be finalised. Governance officers finalised the Law & Governance scheme of delegation in early November 2025. Draft Schemes of Delegation will be sent to all services for review and revision, with the Strategic Leadership Board supporting the process.

B. Review of Members' and Officers' fiduciary responsibilities and accountability, and legal status in respect of outside bodies including indemnities.

Audit & Governance Committee considered a report on 16 July 2025 on the "Review of Appointments to Outside Bodies"

The review incorporated the newly developed document, "Guidance for Members who are appointed to Outside Bodies." Both the review and guidance were submitted to Council on 9 September 2025, where the guidance received formal approval. The document has since been distributed to all Members.

C. Contract Management

The Contract & Supplier Management Framework has been developed and approved with implementation beginning through Autumn 2025. Other workstreams are making progress but successful implementation is intrinsically linked to the successful Commercial & Procurement service redesign. The new team structure is due to go live on 15th December 2025 which will establish a new contract management centre of excellence for the Council which will then fully implement the identified workstreams and build a multi-year continuous improvement plan to mature the service offering.

D. Executive Officer Decisions

Changes to the Constitution have highlighted a need to refresh training and templates on officer decision making. An internal officer group to develop guidance, manage changes to process and templates and to develop training for officers has been set up.

Training will follow by March 2026. Training delivery is being coordinated with the Association of Democratic Services Officers (ADSO). Initial training is scheduled for the council's governance and legal teams. A second phase of training will cover broader organisational implementation, with ADSO assisting in the creation of annual online governance training.

Templates are being updated, with completion due by March 2026. The Governance Management Team will manage the updates and training across the organisation.

E. Code of Practice on Good Governance for Local Authority Statutory Officers

The self-assessment against the Code of Practice on Good Governance for Local Authority Statutory Officers will be undertaken in February 2026 as planned.

F. Appointment of Independent Member of the Audit & Governance Committee

On 8 July 2025 Council approved:

- i) The appointment of Kate Cartwright and Paul McGinn as Independent Members of the Audit and Governance Committee for a term of four years.

G. To commission an Independent Remuneration Panel

On 8 July Council approved:

- i) the appointment of Benjamin Anim-Antwi, Martyn Hocking, Stephen McKechnie and Dave Shelmerdine as Members of the Independent Remuneration Panel (IRP); and,
- ii) to formation of the Independent Remuneration Panel for a period of two years.

The IRP has commenced its full review of the scheme of allowances. A questionnaire has been circulated to Members and interviews are being conducted with a cross-section of Members. The IRP plans to present its final report to the Council meeting on 9 December 2025.

H. Inspections Review: Readiness and Sharing Learning

The Terms of Reference for the working group have been circulated for review; the cohort needs to extend to ensure representatives across all key services are included. Recent inspections have reprioritised colleagues away from this group.

The Director of Transformation will work with the coordinator to establish a clear membership, frequency of meetings and sharing of findings/lessons learned.

A report with shared findings/learnings will be collated by 31 March 2026 with review and implementation within Quarter 1 of 26/27.

- 6. A further update will be presented to this committee in January 2026.

Financial implications

7. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Legal implications

8. The Council has a legal duty to agree an Annual Governance Statement. This report does not itself raise legal implications but is an update on the actions arising from last year's AGS and is consistent with the responsibility of this Committee to ensure the effectiveness of the Council's governance.

Checked by: Jay Akbar, Head of Legal & Governance Services, and
Deputy Monitoring Officer
jay.akbar@oxfordshire.gov.uk

Equality and inclusion implications

9. The recommendations in this report do not themselves raise equality implications. However, the effectiveness and inclusivity of the Council's governance arrangements are integral to the effective running of the Council and of the outcomes for the community.

Anita Bradley

Director of Law and Governance & Monitoring Officer

Contact Officer Sarah Smith, Senior Governance Lead
governance@oxfordshire.gov.uk

November 2025

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AUDIT AND GOVERNANCE COMMITTEE

26 November 2025

ANNUAL REPORT ON WHISTLEBLOWING

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

The Committee is **RECOMMENDED** to:

- a) note the number of incidents of Whistleblowing during the 2024-25 financial year and
- b) note that training on Whistleblowing is currently being rolled out within the organisation.

Background

1. The council's Whistleblowing Policy (as presented to and approved by this Committee on 13 March 2024) provides clarity around the six categories set out in the Employment Rights Act 1996 that make a complaint a qualifying disclosure under the Public Interest Disclosure Act 1998.
2. A copy of the policy is attached to the report. A review of this policy will be undertaken in early 2026.
3. In 2024-25, to support the implementation of the revised policy, members of the council's Strategic Leadership Team, along with colleagues from HR, Audit & Counter Fraud, Finance, and Law & Governance, completed The Chartered Institute of Public Finance and Accountancy's (CIPFA) Whistleblowing eLearning course.
4. The council's Governance Team has produced in-house Whistleblowing training, which was published on the Learning Zone in October 2025 and is accessible to all employees. Completion of this eLearning course is mandatory for managers, and new employees as part of the induction process, while all employees are encouraged to undertake the training annually. Details of the course have been shared through internal channels including Hive, Viva Engage, and the November Managers' Briefing.

Incidents of whistleblowing during 2024-25

5. Six whistleblowing allegations were received. Three were assessed by the Monitoring Officer as requiring action under a different council policy (for example the Grievance Procedure in accordance with the Resolving Concerns (grievances) Policy), and three were accepted as requiring investigation under the Whistleblowing Policy.
6. A summary of allegations and the status of investigation are provided below:
 - a) Health and Safety considerations in a Children's Services programme of events - investigation completed. The investigation led to recommendations for enhanced group segregation, provision of interpretation services, a review of risk perceptions and thresholds, improvements to attendance register procedures, and confirmation of authority delegation for future trips.
 - b) Practices when safeguarding checks being undertaken with partner agencies - investigation completed. Following this investigation, identified risks were communicated to partner agencies, and a review of information sharing procedures was conducted.
 - c) Treatment of employee with protected characteristics under Disability and Equality legislation. An investigation was commissioned to ensure the Council was not in breach of its obligations under the Equality Act 2010. The investigation was completed, and the matter was satisfactorily resolved.
7. All three of the allegations were reported by council employees.
8. For the first six months of 2025-26, 1 April to 30 September 2025, seven whistleblowing allegations were received. Of these, one was assessed by the Monitoring Officer as requiring action under a different council policy. Six have been accepted as requiring investigation under the council's Whistleblowing Policy.
9. A single point of confidential contact is available at whistleblowing@oxfordshire.gov.uk and overseen by the Monitoring Officer and Chief Internal Auditor. The policy gives the contact details of senior managers and external organisations in case a person wishes to raise matters that way in the first instance.

Corporate policies and priorities

10. The Whistleblowing Policy supports the council's organisational values, most notably 'equality and integrity in all that we do' and 'taking responsibility'.

Financial implications

11. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Risk management implications

12. Without clear arrangements for employees to raise whistleblowing concerns safely, it is difficult for an organisation effectively to manage the risks it faces.

Legal implications

13. The Public Interest Disclosure Act 1998 sets out a framework for a worker to make disclosure (whistleblowing) about categories of wrongdoing, if there is a public interest in doing so. A person raising such a concern has a right not to suffer any detriment. The Council's Whistleblowing Policy is consistent with the expected framework, and other best practice guidance, and sets out the expected protections.

Checked by: Jay Akbar, Head of Legal & Governance Services, & Deputy Monitoring Officer
jay.akbar@oxfordshire.gov.uk

Equality and inclusion implications

14. The Whistleblowing Policy is intended to give confidence to all who wish to raise an allegation of wrongdoing and not to disadvantage any individual that has one or more protected characteristic.

Anita Bradley
Director of Law & Governance and Monitoring Officer

Annex: Whistleblowing Policy

Contact Officer: Sarah Smith, Senior Governance Lead
governance@oxfordshire.gov.uk

November 2025

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Whistleblowing Policy

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A. ABOUT THIS POLICY

1. Oxfordshire Council is committed to conducting its business with honesty and integrity and expects all staff including anyone contracted to work or volunteer for the council, to maintain high standards. Any suspected wrongdoing should be reported as soon as possible.
2. This policy covers all employees, past employees, councillors, consultants, contractors, volunteers, interns, casual workers and agency workers and for the purpose of this policy known as a 'Worker'

3. This policy does not form part of any employee's contract of employment and we may amend it at any time.

B. SCHOOLS

4. All schools and academy trusts are required to have appropriate procedures in place for handling whistleblowing and for ensuring school staff know who they can contact if they wish to raise a concern.
5. There is a specific whistleblowing policy for maintained schools in Oxfordshire which should be followed for any whistleblowing matters raised by employees of the school, supply staff and agency workers.
6. In a multi academy trust (MAT), the procedure is likely to be trust-wide and approved and reviewed at trust board level.

C. AIM OF POLICY

7. This policy aims to
 - a) encourage workers to report any suspected wrongdoing as soon as possible, in the knowledge that their concern will be taken seriously and investigated as appropriate, and that their confidentiality will be respected as far as possible; and
 - b) provide guidance on how to raise those concerns; and
 - c) reassure anyone raising a genuine concern, made in the public interest, that this can be done without fear of reprisals, even if they turn out to be mistaken.

D. WHAT IS WHISTLEBLOWING

8. Whistleblowing is the reporting by a worker of suspected wrongdoing or dangers in relation to our activities. This includes bribery, facilitation of tax evasion, fraud or other criminal activity, miscarriages of justice, health and safety risks, damage to the environment and any breach of legal or professional obligations.
9. We believe that anyone who raises any type of concern about work that they believe to be true, should be treated with respect, and should not suffer as a result. Certain types of wrongdoing or dangers that are reported are regarded as being in the public interest. These are specified within The Public Interest Disclosure Act 1998 and the Employment Rights Act 1996 and concern the following matters:
 - i. Any criminal offence (such as fraud or theft)
 - ii. Any breach of a legal obligation or duty
 - iii. A miscarriage of justice
 - iv. A danger to the health and safety of any individual
 - v. Dangers to the environment
 - vi. Deliberate concealment of information tending to show any of the above five matters
10. A worker who reasonably believes that one of the above concerns is either happening now,

took place in the past, or is likely to happen in the future is making a 'qualifying disclosure' (and discloses information regarding the matter to the appropriate person or body), will be 'protected' from detrimental treatment or victimisation from their employer. These are called "protected disclosures", further information on the protection for workers can be found in section G of this policy.

As a whistle-blower you're protected by law - you shouldn't be treated unfairly or lose your job because you 'blow the whistle'

11. In some cases, a disclosure may be investigated under a separate policy of the Council where appropriate, for example, an employment issue or poor behaviour of employees. In these cases, the Council's Bullying and Harassment Policy and/or Grievance policy and procedure and/or Dignity at Work Policy will be used as the internal mechanism for dealing with the concern in the first instance.
12. There are other concerns, that may not amount to a 'qualifying disclosure', or fall into the Council's employment policies, but may however meet the public interest criteria, and by way of example only may be 'value for money' concerns or poor contract management. While these may not have the same legal protection, the Council takes these seriously and so the Council's complaint procedure [Complaints and comments about Oxfordshire County Council | Oxfordshire County Council](#) should be used for the Council to consider and investigate with a view to resolving those concerns.
13. If another Council procedure or policy is used to investigate a complaint that comes through the Whistleblowing route but when assessed does not amount to a whistleblow, the investigating officer will be requested to confirm to the Monitoring Officer when the alternative process has been completed. The investigating officer should report the fact that the process has been completed and wherever possible the outcome to the complainant.

E. WHO CAN RAISE A WHISTLEBLOWING CONCERN

14. The policy applies to all:
 - i. employees of the council,
 - ii. agency workers,
 - iii. temporary workers,
 - iv. students and volunteers working for Oxfordshire County Council.
 - v. Staff working for other contractors working for the council (where the contractor has agreed to adopt the council's policy),
 - vi. elected and co-opted members of Oxfordshire County Council.
15. Although the council's elected members are not workers within the definition of Employment Rights Act 1996, this policy nevertheless also applies to the Council's elected and co-opted members.
16. Members of the public can raise concerns through the Council's complaints processes or via the Local Government and Social Care Ombudsman or the Council's External Auditors.
17. If a member of the public or a member of staff contacts a County Councillor with a whistleblowing concern, then the Councillor should contact the Monitoring Officer in the first instance.

F. CONFIDENTIALITY

18. We hope that workers will feel able to voice whistleblowing concerns openly under this policy. However, if you want to raise your concern confidentially, we will make every effort to keep your identity secret. If it is necessary for anyone investigating your concern to know your identity, we will discuss this with you.
19. We do not encourage workers to make disclosures anonymously, although we will make every effort to investigate anonymous disclosures. You should be aware that proper investigation may be more difficult or impossible if we cannot obtain further information from you. It is also more difficult to establish whether any allegations are credible.
20. Whistleblowers who are concerned about possible reprisals if their identity is revealed should come forward to the Monitoring Officer or one of the other contact points listed in Annex 1 and, we will discuss this as soon as possible with you, and aim to devise strategies for supporting you to ensure that you suffer no detriment or harassment as a result.
21. There is a continuing duty to the Council not to disclose confidential information. This does not prevent you from seeking independent advice at any stage nor from discussing the issue with the charity Protect (previously called Public Concern at Work) on 020 3117 2520 and www.protect-advice.org.uk, in accordance with the provisions of the Public Interest Disclosure Act 1998.

G. PROTECTION AND SUPPORT FOR WHISTLEBLOWERS

22. Speaking up about any concern you have at work is vitally important. In fact, it's essential because it will help us to keep improving our services for all residents and the working environment for our employees.
23. You may feel worried about raising a concern, and we understand this. But please don't be put off. We will listen to and investigate what you say.
24. This policy encourages concerns to be raised in a constructive and positive manner and provides an escalation process where concerns can be raised if they remain outstanding.
25. If you raise a genuine concern (i.e. held in reasonable belief) under this policy, you will not be at risk of losing your job or suffering any form of reprisal as a result. We will not tolerate the harassment or victimisation of anyone raising a concern. Nor will we tolerate any attempt to bully you into not raising any such concern; in fact, any such attempt would warrant you raising a concern in itself. Any such behaviour, to deter a report, is a breach of our Delivering The Future Together (DTFT) values, and if upheld following investigation, could result in disciplinary action for the person(s) involved.
26. Provided you are acting honestly, it does not matter if you are mistaken or if there is an innocent explanation for your concerns. We want to hear from you. Of course, we do not extend this assurance to someone who may maliciously raise a matter they know is untrue, this would be an abuse of this policy and may result in disciplinary action.

27. The Public Interest Disclosure Act 1998 protects employees from reprisal, victimisation or harassment at work if they raise a concern that they reasonably believe is in the public interest. If any persons raising a concern believe themselves to be suffering a detriment for having raised a concern, this should be made known to the Monitoring Officer (contact details below).

H. ROLE OF TRADE UNIONS AND PROFESSIONAL ASSOCIATIONS

28. Employees can raise concerns directly themselves or can ask their trade union or professional association to do so on their behalf. Whistleblowers can bring a trade union or professional association representative or friend with them to any meetings.

I. HOW TO RAISE A CONCERN (PROCEDURE)

29. This section of the policy tells you how to and to whom you can raise a whistleblowing complaint. The earlier you express your concern, the easier it is to take action. You will need to provide the following information:

- i. the nature of your concern and why you believe it to be true.
- ii. the background and history of the concern (giving relevant dates and information).

30. If your concerns are raised verbally, then a written record will be taken.

a) STEP 1

31. We hope that in many cases you will be able to raise any concerns with your manager.

b) STEP 2

32. However, where you prefer not to raise it with your manager for any reason, then you can raise your concern in writing at whistleblowing@oxfordshire.gov.uk or verbally via the Whistleblowing hotline: **01865 328573**.

33. This is a confidential email address and telephone number, attended by the service reporting directly to the Council's Chief Internal Auditor.

34. To raise your concern in writing, we encourage you to use the 'Formal Whistle blow Concern Form' [Whistleblowing and serious concerns | Oxfordshire County Council](#). This Form and any accompanying documents should be sent via email to the whistleblowing generic email address whistleblowing@Oxfordshire.gov.uk to ensure that actions are tracked and escalated by the Monitoring Officer.

35. You can also raise your concern in writing (using the Form (link)) by posting this to the Chief Internal Auditor (Whistleblowing), Oxfordshire County Council, New Road, Oxford, OX1 1ND.

36. Once you have raised a concern, we will carry out an initial assessment to determine the scope of any investigation and whether it falls within the Whistleblowing process. We will inform you of the outcome of our assessment. You may be required to attend additional meetings to provide further information.

37. In some cases, we may appoint an investigator who may be internal or external to the council or a team of investigators including employees with relevant experience of investigations or specialist knowledge of the subject matter. The investigator(s) may make recommendations for change to enable us to minimise the risk of future wrongdoing.

38. We will:

- i. treat your concern confidentially unless otherwise agreed.
- ii. ensure you receive timely support to progress your concern.
- iii. escalate to HR any indications that you are being subjected to detriment for raising your concern.
- iv. remind the organisation of the need to give you timely feedback on how your concern is being dealt with.
- v. ensure you have access to personal support since raising your concern may be stressful.

c) STEP 3

39. If these channels have been followed and you still have concerns, or if you feel that the matter is so serious that you cannot discuss it with any of the above, please contact the Chief Executive at Oxfordshire County Council, internal audit or anyone listed in Annex 1 (details below).

d) STEP 4

40. You can raise concerns formally with external bodies other than your employer which are listed here <https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies> - and also those listed in Annex 2.

41. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

42. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. We strongly encourage you to seek advice from the Monitoring Officer before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

J. HOW WILL THE COUNCIL RESPOND?

43. The council is committed to giving concerns raised through the policy thorough consideration whilst responding as quickly as possible. We will also be open and transparent with people raising concerns and those subject to whistleblowing concern, explaining when information can and cannot be shared.

a) INITIAL ASSESSMENT

- i. The Monitoring Officer or an Officer acting on their behalf will acknowledge receipt of the concern within **3 working days**; and
- ii. Within **5 working days** an appropriate lead identified by the Monitoring Officer will undertake an initial desktop (paper based) assessment and determine if the concern amounts to whistleblowing or not, and if it requires further information or investigation.
- iii. It may be necessary, at this stage to conduct initial enquiries, which will be objective, and evidence based, and may involve contacting you for further evidence/information.
- iv. Where we can, we will write to you within **12** working days of a concern being raised with the outcome of the initial assessment:
 - a) indicating if the complaint does amount to a Whistleblowing complaint;
 - b) indicating if the complaint does not amount to a Whistleblowing complaint, what other council policies might be appropriate instead.
 - c) indicating how the council proposes to deal with the matter i.e. telling you whether further investigations will take place and if not, why not.
 - d) supplying you with information on any support mechanisms as appropriate
 - e) confirming how the matter can be taken further if you do not agree with the council's response.

If more time is required to undertake the initial assessment we will confirm this to you.

b) FURTHER ASSESSMENT

44. Where after initial assessment has been made, your concerns amount to whistleblowing then the matters raised may:
- i. require further investigation by someone suitably independent (usually from a different part of the organisation or external to the council);
 - ii. be referred to the police;
 - iii. be referred to the external auditor;
 - iv. be referred to existing child protection/abuse procedures.
45. If following the INITIAL ASSESSMENT it is necessary to undertake a further investigation, then the council will advise you as to how long this is likely to take with an indication as to when you might receive how the council intends to provide a FINAL response to your complaint.
46. While the council cannot guarantee that the outcome will be as you wish, it will handle the matter fairly and in accordance with this policy. You need to be assured that your disclosure has been properly addressed. Unless there are any legal reasons why this cannot be done, you will be kept informed of the progress and outcome of any investigation, maintaining security and confidentiality for all parties as far as possible. You will not however be provided with any report or other correspondence created by any investigation and dealing with your disclosure.

47. In respect of disclosures of serious misconduct or wrongdoing relating to safeguarding children or adults at risk and or special educational needs the Council has a legal obligation to investigate and will do so irrespective of the status of any school or relevant organisation.

K. IF YOU ARE NOT SATISFIED

48. The council will inform you in writing of the outcome of its assessment and/or any investigation or any action taken, subject to the constraints of confidentiality and the law.

49. If you do not believe your concern has been addressed adequately, you can raise it with any person listed in Annex 1 or an independent body such as:

- i. the council's external auditor
- ii. Trade Union
- iii. Citizens' Advice Bureau
- iv. a relevant professional body or regulatory organisation
- v. a relevant voluntary organisation
- vi. Police
- vii. Local Government and Social Care Ombudsman
- viii. Equalities and Human Rights Commission
- ix. NSPCC should the concern relate to a child.

L. EXTERNAL DISCLOSURES

50. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in the workplace. In most cases you should not find it necessary to alert anyone externally.

51. The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever be appropriate to alert the media. We strongly encourage you to seek advice before reporting a concern to anyone external. The independent whistleblowing charity, Protect, operates a confidential helpline. They also have a list of prescribed regulators for reporting certain types of concern. Their contact details are at the end of this policy.

52. Whistleblowing concerns usually relate to the conduct of our staff, but they may sometimes relate to the actions of a third party, such as a customer, client, supplier or service provider. If this is the case, we encourage you to report such concerns internally first, in line with this policy. You should contact the Whistleblowing Officer or Monitoring Officer for guidance.

M. REVIEW OF THIS POLICY

53. The Council's Monitoring Officer has overall responsibility for this Policy, how it is used and how the Policy is working. It will be reviewed annually, with the Monitoring Officer taking an annual report to the Audit & Governance Committee to assess the effectiveness of the Policy and the arrangements and training underpinning it. The Monitoring Officer will also make an annual report on the type of cases dealt with under this Policy.

Responsible Officer: Monitoring Officer

Published: April 2024

ANNEX 1 - CONTACT DETAILS (OXFORDSHIRE COUNTY COUNCIL)

Whistleblowing Officer

Declan Brolly

Confidential email: whistleblowing@oxfordshire.gov.uk

List of senior managers:

Executive Director of Resources and Section 151 Officer (Deputy Chief Executive)	Lorna.Baxter@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Chief Internal Auditor	Sarah.Cox@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND WB Tel no: 01865 328573
Head of Paid Service/Chief Executive	Tel no: 07354 845921 Martin.Reeves@oxfordshire.gov.uk County Hall, New Road, Oxford. OX1 1ND
Director of Law & Governance and Monitoring Officer	Anita.Bradley@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Head of Legal and Deputy Monitoring Officer	Paul.Grant@oxfordshire.gov.uk County Hall, New Road, Oxford OX1 1ND
Directors	
Executive Director – People and Transformation (Deputy Chief Executive)	Stephen.Chandler@oxfordshire.gov.uk
Director of Adult Social Care	Karen.Fuller@oxfordshire.gov.uk
Director of Children’s Services	Lisa.Lyons@oxfordshire.gov.uk
Director of Public Health and Communities	Ansaf.Azhar@oxfordshire.gov.uk
Director of Environment and Highways	Paul.Fermer@oxfordshire.gov.uk
Director of Economy and Place	Robin.Rogers@Oxfordshire.gov.uk
Chief Fire Officer and Director of Community Safety	Rob.MacDougall@Oxfordshire.gov.uk
Your Local Councillors (if you live in Oxfordshire)	Web site: www.oxfordshire.gov.uk Click on: Council>About your council>Oxfordshire councillors>Your county councillor Your county councillor Oxfordshire County Council

ANNEX 2 – EXTERNAL ORGANISATIONS – CONTACT DETAIL

Any directly relevant Body listed in the Department for Business, Energy & Industrial Strategy website under [“Blowing the whistle: list of prescribed people and bodies”](#)

Or

[Any contact listed below:](#)

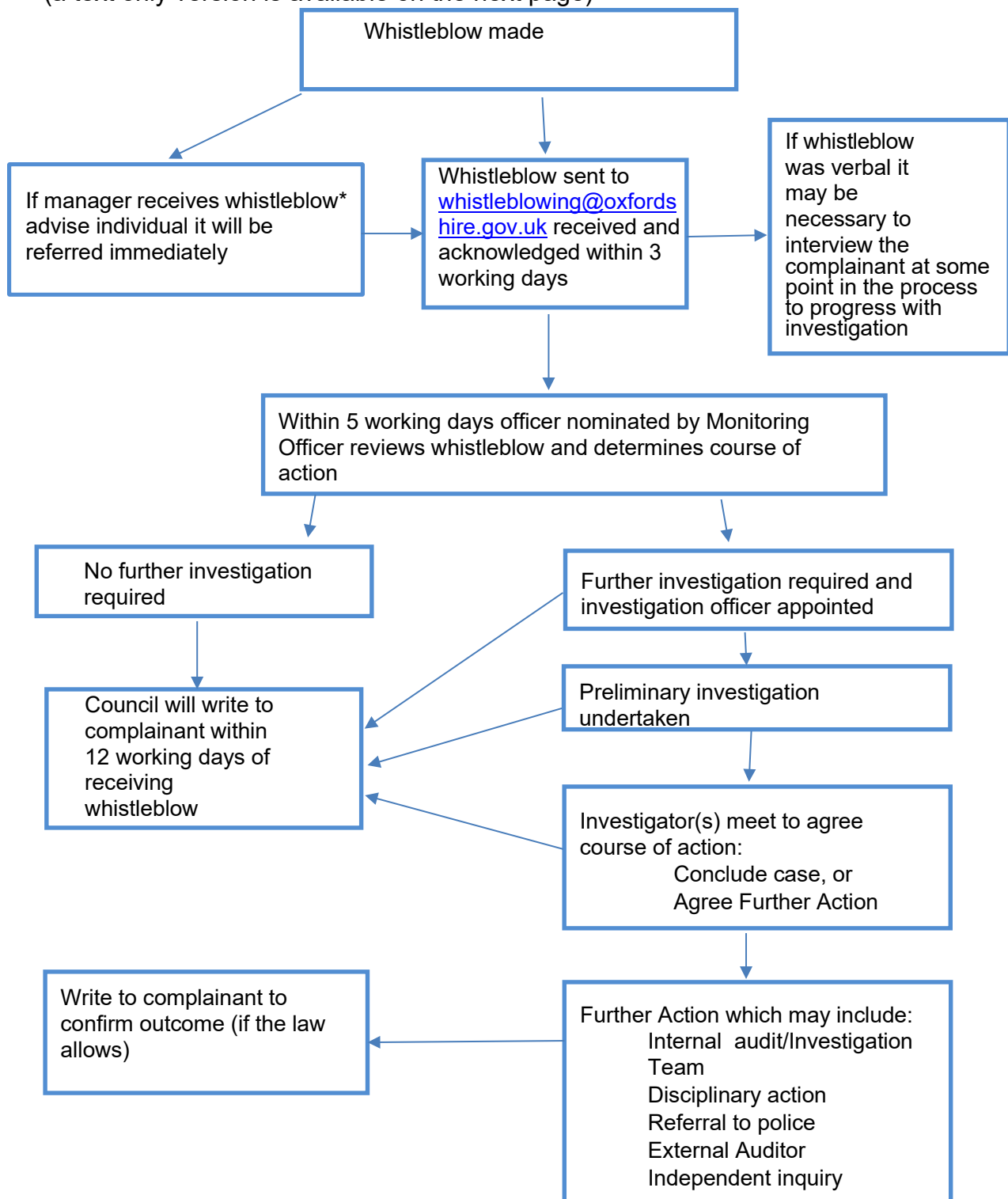
Contact	Details
External Auditors Ernst & Young LLP	Apex plaza, Forbury Road, Reading. RG1 1YE Web: www.ey.com Or: 0118 928 1100
The Local Government and Social Care Ombudsman	PO Box 4771, Coventry. CV4 0EH www.lgo.org.uk Tel no. 0300 061 0614
The Equalities and Human Rights Commission	www.equalityhumanrights.com/en/whistleblowing#report
The Health and Safety Executive (Regional Office)	Priestley House, Priestley Road, Basingstoke, Hampshire. RG24 9NW Web: www.hse.gov.uk Tel no. 0300 790 6787
The Environment Agency (Thames Regional Office)	Kings Meadow House, Kings Meadow Road, Reading. RG1 8DQ Web: www.environment-agency.gov.uk Tel No. 03708 506506
Citizens Advice Bureau	www.citizensadvice.org.uk
Whistleblowing Helpline Free advice for NHS and Social Care	https://speakup.direct/ Tel No. 08000 724725
The NSPCC Whistleblowing Helpline (when it relates to children)	0800 028 0285 Whistleblowing Advice Line NSPCC
Police	www.gov.uk/contact-police
Your Local Councillors (if you live in Oxfordshire)	You can find your Oxfordshire County Councillor on our website:
Protect Confidential advice line	www.protect-advice.org.uk / 020 3117 2520

ANNEX 3 – WHISTLEBLOWING & PROTECTIONS

- a) If a whistleblower has any doubt about whether it is lawful to make a disclosure, it is recommended that they take advice from the Director of Law and Governance and Monitoring Officer or Chief Internal Auditor, before disclosing the detail to avoid inappropriate disclosure. This is so the whistleblower keeps any protection the law affords as a consequence of their actions. The law protects the whistleblower from any retaliation or discrimination which may occur, so long as they believe any “protected disclosure” to be true, it is proportionate to the circumstances and importantly that it is made to a prescribed person or relevant body only.
to include reference to the for further advice regarding whether it is lawful to make a disclosure
- b) An employee is not protected or immune from other action being taken against them if making the disclosure breaks the law
- c) Any protection the whistleblower may be entitled to by law, may be compromised or lost if the disclosure is made to the press.

ANNEX 4 - WHISTLEBLOWING PROCEDURE – FLOW CHART

(a text only version is available on the next page)



Whistle blowing procedure – text-only version.

A whistle blow is made.

Whistle blow may be sent directly to email whistleblowing@oxfordshire.gov.uk

If manager receives the whistle blow. Individual is advised it will be referred immediately.

Whistle blow received via the whistleblowing email address will be acknowledged within 3 working days

Within 5 working days officer nominated by Monitoring Officer reviews whistleblow and determines course of action

If the whistle blow was verbal it may be necessary to interview the complainant at some point in the process to progress with the investigation.

If no investigation is required

Action: If no investigation is required, council will write to complainant within 12 working days of receiving whistle blow

If further investigation is required

If further investigation is required, an investigation officer will be appointed. **Action:** The council will write to complainant within 12 working days of receiving the whistle blow.

A preliminary investigation undertaken.

Investigator(s) meet to agree course of action: conclude case or agree further action.

Further action

Further action may include:

- internal audit/investigation team
- disciplinary action
- referral to police
- external auditor
- independent inquiry

Action: Write to complainant to confirm outcome (if the law allows)

ANNEX 5 - WHISTLEBLOWING FORM

This form is intended for use by employees and workers who wish to make a Whistleblowing Complaint under the terms of the Council's whistleblowing policy (link). This is to assist you in making your complaint and ensure that the Council captures your complaint. You are encouraged to use this form, however there are a number of methods by which you can make a whistleblowing complaint, and this is set out in section I of the Council's policy.

Agency workers, consultants and contractors and any others who perform functions in relation to the Council can also use the Council's whistleblowing policy.

A Whistleblowing Complaint requires that a Qualifying Disclosure is made.

A 'qualifying disclosure' is the term used in the whistleblowers legislation (Public Interest Disclosure Act 1998) to identify the categories of information which an employee/worker can disclose to a suitable person without fear of reprisal.

A qualifying disclosure is a protected disclosure provided

- the disclosure of information which you reasonably believe is made in the public interest; and
- the disclosure of information, shows one or more of the following categories of 'relevant failures' is either currently happening, took place in the past, or is likely to happen in the future; and
- the complaint is made to the right person in the right way.

Categories of 'relevant failures' as determined by statute

- a criminal offence, including offences such as theft, fraud or acts of bribery
- the breach of a legal obligation
- a miscarriage of justice
- a danger to the health and safety of any individual
- damage to the environment
- deliberate concealment of information tending to show any of the above five matters.

Your belief must be reasonable, but it need not be correct.

It might be discovered subsequently that you were, in fact, wrong or mistaken in your belief, and if that is the case you are still afforded protection from reprisal or detriment, provided you demonstrate you held the belief and that it was a reasonable belief to hold in the circumstances at the time of making your whistleblowing complaint.

For a qualifying disclosure to be a protected disclosure, then you then need to make it to the right person and in the right way. There are a number of methods by which you can make a qualifying protected disclosure, and this is set out in section I of the Council's policy, but we always encourage first raising your whistleblowing complaint with the council in the first instance and this is the purpose of this form.

If you are an employee and your concern relates to a breach of your own contract of employment or is otherwise a personal grievance or is of a personal interest, you should use the Council's/Schools grievance procedure instead.

If you are unsure whether your concern is best dealt with under the whistleblowing policy or grievance policy or Anti Bullying and Harassment policy or other council/school policy, please consult your line manager, HR Business Partner or the Council's Monitoring Officer for further advice.

Once you have completed this form, you should immediately forward it to whistleblowing@oxfordshire.gov.uk.

You can also forward this and/or copy this to you line manager. If you send your complaint to your line manager, they will forward this to the whistleblowing email box.

Once you have submitted your complaint, the procedure set out in the whistleblowing policy will be invoked and this will result first in an INITIAL ASSESSMENT and may then lead to further investigations/enquires and may result in a FINAL ASSESSMENT.

You can request that your concerns be kept anonymous. Where possible, this will be respected, but we cannot guarantee that this will be the case. See the whistleblowing policy for more details on 'Protection for Whistleblowers'.

Formal whistleblowing disclosure	
Full name of employee/complainant:	
Job title/Service Area/Directorate	
Date:	
Does your public interest disclosure relate to your line manager?	YES/NO*
<p>What is the category of your public interest disclosure?</p> <p>Delete the categories that DO NOT APPLY to your complaint.</p>	<ul style="list-style-type: none"> • a criminal offence, including offences such as theft, fraud or acts of bribery • the breach of a legal obligation • a miscarriage of justice • a danger to the health and safety of any individual • damage to the environment • deliberate concealment of information tending to show any of the above five matters.
<p>Please set out</p> <p>a) further details of the issue you wish to raise, including any dates, times, locations and the individuals involved: please use additional pages if necessary and please add your name and number to these pages; and</p> <p>b) why you reasonably believe your disclosure of information is made in the</p>	

<p>public interest; and</p> <p>c) how your disclosure of information is in the public interest.</p>	
<p>If possible, please provide the names and contact details of the individuals involved, including any witnesses:</p>	
<p>Please set out how you would like to see the issue dealt with, and why you believe this outcome will resolve the issue:</p>	
<p>I declare that the information I have given on this form is true and accurate to the best of my knowledge and belief.</p> <p>I understand that if I knowingly make false or malicious allegations, then disciplinary actions, including dismissal may be taken by the council. If I am a third party, such as an agency worker, consultant or contractor, I understand that it may result in my engagement being terminated.</p>	

(* delete as appropriate)

Name:
 (insert name of employee/complainant)

Signed:

Date:

CONTINUATION PAGES

Name:

Please provide: further details of the issue you wish to raise, including any dates, times, locations and the individuals involved

Divisions Affected – ALL

AUDIT AND GOVERNANCE COMMITTEE

26 November 2025

Government Response to Strengthening the Standards and Conduct Framework for local authorities in England Consultation

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. To note the government's response to the Strengthening the Standards and Conduct Framework for local authorities in England Consultation and that legislation is intended to be brought through subject to parliamentary scheduling.

Background

2. The [Strengthening the Standards and Conduct Framework for local authorities in England consultation](#) which ran between 18 December 2024 and 26 February 2025, sought views on introducing a mandatory minimum code of conduct for local authorities in England, and measures to strengthen the standards and conduct regime in England to ensure consistency of approach amongst councils investigating serious breaches of their member codes of conduct, including the introduction of the power of suspension.
3. This Committee agreed a Council response to the Consultation at its meeting on 15 January 2025 which was subsequently submitted and formed part of the Consultation responses.
4. The government has reviewed all submissions, and feedback received from 2,092 respondents during the Consultation process. Responses were sought from members of the public, current and prospective local authority elected members, local government officers from all types and tiers of authorities, and local authority sector representative organisations.

Government Response

5. In response, the government has indicated that "necessary legislation will be brought forward when parliamentary time allows". This statement reflects their

commitment to progressing legislative change, subject to parliamentary scheduling and priorities.

6. Initial observations are set out in the government's update: [Strengthening the standards and conduct framework for local authorities in England – consultation results and government response - GOV.UK](#), published on 11 November 2025.
7. Key findings were:
 - a. **94% support** for mandatory national code of conduct;
 - b. **91% agree** councillors must cooperate with investigations;
 - c. Strong backing for new, tougher sanctions, including suspension
8. The government has committed to legislating a mandatory code of conduct for all local authorities, alongside new powers for councils to suspend councillors.

New Mandatory Code of Conduct

9. The government will introduce a mandatory minimum code for all local authorities in England. Councils may add local provisions but cannot amend core requirements.
10. The code will set clear, consistent standards of behaviour based on the *Nolan Principles*. It will include rules on discrimination, bullying, harassment, social media use, public conduct and use of council resources. It will also require councillors to cooperate with investigations into breaches.
11. Any changes will inevitably impact on the Council's Constitution. The changes will be discussed through existing mechanisms and be reported to Council for approval.

Process for Violation of Code

12. Councillors will have a duty to cooperate with the standards investigation. The investigation will be conducted by a formal standards committee with impartial members appointed by the council.
13. There will be the right to appeal to a national appeals function.
14. The results of any investigation will be published for transparency.

New Powers of Suspension

15. The Localism Act (2011) abolished council power to suspend councillors. This will be reversed. Councils will have the power to suspend councillors for up to 6 months for serious breaches of the code. Suspensions could include withholding allowances and bans on accessing council buildings.

16. Councillors suspended for the maximum period twice in 5 years can be disqualified from office.

Conclusion

17. The government will legislate for these changes "as soon as parliamentary time allows" and has committed to provide training and detailed guidance to councillors.
18. The government has stated that the new code will help restore public trust and deliver fair, accountable local government.
19. Changes which arise from the consultation and supporting legislation may affect the current system of Councillor complaints, which is administered by the Director of Law and Governance and Monitoring Officer, and the sanctions available. The current Members' Code of Conduct is included in the council's constitution and is underpinned by the standards of conduct in public life (the "Nolan Principles", and all members agree to adhere to the Code of Conduct.
20. The Monitoring Officer will ensure the Committee are kept fully informed of all significant developments regarding the government's response to the Standards Consultation as new information emerges, including the progress and timing of any forthcoming legislation. Updates will be provided at future meetings and circulated as appropriate between sessions.

Financial implications

21. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Drew Hodgson, Strategic Finance Business Partner
drew.hodgson@oxfordshire.gov.uk

Legal implications

22. There are currently no legal implications arising from the report. If the consultation leads to changes in legislation, this will have implications for the Council which will be reported on at the relevant time.

Checked by: Jay Akbar,
Head of Legal & Governance Services, & Deputy
Monitoring Officer
jay.akbar@oxfordshire.gov.uk

Anita Bradley
Director of Law & Governance and Monitoring Officer

Contact Officer:

Sarah Smith, Senior Governance Lead
governance@oxfordshire.gov.uk

November 2025

Divisions Affected – ALL

AUDIT AND GOVERNANCE COMMITTEE

26 November 2025

Constitution Member Working Group

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**
 - a. **Agree with the proposal to reconvene the Constitution Member Working Group, as set out in this report;**
 - b. **Agree and comment as necessary, on the draft terms of reference for the working group, as set out in Annex A; and**
 - c. **Request the Director of Law & Governance and Monitoring Officer to seek nominations for representatives from each political group who will attend the working group meetings, in accordance with paragraph 15 of this report.**

Background

2. The Council has a duty to keep its constitution under review. This includes all relevant codes and protocols, and the procedure rules for committees, as well as corrections, updates, amendments, and developments to the constitution.
3. The constitution forms a key part of the Council's governance framework, setting rules, principles, and procedures to enable the Council to take decisions and do its work effectively.
4. A Constitution Member Working Group has served as a vital forum for cross-party engagement and consensus-building on matters relating specifically to the review and updating of the Council's constitution. It is best practice that the group remains active to ensure the constitution is kept current and fit for purpose and responds to the current needs of the Council.

5. Under provisions contained within the Local Government Act 2000 (and as subsequently amended) the Council is required to prepare and maintain a constitution. The constitution must contain:
 - The standing orders and rules of procedure of the Council;
 - The Members Code of Conduct;
 - Such other information as the Secretary of State may direct;
 - Other information (if any) as the Council considers appropriate.
6. It should be noted that since 2000, there have been over a hundred legislative changes and instructions which have been required to be included within the constitution. This highlights one of the reasons why the constitution needs to be kept under regular review.

Review of the Constitution

7. At its meeting on 17 September 2025 the Committee agreed that the Monitoring Officer should consider the reconvening of the Constitution Member Working Group. It is proposed that the Constitution Member Working Group be reestablished to focus on the review and update of the Council's constitution. It is expected that the group would need to convene three times to undertake this review with an anticipated report to Council in July 2026 or earlier if the work permits, with additional meetings arranged as necessary to address urgent or complex constitutional issues requiring prompt attention.

Objectives of the Review

8. The constitution should be seen as a "living" document and not something which is set in stone for all time, but something which is kept under regular review and which the Council is willing to adjust or clarify in the light of new or changing circumstances.
9. The constitution applies to the whole council and is therefore not something which is controlled by one political group over another. The constitution sets out processes and procedures for decision making and is a key document for the council as well as Oxfordshire's residents.
10. Having a constitution which is reviewed and updated regularly serves a valuable and relevant purpose by striking a fair balance between the interests of the various groups within the Council.
11. Most importantly the constitution needs to enable the Council to operate effectively. It must deliver:
 - good governance behaviours such as transparency, accountability, leadership and participation;
 - effective officer/member relationships;
 - clear and effective decision-making with an effective scheme of delegations that utilises officer expertise;
 - clarity and consistency.

12. It is recommended that the Monitoring Officer conduct a review of the constitution, with the goal of ensuring that the document remains current, succinct where possible, and appropriately detailed, when necessary, in alignment with the following objectives:
- Maintain a constitution that is "locally driven" and should reflect the values and culture of the Council such as openness and transparency
 - Review the scheme of delegations and where appropriate provide additional delegation to aid effective decision-making within the policy & budget framework set by elected members
 - Seek to remove any ambiguity and make roles of Committees explicit, avoiding any duplication
 - Ensure the delivery of a constitution that is fit for purpose, reflects best practice and utilises language and style that makes it more accessible to members, officers, partners and the public.

Constitution Working Group

13. The committee is recommended to agree to reconvene the Constitution Working Group with representatives from each political group, and a position for a non-grouped member.
14. It is proposed that membership should consist of:
- 2 Liberal Democrat
 - 1 Oxfordshire Alliance
 - 1 Labour & Cooperative Group
 - 1 Green
 - 1 Non-Grouped Member
15. Group Leaders will be asked to confirm their appointments to the working group and the Director of Law and Governance and Monitoring Officer will liaise with non-grouped members. The membership of the working group is not limited to Audit and Governance Committee members and can come from across the Council. As representatives of their Groups, it will be important that working group members actively engage with members in their group to consider any proposed changes and present the agreed views and comments of their group back to the Working Group, not just their own perspective.
16. The Working Group will receive the proposals of, and provide thoughts, feedback and guidance on areas for inclusion/amendment within the constitution (or on the authority's constitutional arrangements) to assist the Monitoring Officer in developing recommendations for consideration and approval at Council.
17. The Committee is asked to agree a term of reference for the working group - to aid deliberations a draft term of reference is attached at Annex A.

First Meeting

18. Subject to the Committee's approval, it is proposed that the first meeting of the reconvened Working Group take place in January 2026. Further meeting dates will be determined in consultation with nominated members to accommodate the group's work programme, availability of members and any arising needs.
19. Proposed sections for consideration at the first meeting:
 - a) Council Procedure Rules – members have expressed an interest in the review of the time allocated to particular items of business at Council;
 - b) Financial Regulations;
 - c) To note technical amendments from the Director of Law & Governance and Monitoring Officer;
 - d) Review how the current rules on motions are working;
 - e) Proper Officer functions (table);
 - f) Review operation of dispensations.
20. The Working Group will be tasked with reviewing the Council's Constitution and making recommendations for improvement where necessary. It is anticipated that the group will consider best practice from other local authorities and invite input from relevant officers or external advisors as appropriate. Progress updates and any proposed amendments will be reported to the Audit & Governance Committee in the first instance, ahead of presentation to Council for approval, ensuring transparency and oversight throughout the process.

Financial implications

21. There are no direct financial implications directly relating to, or arising from, the recommendation in this report.

Checked by: Bick Nguyen-McBride
Assistant Finance Business Partner
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Legal implications

22. The recommendations in this report are consistent with the Council's duty under Section 9P of the Local Government Act 2000 to have a constitution and to keep it up to date. The Constitution must contain (a) a copy of the authority's standing orders, (b) a copy of the authority's code of conduct (if any) under section 28 of the Localism Act 2011 and (c) such information as the Secretary of State may direct, and (d) such other information (if any) as the authority considers appropriate.

23. The Council's Constitution complies with The Local Government Act 2000 (Constitutions)(England) Direction 2000 issued on 12 December 2000 by the then Secretary of State for the Environment, Transport and the Regions. Part 1.2 of the Council's Constitution at 2(a) confirms that adopting and changing the Constitution is reserved for approval by the Council

Checked by: Jay Akbar,
Head of Legal & Governance Services, & Deputy
Monitoring Officer
jay.akbar@oxfordshire.gov.uk

Equality & Inclusion Implications

24. The recommendations in this report do not themselves raise equality implications. However, keeping the constitution up to date is important to its accessibility. The recommendation for bringing forward proposals for reviewing the Constitution recognises that any such proposals would involve consultation with elected members. Furthermore, public engagement at Council will no doubt form part of considerations, ensuring that the views of the wider community are included in the review process.

Anita Bradley

Director of Law & Governance and Monitoring Officer

Annex A: Draft Terms of Reference

Contact Officer: Sarah Smith, Senior Governance Lead
governance@oxfordshire.gov.uk

November 2025

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Constitution Working Group

1.Context

Part 1.1(4) of the council's constitution sets out the duty of the Monitoring Officer to review the constitution to ensure that the aims and principles of the constitution are given full effect. A key role for the Monitoring officer is to make recommendations for ways in which the constitution could be amended to improve the operation of the Council. The Monitoring Officer has delegated power to ensure that minor amendments and updates are made to the constitution.

The Audit and Governance Committee has requested that the Monitoring Officer reconvene this cross-party working group to continue the review of the constitution to ensure that it is fit for purpose. Changes to the constitution require approval by Council, proposals to improve the constitution will therefore be developed and brought forward to the Audit & Governance Committee and then to Council for consideration in due course. The Constitution Working Group will be key in order to ensure appropriate member engagement in this process.

2.Purpose

The Constitution Working Group will:

- a) Receive the proposals of, and provide thoughts, feedback and guidance on areas for inclusion or amendment within the Constitution (or on the authority's constitutional arrangements) to assist the Monitoring Officer in developing recommendations for the Audit and Governance Committee to recommend to Council as it sees fit.

3. Outputs

The Constitution Working Group, where possible by consensus, will:

- a) Make recommendations to the Monitoring Officer on matters brought before it as part of the review into the constitution;
- b) Make recommendations to the Monitoring Officer on proposed content as part of the review into the constitution;
- c) Make recommendations to the Audit and Governance Committee on proposed content as part of the review into the constitution.

4. Appointment to the Constitution Working Group

Membership of the Constitution Working Group has been set where applicable by each Political Group Leader and shall be limited to this review.

5. Membership

The Constitution Working Group shall comprise six members with appointment from each political group as agreed by Group Leaders. The membership is not limited to Audit and Governance Committee membership and can come from across the Council. The membership shall consist of:

- 2 Liberal Democrat
- 1 Oxfordshire Alliance
- 1 Labour & Cooperative Group
- 1 Green
- 1 Non-Grouped Member

Additionally, officers will attend as appropriate depending on the area of the constitution being discussed.

The Chair and Deputy Chair of the Constitution Working Group will be appointed at the first meeting of the Constitution Working Group.

For a meeting to be quorate, there must be three representatives present. This can be a representative from three different groups – or a representative from two different groups and a representative from a non-grouped member.

If a member of the working group cannot attend a meeting, they can appoint a substitute in their place. The substitute must be well briefed on the working group business.”

6. Frequency of Meetings

The Constitution Working Group is expected to meet three times to undertake this review with an anticipated report to Council in July 2026, with additional meetings arranged as necessary to address urgent or complex constitutional issues requiring prompt attention.

The Constitution Working Group is not a formal decision-making body and will not meet in public. The dates and times of meetings will be determined in consultation with members of the working group to accommodate the group’s work programme, availability of members and any arising needs.

AUDIT & GOVERNANCE COMMITTEE

26 November 2025

REVIEW OF MEMBER CHAMPIONS

Report of the Director of Public Affairs, Policy and Partnerships

RECOMMENDATION

1. The Committee is **RECOMMENDED** to:

Recommend to Council to amend the Council's Constitution to replace part 8.5, Member Champion Role with the text in Appendix 2.

Executive Summary

2. This report proposes some changes to the role and function of Member Champions and clarifies the appointment process for future Member Champions.
3. Cabinet at its meeting on 18 November 2025 agreed to propose these changes to the Audit & Governance Committee.

Background

4. The County Council operates a system of Member Champions, with an accompanying outline of their role and wider operational arrangements set out in the Council's Constitution attached as **Appendix 1**.
5. These roles are not remunerated and are non-decision making. Their role is to support the Cabinet Member and/or Leader to undertake their role effectively through examining specific areas of interest, engaging widely with stakeholder groups and ultimately drawing attention to matters of significance to the Cabinet Member and/or Leader.
6. Oxfordshire County Council currently has a set of Member Champion roles in the following areas. Their work has been to draw attention to issues within individual portfolios and, in some cases, draw together matters of strategic importance that cut across a series of portfolios.
 - (a) Active Travel and Cycling
 - (b) Public Transport
 - (c) Future Generations
 - (d) Water Resources
 - (e) Military
 - (f) Marmot

- (g) Mental Health and Wellbeing
 - (h) Youth Justice (new and vacant)
7. Members who have occupied those roles over the course of the municipal year have done so alongside existing commitments.
 8. This report proposes an update to the Council's Constitution to include clarity on the process of appointing and removing Member Champions.
 9. To help inform this work, enquiries have been made as to how other councils operate their Member Champion function in accordance with relevant legislative provisions. Proposals have been made in **Appendix 2** to strengthen the role and function of Member Champions as having a clearer reporting line to the Cabinet Member and/or Leader of the Council, and that their work needs to be agreed and reported back on a quarterly basis as a minimum. To further increase the transparency and accountability of Member Champions, it is proposed that a system of removal be introduced.
 10. It is proposed that the creation of Member Champion roles and the appointments to these roles do not need to be agreed by the whole Cabinet. This can be undertaken by the Leader using their executive power.
 11. By doing this, the Leader can act swiftly to make roles available and appoint. This has the additional benefit of reducing the unnecessary administrative burden of the current approach and enables the Cabinet to focus its resources on key decisions and other matters of strategic importance.

Financial Implications

12. None immediately arising from this report.

Thomas James, Head of Financial Services

Legal Implications

13. Member champions are elected members who take on additional responsibilities to their ordinary council responsibilities to assist in policy development or who provide advice and research to contribute to improved decision making. As such, these are non-statutory roles which have no voting powers.
14. To ensure appropriate transparency and accountability the Constitution provides a framework within which the member champions operate. The protocol aims to avoid any potential for confusion and overlap between the role of the member champion and those of the relevant executive member or overview and scrutiny members, who hold statutory responsibilities under various Acts of Parliament for local authority governance.

15. In order to amend the Constitution, any change to the protocol should be considered by the Audit & Governance Committee who are charged with auditing governance processes to ensure they are effective. As only Council may change the Constitution, the Audit & Governance Committee will make their recommendations on the protocol to the Council.

Anita Bradley, Director of Law & Governance and Monitoring Officer
anita.bradley@oxfordshire.gov.uk

Staff Implications

16. None immediately arising from this report.

Equality & Inclusion Implications

17. None immediately arising from this report.

Sustainability Implications

18. None immediately arising from this report.

Risk Management

19. None immediately arising from this report.

Consultations

20. None immediately arising from this report.

SUSANNAH WINTERSGILL
Director of Public Affairs, Policy and Partnerships

Annex:

Current protocol in the Constitution – Appendix 1
Proposed protocol in the Constitution – Appendix 2
List of current member champions and vacant posts – Appendix 3

Contact Officer:
Susmita Dave – Senior Policy Officer

November 2025

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MEMBER CHAMPION ROLE

GUIDANCE NOTES

1. Introduction

This guidance outlines the responsibilities of a Member Champion including a person profile and an appointment process.

2. Person Profile

Key role: promoting and facilitating proper consideration of the issues in the execution of all aspects of the Council's roles and engaging with the community to promote support. The following list outlines the qualities which a champion will either have or develop as they exercise this role.

You should be:

- a) A councillor who is familiar with the topic. You could be a Cabinet Member or a Chair or Deputy Chair of a Committee or other member of the Council. You will have support from officers as appropriate. You would be expected to demonstrate your knowledge base and/or your enthusiasm for the topic.
- b) A good communicator and able to use your skills to promote the benefits of the topic within the Council and externally. You should be able to persuade colleagues both within the Council and in the wider community of the benefits which the topic can offer.
- c) A consensus builder, able to bring together the various stakeholders within the authority, interest groups and the wider community.
- d) Able to see the 'bigger picture' and help develop a vision.

You should have:

- e) A commitment and passion for the topic. While a working knowledge of current issues relating to the topic would be an advantage, it is by no means essential. Professional skills within Council will complement your enthusiasm for the subject.
- f) An understanding of the workings of the Council and an appreciation of the role that each can play in promoting and encouraging the topic.
- g) A track record of supporting the topic would be an advantage.

3. Duties

The key objective for an elected member nominated to act as a Member Champion is to support and encourage the Council in its work to ensure that the promotion and encouragement of the topic plays a central role in the development and implementation of all its policies and strategies. This will involve engagement with stakeholders and other partners both within the Council and externally. The key responsibilities and tasks will depend on you and the time you can devote to the role. You might be thought of as the “conscience” of the Council for this topic. However, your support for the topic would need to be tempered by financial and economic realities and by other pressures which the Council faces. You might serve the Council best by bringing examples of innovative and “out of the box” thinking to the role.

4. Nomination

Nomination can be by the following means, or a combination:

- a) A scrutiny or other committee can nominate a suitable person.
- b) Members or officers can nominate a suitable person.
- c) Local interest groups can identify and approach an elected member to take on the role.
- d) A suitable councillor can volunteer.

5. Procedure

Member Champions will be asked to report either:

- a) formally: to the nominating body in a specified cycle (e.g. annually); or
- b) informally: through internal journals, briefings.

This must be formally advised at the time of appointment.

MEMBER CHAMPION ROLE

GUIDANCE NOTES

1. Introduction

This guidance outlines the responsibilities of a member champion including a person profile and an appointment process.

2. Background

Member champions are discretionary roles, appointed by the Leader of the Council to champion a specific cause and support the relevant cabinet member.

The member champion will work to raise the profile of their interest in the community with the approval of the cabinet member.

3. Scope of the Role

The work of the member champion should complement the work of the relevant cabinet member.

The member champion will have their work programme set by the Leader, in consultation with the relevant cabinet member and director, identifying the most relevant community groups whose work is associated with their interest and foster good working relationships with those contacts.

The member champion will report back to the cabinet member on a quarterly basis to keep them abreast of information relating to their cause. Champions are not decision makers and will be supported in their work by the appropriate resources to ensure that their role is one that informs and educates the cabinet member, making it clear what is within the council's power or influence to those they interact with outside the council.

A member champion cannot make decisions and must not commit the council in any way or in a manner that could be interpreted as being contrary to established policy and practice and must not commit the council in any way or in any manner (including financially).

Where there is potential for confusion and overlap between the role of the member champion and the relevant cabinet member, it is important that member champions are clear about their role and what they can and cannot do and must also take care not to impinge on issues outside their area of interest.

Member champions should consult with the council's communications team before speaking to the media.

Member champions speak on behalf of the council in this role and so are expected not to take any party political credit for the work they do in this role.

Member champions do not receive any further allowance for their role (except for normal expense claims permitted by council) and as such should not be compelled to take on more responsibilities than they feel comfortable committing to; they therefore should carefully consider their initial appointment to the role.

As with all councillor roles, member champions will be committed to the values of the council and the values in public office as set out in the councillors' code of conduct.

4. Profile of Member Champions

You should be:

- a) A councillor who is familiar with the topic. Member champions must not be Cabinet Members or Chairs of Overview and Scrutiny Committees (including HOSC).
- b) A good communicator and able to use your skills to promote the benefits of the topic within the Council and externally. You should be able to persuade colleagues both within the Council and in the wider community of the benefits which the topic can offer.
- c) A consensus builder, able to bring together the various stakeholders within the authority, interest groups and the wider community.
- d) Able to see the 'bigger picture' and help develop a vision.

You should have:

- e) A commitment and passion for the topic. While a working knowledge of current issues relating to the topic would be an advantage, it is by no means essential. Professional skills within Council will complement your enthusiasm for the subject.
- f) An understanding of the workings of the Council and an appreciation of the role that each can play in promoting and encouraging the topic.
- g) A track record of supporting the topic would be an advantage.

5. Appointments Process

A member champion can be any member of the council, but not a Cabinet Member or a Chair of a relevant Overview and Scrutiny Committee (including HOSC).

Member champions are appointed by the Leader in consultation with the relevant cabinet member and exist to raise the profile of issues which are important to the council.

A member champion will normally be expected to serve a one-year term.

An appointment may be made during the term of office to any new position that is agreed by the Leader and relevant cabinet member or to a position where there is a vacancy that the Leader believes should be filled.

The Leader may remove a member champion during their term in consultation with the relevant cabinet member if the conditions of their role are breached or if the need for the champion no longer exists

6. Procedure

Member Champions will work with the Leader of the Council, cabinet member and a relevant Director to agree a programme of work and engagement aligned to the work of the executive.

They will be asked to maintain a close working relationship with the Cabinet Member and report to their Cabinet Member as a minimum on a quarterly basis.

This must be formally advised at the time of appointment.

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Champion Title	Councillor Responsible	Additional Information
Active Travel and Cycling	Cllr Emily Kerr	
Public Transport	Cllr Chris Brant	
Future Generations	Cllr Gareth Epps	
Water Resources	Cllr Andy Graham Cllr Peter Stevens	
Military	Cllr Liz Leffman	<i>The Leader of the Council (or such other person as nominated) acts as Armed Forces Champion on behalf of the County, then each military base has a champion who acts as a point of contact</i>
Marmot	Cllr Bethia Thomas	
Mental Health and Wellbeing	Cllr Robin Jones	
Youth Justice	Vacancy	

Military Champions

Military Champion

Cllr Liz Leffman

Military Champion - Bicester Garrison

Cllr Matt Webb

Military Champion - RAF Benson

Cllr Gavin McLauchlan

Military Champion - RAF Brize Norton

Cllr Toyah Overton

Military Champion - Abingdon Station

Cllr Tom Greenaway

Military Champion - Vauxhall Barrcks

Cllr Ian Snowdon

Military Champion - Shrivenham

Cllr Bethia Thomas

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – 2025/26

14 January 2026

TRAINING: Treasury Management (45 minutes)

1. Annual Governance Statement- Update on Actions (Anita Bradley)
2. Internal Audit 2025/26 Progress Report (Sarah Cox)
3. Treasury Management Strategy Statement & Annual Investment Strategy for 2026/27 (Tim Chapple)
4. Financial Management Code (Kathy Wilcox)
5. Risk Management Update (Louise Tustian)
6. Electoral Fees and Charges April 2026/27 (Jack Ahier)
7. Audit Working Group Update (Sarah Cox)
8. Ernst & Young Update (Kalthiemah Abrahams)
9. Audit & Governance Committee Work Programme

11 March 2026

TRAINING:

1. Counter Fraud Update (Sarah Cox)
2. Audit and Governance Committee Annual Report to Council (Sarah Cox)
3. Treasury Management Q3 Performance Report 2025/26 (Tim Chapple)
5. Audit Working Group Update (Sarah Cox)
6. Accounting Policies (Ella Stevens)
7. Ernst & Young Update (Kalthiemah Abrahams)
8. Audit & Governance Committee Work Programme

20 May 2026

TRAINING:

1. Chief Internal Auditor's Annual Report (Sarah Cox)
2. Internal Audit Strategy & Plan 2025/26 (Sarah Cox)
3. 2024/25 Oxfordshire Pension Fund Provisional Audit Results Report (E&Y)
4. Oxfordshire County Council Provisional Audit Planning Report Year Ending 31 March 2025 (E&Y)
5. Review of the Audit Governance Statement – Progress on actions (Sarah Smith)
6. Risk Management Update (Louise Tustian)
7. Audit Working Group Update (Sarah Cox)
8. Audit & Governance Committee Work Programme

15 July 2026

TRAINING:

1. Annual Governance Statement 2025/2026 (Anita Bradley)
2. Treasury Management- Outturn report 2025/2026 (Tim Chapple)
3. 2025/26 Statement of Accounts (Kathy Wilcox)
4. Internal Audit Charter (Sarah Cox)
5. Counter Fraud Plan and Update (Sarah Cox)
6. Risk Management Update (Louise Tustian)
7. Ombudsman Annual Report (Anita Bradley)
8. Assessment of the council's financial management, controls and governance (Kathy Wilcox)
9. Audit Working Group Update (Sarah Cox)
10. Health and Safety Annual Report (Paul Lundy)
11. Ernst & Young Update (Kalthiemah Abrahams)
12. Audit & Governance Committee Work Programme

16 September 2026

TRAINING:

1. Treasury Management Quarter 1 Performance Report 2026/2027 (Tim Chapple)
2. Monitoring Officer Annual Report (Anita Bradley)
3. RIPA Policy (Jody Kerman)
4. Local Government and Social Care Ombudsman's Annual Review Report (Anita Bradley)
5. Progression on Statement of Accounts 2025/2026 Audit (Kathy Wilcox)
6. Annual Governance Statement 2025/26-Update on Actions (Anita Bradley)
7. Internal Audit 2026/27- Progress Report (Sarah Cox)
8. Ernst & Young Update (Kalthiemah Abrahams)
9. Audit & Governance Committee Work Programme

18 November 2026

TRAINING:

1. Counter Fraud Update (Sarah Cox)
2. Treasury Management Mid Term Review 2026/27 (Tim Chapple)
3. Oxford Fire & Rescue Service Statement of Assurance 2025-26 (Matt Schanck)
4. Risk Management Update (Louise Tustian)
5. Audit Working Group Update (Sarah Cox)
6. Annual Governance Statement 2025/26 -Update on Actions (Anita Bradley)
7. Annual Report on Whistleblowing (Anita Bradley)
8. Ernst & Young Update (Kalthiemah Abrahams)
9. Audit & Governance Committee Work Programme