OXFORDSHIRE COUNTY COUNCIL

To: Members of the Audit & Governance Committee

Notice of a Meeting of the Audit & Governance Committee

Wednesday, 16 September 2026 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 OBE
Chief Executive

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

Membership

Chair – Councillor Roz Smith
Deputy Chair - Councillor John Shiri

Councillors

Ron Batstone	David Hingley	Leigh Rawlins
Andrew Crichton	Saj Malik	
James Fry	Gavin McLauchlan	

Co-optee

Kate Cartwright
Paul McGinn

Notes:

- ***11 November 2026***

OXFORDSHIRE COUNTY COUNCIL

AGENDA

1. Apologies for Absence and Temporary Appointments

2. Declaration of Interests - see guidance note

3. Minutes (Pages 9 - 16)

To approve the minutes of the meeting held on 15 July 2026 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 (11 September 2026).

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. Treasury Management Quarter 1 Performance Report 2026/2027 (Pages 17 - 30)

Report by the Deputy Chief Executive (Section 151 Officer)

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

The Chartered Institute of Public Finance and Accountancy's (CIPFA's) 'Code of Practice on Treasury Management 2021' requires that committee to which some treasury management responsibilities are delegated, will receive regular monitoring reports on treasury management activities and risks. This report is the first for the 2026/27 financial year and sets out the position at 30 June 2026.

The Audit and Governance Committee is recommended to NOTE the Council's treasury management activity at the end of the first quarter of 2026/27.

6. Progression on Statement of Accounts 2025/2026 (Verbal Update)

Verbal Update from the Chief Accountant

The Audit and Governance Committee is RECOMMENDED to NOTE the update on the progression on the Council's Statement of Accounts for 2025/26.

7. Internal Audit 2026/27- Progress Report (Pages 31 - 70)

Report by the Deputy Chief Executive (Section 151 Officer)

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

The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the May 2026 Committee. Since the last update, there have been no red reports issued.

The Audit and Governance Committee is recommended to NOTE the progress with the Council's Internal Audit Plan for 2026/27 and the outcome of completed audits.

8. Ernst and Young Update (Pages 71 - 80)

Report by the external auditor Ernst and Young LLP

The Audit and Governance Committee is recommended to NOTE the report, 'Rebuilding audit assurance: the path to an unqualified opinion. Year ended 31 March 2026'.

9. Update on the implementation of the Council's Commercial Strategy (Pages 81 - 90)

Report by the Director of Financial and Commercial Services

In response to a request from the Committee, this paper sets out how the council ensures value for money is achieved on behalf of residents and communities.

The Audit and Governance Committee is recommended to NOTE the actions taken by officers to ensure value for money is achieved through third party contracts.

10. Monitoring Officer Annual Report (Pages 91 - 106)

Report by the Director of Law & Governance and Monitoring Officer

This report provides a comprehensive overview from the Monitoring Officer of democratic and ethical governance activities during the municipal year 2025-26 (from 1 April 2025 to 31 March 2026). The report is aligned with the functions of the Audit and Governance Committee, which is responsible for ensuring high standards of conduct among councillors and co-opted members.

The Audit and Governance Committee is recommended to CONSIDER and ENDORSE the Monitoring Officer's Annual Report for 2025/26.

11. **RIPA Policy** (Pages 107 - 126)

Report by the Director of Law & Governance and Monitoring Officer

The Council may occasionally need to carry out covert surveillance. The Regulation of Investigatory Powers Act 2000 ('the Act') and supporting Codes of Practice provide the legal framework under which public bodies may lawfully undertake covert surveillance.

Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2025 and March 2026 for review by the Committee.

The Committee is recommended to:

a) NOTE the Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider; and

b) CONSIDER and NOTE the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council.

12. **Appointments to Category B Outside Bodies** (Pages 127 - 132)

Report by the Director of Law & Governance and Monitoring Officer

The report asks the Audit and Governance Committee to consider Member appointments to a variety of bodies which in different ways support the discharge of the Council's responsibilities, but which are the responsibility of the Committee - and not Cabinet - to appoint.

The Audit and Governance Committee is recommended to AGREE the appointments to Category B outside bodies listed in Annex 1 to this report until July 2027.

13. **Audit Working Group Update** (Pages 133 - 136)

Report by the Deputy Chief Executive (Section 151 Officer)

The Audit Working Group (AWG) met on 2 September 2026. The group received an update on the implementation of management actions arising from the audit of Bridge Management and the audit of Highways Contract Management, which were both undertaken in 2025/26.

The Audit and Governance Committee is recommended to NOTE the report.

14. **Audit & Governance Committee Work Programme** (Pages 137 - 138)

To review the Audit and Governance Committee's Work Programme for 2026-27

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.

AUDIT & GOVERNANCE COMMITTEE

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

Present:

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

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

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

42/26 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

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

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

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

There were no declarations of interest.

44/26 MINUTES
(Agenda No. 3)

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

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

There were none.

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

The Strategic Financing and Investment Manager introduced the report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48/26 COUNTER FRAUD PLAN AND UPDATE

(Agenda No. 7)

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

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

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

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

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

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

Members asked if officers supported the NFI and noted that:

- cases were ongoing that would not have been identified without its dataset and
- it enabled them to demonstrate the success of their counter fraud initiatives.

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

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

49/26 RISK MANAGEMENT UPDATE

(Agenda No. 8)

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

Members noted the following changes to the report:

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

Members also noted, in relation to the next report due for their meeting scheduled for November 2026, that:

- they would receive updates on Cybersecurity and Climate Impact and
- the Head of Climate would be invited for them to receive a full update.

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

RESOLVED to note the risk management update.

50/26 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN'S ANNUAL REVIEW REPORT

(Agenda No. 9)

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

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

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

The Democratic Services Officer read out a member's question, which was submitted in advance. 'As per [paragraph] 25, the targeted training that has been delivered to

the education service is said to be supporting improvements, but it would be good to see quantitative evidence of this.'

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

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

Members also asked for any future report to contain:

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

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

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

(Agenda No. 10)

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

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

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

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

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

52/26 ERNST & YOUNG - VERBAL UPDATE

(Agenda No. 11)

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

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

53/26 HEALTH AND SAFETY ANNUAL REPORT

(Agenda No. 12)

The Health and Safety Manager introduced the report.

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

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

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

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

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

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

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

54/26 FIRE AND COMMUNITY SAFETY ANNUAL REPORT

(Agenda No. 13)

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

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

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

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

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

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

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

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

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

The Committee adjourned for five minutes.

55/26 SCALE OF ELECTION FEES 2026-27

(Agenda No. 14)

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

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

56/26 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

(Agenda No. 15)

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

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

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

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

AUDIT WORKING GROUP

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

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

In October, the Audit Working Group would consider:

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

The meeting finished at 3.47 pm.

…….. in the Chair

Date of signing …….

AUDIT AND GOVERNANCE COMMITTEE
16 SEPTEMBER 2026

TREASURY MANAGEMENT QUARTER 1 PERFORMANCE REPORT 2026/27

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATION

The Audit and Governance Committee is recommended to NOTE the Council's treasury management activity at the end of the first quarter of 2026/27.

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 first for the 2026/27 financial year and sets out the position at 30 June 2026.

3. Throughout this report, the performance for the first quarter of the year to June 2026 is measured against the budget agreed by Council in February 2026.

4. As at 30 June 2026, the council's outstanding debt totalled £261m and the average rate of interest paid on long-term debt during the quarter was 4.42%. No external borrowing was raised during the quarter, whilst £4m of maturing Public Works Loan Board (PWLB), was repaid. The council's forecast debt financing position for 2026/27 is shown in Annex 1.

5. The Treasury Management Strategy for 2026/27 agreed in February 2025 assumed an average base rate of between 3.25 and 3.50%.

6. The average daily balance of temporary surplus cash invested in-house was expected to be £257m in 2026/27, with an average in-house return on new and existing deposits of 4.00%.

7. During the three months to 30 June 2026 the council achieved an average in-house return of 4.35% on average cash balances of £334.713m, producing gross interest receivable of £3.630m. In relation to external funds, the return for the three

months was £0.594m, bringing total investment income to £4.224m. This compares to budgeted investment income of £3.332m, giving a net overachievement of £0.892m for the first three months of the year.

8. At 30 June 2026, the council's investment portfolio totalled £387.914m. This comprised £258.000m of fixed term deposits, £37.184m at short term notice in money market funds and £92.730m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2026.

Treasury Management Activity

Debt Financing & Maturing Debt

9. The strategy for long term borrowing agreed in February 2026 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. Global and domestic macroeconomics events have caused UK Gilt yields to remain elevated. These are forecast to reduce over the medium term. Given the forecast for borrowing rates, the strategy for 2026/27 assumes no new external borrowing during the year, with any increase in the capital financing requirement met through internal borrowing. As an exception to this the council may consider raising further funding through a second community municipal investment.

11. As at 30 June 2026, the authority had 40 PWLB loans totalling £235.383m, four LOBO loans totalling £20m and two money market loans totalling £5.4m. The average rate of interest paid on PWLB debt was 4.47% and the average cost of market debt was 3.98%. The combined weighted average for interest paid on long-term debt was 4.42%. The council's debt portfolio as at 30 June 2026 is shown in Annex 1.

12. The council repaid £4m of maturing PWLB loans. The weighted average interest rate payable on the matured loans was 4.45%. No LOBO[1] loans were called and repaid in the first quarter of 2025/27. The forecast outturn for interest payable in 2026/27 is £11.110m.

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

[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.

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 quarter 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 with from a security view point.

15. The Treasury Management Strategy Statement and Annual Investment Strategy for 2026/27 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. Whilst it is expected that these funds should outperform the council's in-house investment performance over a rolling three-year period, the Treasury Management Strategy Team (TMST) are considering reducing the exposure to these funds. This is in the context of the current value, which is above the purchase price of £88m and to assist with an orderly transfer of investments and the availability of cash balances in the medium term ahead of of Local Government Reorganisation from 1 April 2028.

16. At the start of the year the UK Bank Rate was 3.75% which was in line with the forecast. Base rate remained at this level for the first quarter. The market is forecasting that base rate will rise to 4.25% by the end of the financial year, however the TMST central forecast is that it will remain at 3.75% for 2026/27.

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 2026/27.

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 2026/27 was 4.00% and assumed an average annual in-house cash balance of £256.872m.

19. The actual average daily balance of temporary surplus cash invested in-house for the first quarter was £334.713m and the average in-house return was 4.35%, producing gross interest receivable of £3.630m. Gross distributions from pooled funds totalling £0.594m were also realised in the quarter, bringing total investment income to 4.224m. This compares to budgeted investment income of £3.332m, giving a net overachievement of £0.892m. This over achievement is a combination

of higher than forecast balances, base rate forecasts remaining higher than previous forecasts, and the local to local lending market remaining linked to the gilt market, which remains elevated.

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. After taking account of the anticipated receipt of High Needs Stability Grant relating to deficits up to 31 March 2026 later in the financial year, and the forecast deficit for 2026/27, the negative DSG balance by the end of 2026/27 is forecast to be £83.7m. This would have an estimated opportunity cost of £3.35m in unearned interest during 2026/27.

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 2026/27 the average balance held on instant access was £68.679m, at an average rate of 3.81%.

22. At 30 June 2026 the total value of pooled fund investments was £92.730m. This is above the purchase value of £88.059m.

23. At 30 June 2026, the council's investment portfolio totalled £387.914m. This comprised £258.000m of fixed term deposits, £37.184m at short term notice in money market funds and £92.730m in pooled funds with a variable net asset value. Annex 4 provides an analysis of the investment portfolio at 30 June 2026.

24. The council's Treasury Management Strategy Team regularly monitors the risk profile of the council's investment portfolio. An analysis of the investment portfolio at 30 June 2026 is included at Annex 4.

Prudential Indicators for Treasury Management

25. During the first three 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 June 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.

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.

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.

Local Government Reorganisation Implications

30. Work will be undertaken to forecast and disaggregate the balance sheet and treasury positions for the three new successor councils and the Fire & Rescue Service.

31. TMST will use this this information as context to ensure that the council's treasury position as at 31 March 2028 is proportionate to the new authorities and will help ensure there is suitable liquidity on vesting day and a sustainable financial position for each council.

Sustainability Implications

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

Risk Management

33. 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

34. Prudential indicators and credit criteria are agreed by Council each year as part of the Treasury Management Strategy.

35. 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, Deputy Chief Executive (Section 151 Officer)

Annex:	Annex 1 – Oxfordshire County Council Debt Financing 2026/27
	Annex 2 – Long Term Debt Maturing 2026/27
	Annex 3 – Prudential Indicator Monitoring to 30 June 2026
	Annex 4 – Oxfordshire County Council Investment Portfolio at 30 June 2026
Background papers:	Treasury Management Strategy for 2026/27
Contact Officer:	Tim Chapple, Treasury Manager

September 2026

Annex 1

OXFORDSHIRE COUNTY COUNCIL DEBT FINANCING 2026/27

Debt Profile		£m
1. PWLB	47%	239.38
2. Other Long Term Loans	5%	25.41
3. Sub-total External Debt		264.79
4. Internal Balances	48%	248.13
5. Actual Debt at 31 March 2026	**100%**	**512.92**
6. Prudential Borrowing		83.46
7. Borrowing in Advance		0.00
8. Minimum Revenue Provision		-17.92
9. Forecast Debt at 31 March 2027		**578.46**
Maturing Debt		
10. PWLB loans maturing during the year		-32.00
11. PWLB/LOBO Loans repaid prematurely		-5.00
12. Total Maturing Debt		**-37.00**
New External Borrowing		
13. PWLB Normal		0.00
14. PWLB loans raised in the course of debt restructuring		0.00
15. Money Market loans		0.00
16. Total New External Borrowing		**0.00**
Debt Profile Year End		
17. PWLB	36%	207.38
18. Money Market loans (incl £20m LOBOs)	4%	20.41
19. Forecast Sub-total External Debt		227.79
20. Forecast Internal Balances	60%	350.67
21. Forecast Debt at 31 March 2027	**100%**	**578.46**

Annex 1

Line Explanation

1 – 5 This is a breakdown of the Council's debt at the beginning of the financial year (1 April 20256 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 2026/27

14 New PWLB loans to replace debt repaid early.

15 The Money Market borrowing undertaken by the Council during 2026/27

16 The total external borrowing undertaken.

18-22 The Council's forecast debt profile at the end of the year.

Annex 2

Long-Term Debt Maturing 2026/27

Public Works Loan Board: Loans maturing during 2026/27

Date	Amount £m	Rate %
14/06/2026	4.000	4.450
31/12/2026	5.000	4.650
30/09/2026	10.000	4.600
31/12/2026	13.000	4.500
Total	**32.000**	

LOBO Loans called & repaid during 2026/27

Date	Amount £m	Rate %
31/07/2026	5.000	3.840
Total	**5.000**	

Annex 3

Prudential Indicators Monitoring at 30 June 2026

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 2026/27.

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 first quarter of 2026/27 and is not expected to be breached by year end.

Authorised limit for External Debt	£630,000,000
Operational Limit for External Debt	£615,000,000
Capital Financing Requirement for year	£579,504,000

	Actual 31/03/2026	**Forecast 31/03/2027**
Borrowing	£264,791,128	£260,791,128
Other Long-Term Liabilities	£ 836,000	£ 836,000
Total	**£265,627,128**	**£261,627,128**

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 June 2026	-£17,208,872
Variable Interest Rate Exposure	
Variable Interest Net Borrowing limit	£0
Actual at 30 June 2026	-£109,078,198

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	£ 15,000,000

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	19.71
12 – 24 months	0 - 25	3.45
24 months – 5 years	0 - 35	8.20
5 years to 10 years	5 - 40	24.92
10 years +	25 - 95	43.71

Annex 4

OXFORDSHIRE COUNTY COUNCIL INVESTMENT PORTFOLIO 30/06/2026

Fixed term deposits held at 30/06/2026

Counterparty	Principal Deposited	Maturity Date
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
Blaenau Gwent County Borough Council	£5,000,000.00	22/10/2026
Bury Metropolitan Borough Council	£5,000,000.00	30/10/2026
Wrexham County Borough Council	£5,000,000.00	16/11/2026
Moray Council	£5,000,000.00	27/11/2026
Aberdeen City Council	£5,000,000.00	30/11/2026
Dover District Council	£5,000,000.00	02/12/2026
Babergh District Council	£5,000,000.00	29/12/2026
Gloucester City Council	£5,000,000.00	30/12/2026
London Borough of Hillingdon Council	£8,000,000.00	06/01/2027
Wrexham County Borough Council	£5,000,000.00	12/01/2027
Kirklees Council	£5,000,000.00	22/01/2027
Kirklees Council	£5,000,000.00	17/03/2027
Halton Borough Council	£5,000,000.00	30/03/2027
Manchester City Council	£5,000,000.00	06/04/2027
Police and Crime Commissioner for Lancashire	£10,000,000.00	06/04/2027
Fife Council	£5,000,000.00	07/04/2027
London Borough of Croydon Council	£10,000,000.00	08/04/2027
London Borough of Croydon Council	£10,000,000.00	13/04/2027
Manchester City Council	£5,000,000.00	13/04/2027
North Tyneside Council	£5,000,000.00	16/04/2027
Worcestershire County Council	£10,000,000.00	20/04/2027
Aberdeen City Council	£5,000,000.00	20/04/2027
Aberdeen City Council	£5,000,000.00	20/04/2027
Cambridgeshire County Council	£5,000,000.00	21/04/2027
Cambridgeshire County Council	£10,000,000.00	22/04/2027
Bradford Metropolitan District Council	£5,000,000.00	12/05/2027
Rotherham Metropolitan Borough Council	£5,000,000.00	13/05/2027
Cheltenham Borough Council	£5,000,000.00	13/05/2027
Manchester City Council	£5,000,000.00	17/05/2027
Manchester City Council	£5,000,000.00	17/05/2027
London Borough of Newham Council	£5,000,000.00	28/05/2027

Blackpool Council	£5,000,000.00	02/06/2027
Plymouth City Council	£5,000,000.00	04/06/2027
Gravesham Borough Council	£5,000,000.00	09/06/2027
Short Term Deposit Total	**£243,000,000.00**	
	Minimum Rate	4.15%
	Maximum Rate	5.00%
	Average Rate	4.59%
Counterparty	**Principal Deposited**	**Maturity Date**
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	**£15,000,000.00**	
	Minimum Rate	4.40%
	Maximum Rate	5.10%
	Average Rate	4.63
Total Deposits	**£258,000,000.00**	

Money Market Funds

Counterparty	**Balance at 30/06/2025(£)**	**Notice period**
Aberdeen Liquidity Fund	£200,000.00	Same Day
Goldman Sachs Sterling Liquid Fund	£0.00	Same Day
Deutsche Sterling Liquid Fund	£28,707.65	Same Day
Federated Sterling Liquidity Funds	£25,080,767.75	Same Day
Legal & General Sterling Liquidity Fund	£9,858,052.26	Same Day
CCLA Public Sector Deposit Fund	£8,048.27	Same Day
Morgan Stanley Sterling Liquid Fund	£7,194.43	Same Day
Insight GBP Liquidity Fund	£1,980,000.00	Same Day
JP Morgan Sterling Liquidity Fund	£18,737.43	Same Day
Total	**£37,181,507.79**	

Notice / Call Accounts

Counterparty	**Balance at 30/06/2025 (£)**	**Notice period**
Handlesbanken	£2,389.13	Same day
Total	**£2,389.13**	

Strategic Bond Funds

Fund	Balance at 30/06/2025 (£)	Notice period
Threadneedle strategic bond fund (income)	£12,611,719.73	4 Days
Threadneedle Global Equity Income Fund	£21,584,420.66	4 Days
Kames Diversified Income	£10,590,807.59	4 Days
Ninety One Diversified Income	£9,159,242.23	4 Days
M&G Strategic Corporate Bond Fund	£11,138,631.33	4 Days
CCLA Better World Cautious Fund	£4,593,382.63	4 Days
Total	**£69,678,204.17**	

Property Funds

Fund	Balance at 30/06/2025 (£)	Notice period
CCLA Local Authorities Property Fund	£23,052,217.31	Monthly
Total	**£23,052,217.31**	

Summary of Investments as at 30/06/2025

Term Deposits	£258,000,000.00
Money Market Funds	£37,181,507.79
Notice & Call Accounts	£2,329.13
Pooled Funds	£69,678,204.17
Property Funds	£23,052,217.31
Total Investments	**£387,914,258.40**

AUDIT AND GOVERNANCE COMMITTEE
16 September 2026

INTERNAL AUDIT 2026/27 PROGRESS REPORT

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATION

The Audit and Governance Committee is recommended to NOTE the progress with the 2026/27 Internal Audit Plan and the outcome of the completed audits.

Executive Summary

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

2. The report includes the Executive Summaries from the individual Internal Audit reports finalised since the last report to the May 2026 Committee. Since the last update, there have been no red reports issued.

Progress Report:

Resources:

3. A full update on resources was made to the Audit and Governance Committee in May 2026 as part of the Internal Audit Strategy and Plan for 2025/26. Since then, one of the Principal Auditors has resigned and will be leaving the team in October, the resourcing position and impact on delivery of the plan is currently being reviewed.

2026/27 Internal Audit Plan:

4. The 2026/27 Internal Audit Plan, which was agreed at the May 2026 Audit & Governance Committee, is attached as Appendix 1 to this report. This shows current progress with each audit and any amendments made to the plan. The plan and plan progress are reviewed regularly with senior management.

5. There have been 5 audits concluded since the last update in May 2026, summaries of findings and current status of management actions are detailed in Appendix 2. The includes two audits from the 2025/26 internal audit plan which were reported as at draft stage at the May 2026 Audit & Governance Committee, which have since been finalised. The completed audits are as follows:

Final Reports 2025/26:

Service	Audit	Opinion
Childrens / Property	Repairs & Maintenance in Schools	Amber
Adults	Discharge to Assess	Amber

Final Reports 2026/27:

Service	Audit	Opinion
Technology & Customer Experience	Artificial Intelligence – follow up	Amber
Technology & Customer Experience	Cyber Security	Amber
Financial & Commercial Services	Income – Application of Fees and Charges	Green

PERFORMANCE

6. The following performance indicators are monitored on a monthly basis.

Performance Measure	Target	% Performance Achieved for 26/27 audits (as at 10/08/2026)	Comments
Elapsed time between start of the audit (opening meeting) and Exit Meeting.	Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc)	100%	Previously reported year-end figures: 2025/26 70% 2024/25 61% 2023/24 67% 2022/23 71%
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	100%	Previously reported year-end figures: 2025/26 100% 2024/25 82% 2023/24 96% 2022/23 89%

Elapsed Time between receipt of management responses to draft report and issue of final report.	10 days	100%	Previously reported year-end figures: 2025/26 100% 2024/25 100% 2023/24 100% 2022/23 92%

The other performance indicators are:

- % of 2026/27 planned audit activity completed by 30 April 2027 - reported at year end.

- % of management actions implemented (as at 10/08/26) – 71% of actions have been implemented. Of the remaining 29%, 3.5% are overdue, 22% are partially implemented, and 3.5% are not yet due.

  (At May 2026 A&G Committee the figures reported were 63% implemented, 4% overdue, 25% partially implemented and 8% not yet due)

- Extended Management Team satisfaction with internal audit work - reported at year end.

7. **Appendix 3**

The table in Appendix 3 lists all audits with outstanding open actions, it does not include audits where full implementation has been reported. It shows the split between Priority 1 and Priority 2 actions implemented.

As at 10/08/26, there were 28 actions that are not yet due for implementation (this includes actions where target dates have been moved by the officers responsible), 30 actions not implemented and overdue and 175 actions where partial implementation is reported.

8. **Appendix 4**

At the last Audit& Governance committee meeting it was agreed that members would be provided additional information on actions that remained opened from previous financial years. In Appendix 4, there is a list of individual management actions that are still open 9 months after the original target date for implementation. Management responses have been included against each action explaining progress made to date and any reasons for delay. As at 02/09/2026 there are 41 management actions open, which are 9 months past their original target date.

9. Included within Appendix 5 of this report for information, are the overall category gradings, management action priorities and root cause categories and descriptions.

Update on Internal Audit Standards and Self-Assessment.

10. As previously reported to the Committee, from 1 April 2025 internal audit teams in the public sector are expected to operate in accordance with the Global Internal Audit Standards (GIAS) and the accompanying Application Note, collectively referred to as the Global Internal Audit Standards in the UK Public Sector. These replace the former Public Sector Internal Audit Standards (PSIAS).

11. Professional standards require an external assessment of Internal Audit every five years. The last assessment, conducted in November 2023 against PSIAS, confirmed full conformance and was reported to the Audit & Governance Committee in January 2024. The next external assessment is due in 2028.

12. Between external assessments, it is recommended practice to undertake a self-assessment. In Autumn 2025, a self-assessment against the new standards was completed using CIPFA's comprehensive tool, which was reported to the January 2026 committee meeting. This confirmed that the requirements of GIAS have already been implemented and that Internal Audit conforms to the new standards. Actions identified for completion by year-end to ensure full conformance were reported as follows, these have all now been actioned:

- Scheduling the Audit & Governance Committee Self-Assessment for 2026 (last completed in 2023). The Audit & Governance Committee completed this in June 2026.
- Scheduling, with the Monitoring Officer, the Review of Effectiveness of Internal Audit for reporting to the Committee in November 2026. This has been scheduled and the Monitoring Officer has started this process.
- Enhancing annual reporting (end of 2025/26) to include analysis of themes and root causes identified during audit assignments. This was complete and reported in the Chief Internal Auditor's Annual Report 2025/26.
- Updating the Audit Manual to incorporate root cause methodology and adopt GIAS topical requirements. This action is completed.

13. The annual self-assessment for 2026/27 has now been completed, confirming that the Internal Audit team are operating in accordance and achieving full conformance with the standards.

Counter-Fraud

14. A separate counter fraud update is being made to Audit & Governance Committee November 2026 meeting.

Financial Implications

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

Legal Implications

16. There are no direct legal implications arising from this report which provides a summary of progress on activities and audits against the 2026/27 Internal Audit Plan.

Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

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

Risk Management

20. The are no direct risk management implications arising from this report.

Lorna Baxter, Deputy Chief Executive (Section 151 Officer)

Annex:	Appendix 1: 2026/27 Internal Audit Plan progress report Appendix 2: Executive Summaries of finalised audits since last report. Appendix 3: Summary of open management actions. Appendix 4: Summary of open management actions that exceed 9 months since original target date for implementation. Appendix 5: Internal Audit Definitions
Background papers:	Nil
Contact Officers:	Sarah Cox, Head of Internal Audit & Counter Fraud

September 2026

APPENDIX 1 - 2026/27 INTERNAL AUDIT PLAN - PROGRESS REPORT

Service Area	Audit	Planned Quarter Start	Status as at 4/9/26	Conclusion
Local Government Reorganisation	• The overall governance framework and programme management controls • Financial transition • Procurement & contracts transition • Technology transition • Data transition • HR, culture and workforce transition • Legal and democratic transition • Property & assets transition • Major services transition	Ongoing throughout 2026/27 and 2027/28	Ongoing	
Cross cutting	Capital Programme - Delivery Assurance	1	Fieldwork	
Cross cutting	Capital Programme – Pipeline & Business Case Development	1	Fieldwork	
Environment & Highways	Housing Infrastructure Fund (HIF1)	2	Scoping	
Environment & Highways	Lane Rental	4	Not started	
Childrens	SEND – Financial Management	1	Fieldwork	
Childrens	SEND – Appeals and Legal Challenges	1	Fieldwork	
Childrens	Foster Care Payments	1	Fieldwork	
Adults	Community Support Services	2	Fieldwork	
HR & Cultural Change	Schools HR	1	Scoping	
HR & Cultural Change	Performance Management	3	Not started	
Financial & Commercial Services	Pensions Administration	3	Not started	

Financial & Commercial Services	Income – Application of Fees and Charges	1	Final Report	Green
Property & Assets	Safeguarding Transport – follow up.	3	Not started	
Economy & Place	S106 – Improvement Programme.	3	Not started	
Economy & Place	Enterprise Oxfordshire – Governance & Performance.	2	Scoping	
Law & Governance – Information Management	NHS Data Security & Protection Toolkit.	2	Fieldwork	
Technology & Customer Experience	Cyber Security	1	Final Report	Amber
Technology & Customer Experience	IT Project Management	3 / 4	Not started	
Technology & Customer Experience	IT Change and Release Management	3 / 4	Not started	
Technology & Customer Experience	Microsoft 365 Cloud	2	Draft Report	Amber
Technology & Customer Experience	Artificial Intelligence – follow up.	1	Final Report	Amber
Cross Cutting	Follow Up	3	Not started	

There have been no amendments to Internal Audit Plan (since last report to A&G May 2026 meeting).

APPENDIX 2 - EXECUTIVE SUMMARIES OF COMPLETED AUDITS

Summary of Completed Audits since last reported to Audit & Governance Committee May 2026

2025/26 Finals:

Repairs & Maintenance in Schools 2025/26

Overall conclusion on the system of internal control being maintained	**A**

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 10/08/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Governance, Roles & Responsibilities	A	0	6	-	-	-	5	-	-	-	1
Strategic Planning & Maintenance Management	A	0	2	-	-	-	1	-	-	-	1
Use & Monitoring of Funding	A	0	1	-	-	-	-	-	-	-	1
TOTAL		0	9								

Since April 2016, the Council has delegated repairs and maintenance funding to maintained schools. Delegation to individual schools puts the responsibility for repairs and maintenance, including statutory health and safety compliance, on the school, however the Council has overall responsibility for the school estate being maintained in a safe state of repair. Revenue funding for routine repairs and maintenance is provided through schools' Individual School Budget (ISB). Capital funding is provided via Devolved Formula Capital (DFC), which is ring-fenced for small-scale capital improvements. Larger scale capital works must be prioritised centrally and are funded via a limited central grant, with works delivered by the Minor Works Team within Property & Assets.

This audit reviewed the arrangements in place to provide assurance over the use of delegated repairs and maintenance funding in maintained schools, considering processes and controls at both Council-level and school-level.

Overall, the audit found that while the Council has a range of policies, guidance, funding mechanisms and services that relate to repairs and maintenance in maintained schools, they are not formalised within a single overarching

framework that clearly defines how the arrangements fit together and support effective governance. The audit identified variable practice at individual school level in the application of repairs and maintenance activity and limited corporate oversight of how repairs and maintenance activity across the maintained school estate is being planned, prioritised and delivered.

Governance, Roles & Responsibilities There is a corporate Property & Assets strategy which recognises maintained schools as part of the wider corporate estate, but this is high level. It does not clearly articulate how the Council's corporate landlord role applies to the management of repairs and maintenance in schools or how different teams are expected to work together. As a result, there is a lack of clarity over where some responsibilities sit, when Council involvement is required, and which teams should be approached for advice, escalation or approval and who oversees ongoing activity at individual school level to provide assurance that schools are kept safe and in a good state of repair. Development of a specific Schools Estate and Assets Management strategy which defines key school and Council accountabilities, roles, responsibilities and oversight and assurance processes would help ensure clarity and enable more effective and joined up working.

There is detailed guidance for schools on some key aspects of repairs and maintenance, for example health & safety statutory compliance and finance guidance on allocations and use of funding, however what is available is held in different places, and is not clearly cross referenced. There are also parts of the process which are not clearly documented (for example, where to go for advice on specific repairs and maintenance issues, and how concerns should be escalated, expectations in terms of estate strategies / asset management plans). A consolidated area that brings together guidance on all key aspects of repairs and maintenance would provide schools with a clearer and more accessible framework for managing tasks and complying with requirements.

It is noted that there have been some recent developments in central government policy in relation to estate management within schools. Towards the end of 2026, the Department for Education's (DfE) Estate Management Standards will require responsible bodies (this is the Council for community and voluntary controlled maintained schools) to assess and report on compliance with the standards. Whilst both schools and the Council have key accountabilities in meeting these standards, the development of clear strategies, policies and guidance agreed as a result of this audit will enable informed and accurate reporting on the arrangements in place and will also provide insight into the areas where further work is required. It is also understood that a move towards schools becoming part of multi academy trusts is likely to result in changes to the number of schools the Council is the responsible body for. Whether current maintained schools move to different multi-academy trusts or remain with the Local Authority, an up to date corporate understanding of school estate condition and the arrangements in place within individual schools will be important.

Strategic Planning & Maintenance Management While DfE guidance sets clear expectations around estate planning and the use of condition information to inform prioritisation, sample testing completed as part of the audit found estate and asset planning to be inconsistent. There is also no mechanism which enables Council oversight of the arrangements within individual maintained schools where the Council is the responsible body. From the information available, it was difficult to evidence that funding decisions are consistently driven by asset condition and risk, or that repairs identified as high priority through the most recent round of condition surveys (completed in 2022/23) are being funded and completed ahead of discretionary or non-essential works. As noted above, the need for strengthened corporate oversight will become increasingly important in being able to demonstrate compliance with the DfE's Estate Management Standards.

From review of the processes in place for the completion of works using devolved funding, schools reported some difficulties in being able to source contractors leading to delays in completion of required works, it was also reported that there was a lack of clarity over who schools should contact corporately for advice and guidance. Although there is a process (the Self Finance and Building Improvement / Self Financed Approval process) within Property & Assets to oversee capital works within schools and assist schools in ensuring that all the required statutory compliance arrangements are in place, this in not operating consistently or effectively at present. This is acknowledged within the service and examples of non-compliance were also noted during testing. Ensuring that expectations, roles, responsibilities and processes are clearly defined and communicated will be key to improving performance in this area.

In terms of governor oversight and involvement in repairs and maintenance activity, across the schools sampled, there were examples where governors were found to receive regular narrative updates on premises condition, health and safety issues and planned works and where there was evidence of engagement and challenge on affordability and prioritisation. It was also confirmed that the majority of schools tested were able to provide evidence of clear records of repairs and maintenance activity at an operational level.

Use & Monitoring of Funding The audit considered what financial information, covering both revenue and capital devolved funding for repairs and maintenance, is available and how this is used to support corporate oversight and assurance. It was noted that while financial monitoring and reporting arrangements provide the Council with assurance over schools' overall revenue and capital positions, these arrangements are not used to monitor or oversee repairs and maintenance activity or associated estate risks specifically. Budget setting and monitoring processes focus primarily on financial compliance, affordability and whether spend remains within approved budgets rather than the nature, drivers or prioritisation of repairs and maintenance expenditure.

Whilst Education Finance Services (EFS), who oversee budget setting and monitoring, have access to detailed transactional information relating to repairs and maintenance spend, this is not reviewed specifically in relation to repairs and maintenance decision making or routinely at the level of detail required to

identify non-compliance with the Council's financial requirements (for example incorrect coding of revenue to capital spend).

Although schools have clear guidance on the requirements and funding conditions associated with devolved capital funding, examples were identified where revenue spend and spend below the di minimis threshold had been coded to capital, contrary to the funding conditions. There were also examples reported where repairs and maintenance budgets had not been used effectively to address significant estate priorities in individual schools, resulting in the Council having to complete urgent reactive works funded from central capital allocations. It is acknowledged that schools are responsible for compliance with conditions relating to devolved funding and in using this funding to ensure that their site and buildings are maintained appropriately. It is also acknowledged that the devolved allocations are not related to the level of need in a specific school and that this can result in budget pressures where significant repairs and maintenance needs have been identified. This makes effective planning and budget management at school level, including that capital budgets are used correctly, even more important. In addition, when devolved funding is not prioritised effectively, this also has implications for the prioritisation and resourcing of works funded from centrally held allocations. Better corporate oversight of compliance with funding conditions and how repairs and maintenance works are being prioritised at school level enables more effective corporate prioritisation of the limited central funding the Council receives towards maintaining the school estate.

In consideration of financial reporting to governors at individual school level, within the sample of schools tested, there were examples of strong governor oversight which included coverage of forward planning and tracking of capital balances. There were also examples of less developed arrangements where it was more difficult to see how funding sources had been applied and how spend aligned with approved plans and prioritisation decisions.

Key Themes and Root Causes The issues highlighted in this report underlying root causes of **Management** and **Governance.** There are limited oversight and governance arrangements in place at a corporate level to provide assurance that the devolved funding allocated to maintained schools for repairs and maintenance is being used effectively.

Discharge To Assess 2025/26.

Overall conclusion on the system of internal control being maintained	**A**

RISK AREAS	**AREA CONCLUSION**	**No of Priority 1 Management Actions**	**No of Priority 2 Management Actions**	**Current Status as of 10/08/26:**							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	**P2**	**P1**	**P2**	**P1**	**P2**	**P1**	**P2**

Governance	**A**	**0**	**5**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**4**
Process	**A**	**0**	**4**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
Performance Management	**A**	**0**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**
TOTAL		**0**	**15**								

The Discharge to Assess (D2A) approach was piloted in November 2023 and went live across the county in January 2024. Since then, team processes have been developed and improved. This has included the development and implementation of a bespoke LAS (the Adult Social Care information system) form (Home First Assessment Form) which documents the D2A process from referral through to the end of the Home First team's involvement (an updated version of this form was released in April 2026). In addition, dashboard reporting for teams, management and Payments has been developed and weekly management performance meetings have been introduced. Whilst the significant progress in developing and embedding team processes is acknowledged, further improvement is required to ensure that expectations in relation to key processes are clearly and consistently communicated and to improve management oversight so that process issues can be promptly identified and resolved.

Governance – There are defined processes in place across the Home First team's involvement in the D2A pathway with clearly assigned responsibilities, however other than specific guidance relating to the completion of the LAS form, documented guidance for key roles and tasks is limited (for example there is no clear guidance on checks to be completed as part of D2A assessment approvals or guidance on dashboard reporting including responsibilities for review and correction of error reporting).

Initial communications with the person we care for, about the D2A process, comes from the ward prior to discharge. Whilst there have been some challenges reported with the consistency and accuracy of the information being provided prior to a person leaving hospital, with work ongoing to improve this, there is a clear message across the Home First teams on the expectations for the discussions that the team members are expected to have during their initial contact once the person is back home. Issues were noted with the timeliness of letters which should be issued on the day of discharge for enhanced D2A episodes (required as in these cases the D2A assessment does not happen within 72 hours of discharge), however it is reported that action has already been taken to address this. Accessibility to information on D2A to members of the public could also be improved through the review and updating of the coverage on the Council's website.

Process – There are clear, routine processes in place to monitor and enable timely discharge from hospital with ongoing management oversight and close collaborative working with colleagues in Health. Coordination and collaboration between the different Home First teams and across the service, was also apparent. Whilst it was noted that D2A processes are clearly defined, sample testing on both the standard and enhanced D2A pathways noted compliance

issues which can impact on the accuracy of payments and management information. This included inconsistencies in saving of documentation to LAS, errors and inconsistencies in recording on the LAS form, and a lack of identification and challenge of these issues as part of the assessment approval process. Some delays in allocations were also noted which contributed to delays in completion of assessments and in meeting assessment target timescales. It was reported that delays in allocation were attributable to higher than anticipated levels of demand for the D2A service, which was recognised by the Joint Commissioning Executive (JCE), with funding agreed for additional staffing in February 2026. It is reported that recruitment is ongoing and delays in allocation have reduced. Whilst Team Managers demonstrated a clear understanding of the importance of accurate information on D2A episodes for ensuring correct payments, recording errors were identified which had impacted on payment accuracy. Some issues were also noted with Payments team processes which had contributed to payment errors. These included issues relating to the way in which form errors are dealt with, which had been identified with processes updated prior to the audit, however payment to one of the providers in the sample reviewed had been significantly delayed as a result of this. Ongoing collaboration between ICT, Payments and Service Improvement teams to look at streamlined processes would further help to reduce the likelihood of errors going forward.

Prior to the audit, the Home First System Lead identified that strategic providers had been overpaid for some reablement episodes which followed D2A care, due to the way in which payments are processed to take GMVs (guaranteed minimum volumes) into account. Overpayments are in the process of being recovered and reconciliation arrangements have been introduced to ensure accurate payments are now being made. It is noted that the risk of overpayments due to a lack of appropriate oversight and monitoring of GMV activity and payments was highlighted in the 2023/24 Payments to Providers audit, with a management action agreed with Commissioning to address this. At the time of audit fieldwork, whilst it is noted that adjustments and additional ratification processes had been implemented, the management action had not been fully implemented. It has recently been reported that this management action has now been implemented in full.

Audit testing noted inefficiencies and inconsistencies across Home First area teams with the way in which the Trusted Assessor (TA) process (introduced to improve the timeliness of completion of D2A assessments) is currently working. There are known issues with the timeliness with which assessment forms are returned, non-return of forms and with the level of detail that is included in some of the returns. This was supported by sample testing completed as part of the audit. Current processes increase the likelihood of delays in assessment as whilst the return of forms is kept under constant review, providers are not chased until 3-5 days after discharge. This has a direct impact on the ability of the team to meet the 72 hour assessment target. There are also differences in the way in which the Home First teams use the TA information with examples noted where tasks are duplicated. It is noted that there is currently no contractual requirement for strategic / zonal providers to complete TA assessments, although this is being reviewed as part of the renegotiation of the Live Well at Home contract, with changes to take effect from April 2027.

Performance Management – There is detailed information from both Health and Council information systems used to monitor the discharge process and enable timely discharges with appropriate packages of care in place for patients on the D2A pathway. This information enables monitoring of timeliness of discharge and whether 48 hour targets are being met in real time. Testing noted that dashboards have been developed in relation to Home First team activity including the D2A process. This provides management with oversight of different stages of the process, including the timely completion of assessments / whether the 72 hour assessment target is being met. Dashboards are updated on a daily basis with information including current cases requiring allocation or where assessments are overdue. There is also reporting on outcomes following the D2A process with the ability to drill through to client level detail from most of the dashboard screens. The Payments dashboard now drives the payments process, and has replaced the previous manual spreadsheet based approach.

Whilst there is information available via the different dashboards to provide management with oversight of performance, with Practice Supervisors also monitoring individual cases through the assessment approval process, it was reported that case and supervision audits had not been undertaken consistently, at the required frequency. It was reported that supervisions had however been completed, just not audited. This has been identified within the service and was in the process of being addressed at the time of audit testing. Improvements to case and supervision audit processes will increase the level of management oversight which should help to promptly identify and address some of the process issues noted as part of sample testing on this audit. In addition to this, it is reported that a dashboard is now available for Practice Supervisors, Team Managers and Heads of Service to monitor case audits and look for themes and areas for improvement. This gives a daily reporting opportunity for all involved.

There are processes in place to obtain feedback from people we care for and their families, which includes the sending out of closure letters at the end of the Home First team's involvement with the individual. However, this process is not currently operating consistently with examples noted where letters had not been sent and in inconsistencies in the information included for how to provide feedback. Work is ongoing to increase opportunities to provide feedback earlier in the process and whether feedback mechanisms can be made more specific to the Home First team. There is also work underway to consolidate feedback, so that good practice and lessons learned can be shared across the team, enabling continuous improvement.

Key Themes and Root Causes – The issues highlighted in this report identify underlying root causes of ***Processes*** in relation to the need to ensure that key processes are formally documented, ***People*** in terms of compliance with expected processes and ***Management & Governance*** in relation to the need for development of more effective oversight to identify and resolve non-compliance with required processes.

2026/27 Finals:

Artificial Intelligence – follow up 2026/27

Previous Overall Conclusion	**A**
Current Overall Conclusion	**A**

	As Per Action Tracker – 2024/25		Follow Up Audit - 2026/27	
	P1	**P2**	**P1**	**P2**
Open	0	6	0	9
Closed	0	7	0	4
Total	**0**	**13**	**0**	**13**

The follow-up audit of Artificial Intelligence (AI) 2024/25, has found that whilst some management actions have been completed, the majority are outstanding. The completed actions include the development of an AI Strategy, carrying out Data Protection Impact Assessments (DPIA's) for new AI systems and updating the IT technical specifications for new technology procurements to include AI.

The key outstanding actions relate to having a formal AI Policy, which is currently in draft undergoing review, agreeing an AI governance structure, developing procedures for risk assessing new AI systems and maintaining an AI inventory. In part, the lack of progress in these areas has been reported as being due to organisational changes which have seen the previous Transformation and Digital directorate and Strategic AI Programme Board, which led on AI, being disbanded. A new AI Governance Board was established but it has also since been stood down and AI responsibilities have recently been transferred to the Information Governance Board. These gaps present a risk that new AI is not introduced in a managed and controlled way, within an appropriate governance and control framework, with sufficient oversight and accountability, particularly where personal information is processed or key operations are performed.

A total of 13 management actions were agreed as part of the 2024/25 audit. Of these, 7 were reported as fully implemented by management and 6 remained open. The follow-up audit found that 3 actions have now been effectively implemented, 5 remain open (including one requiring reassignment to another officer), and 3 actions previously reported as closed will be reopened as they have not been fully implemented. In addition, 2 actions previously marked as complete have been replaced with new management actions in this report due to incomplete implementation.

Cyber Security 2026/27

Overall conclusion on the system of internal control being maintained	A

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 02/09/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Governance	G	0	0	-	-	-	-	-	-	-	-
Risk Management	A	0	3	-	-	-	-	-	-	-	3
Technical Controls	A	0	12	-	1	-	-	-	-	-	11
TOTAL		0	15								

Cyber security continues to remain an important area and strong security controls must be maintained to minimise the risk of any attack. Cyber security is a core business risk and not just an IT issue, given it can affect operational continuity, financial stability, regulatory compliance and reputation.

The review has found there are generally good controls around the governance of cyber and areas of technical security. We have identified aspects of risk management that can be improved, especially in relation to operational cyber risks, and there are also technical controls that are not optimised or operating effectively. Further details of these are provided below.

Governance There is a formal cyber security strategy in place, which will be implemented through the Cyber Security Programme that has been recently approved by the Strategic Capital Board and is due to start imminently. A suite of policies and procedures cover IT and cyber security and have been reviewed in previous audits. A sample test of policies, including the Acceptable Use Policy, confirmed they are current and valid. There is a designated cyber security team within IT Services, which has grown in size over the last 18 months and has been being given additional resource as part of the recent IT re-structure. This demonstrates the importance placed on cyber security by IT Services and the organisation.

Risk Management Cyber security is on the strategic risk register and is owned at a senior management level and subject to regular review. There is scope for improving the management of operational cyber risks as they are not currently formally identified and logged on the IT operational risk register. This can lead to management not being aware of these risks or seeking assurance that they are being managed. Cyber risks are discussed at the corporate Information Governance Group and the Information Governance Board.

All users are required to undertake mandatory training on cyber security and testing confirmed there is a high completion rate. The training is currently a one-off exercise and this can be strengthened by refreshing it annually to ensure users maintain skills and awareness of cyber threats. Phishing simulation exercises are performed every six months and users who 'fail' the test are enrolled on phishing training.

There is a documented Cyber Incident Response Plan which has been tested by the cyber security team. Greater assurance over the plan can be achieved by involving other members of IT Services in test exercises, especially those who will form part of the cyber incident response team.

Technical Controls Technical security controls are in place and largely effective across many areas, although some security gaps and weaknesses have been identified which if addressed will further strengthen cyber defences.

Income – Application of Fees and Charges 2026/27

Overall conclusion on the system of internal control being maintained	**G**

RISK AREAS	AREA CONCLUSION	No of Priority 1 Management Actions	No of Priority 2 Management Actions	Current Status as of 07/09/26:							
				Implemented		Due not yet Actioned		Partially complete		Not yet due	
				P1	P2	P1	P2	P1	P2	P1	P2
Setting and Approving Fees and Charges	**G**	**0**	**1**	-	-	-	-	-	-	-	**1**
Application of Fees and Charges	**G**	**0**	**5**	-	**1**	-	-	-	-	-	**4**
TOTAL		**0**	**6**								

Oxfordshire County Council provides a wide range of services, which are charged for when lawful to do so, on either a statutory or discretionary basis. This, which contributes to the overall funding for the Council, was estimated at 9% of the Council's funding for 2025/26.

The audit noted that there is a robust process in place for the annual review and approval of fees and charges with clear roles, responsibilities and accountabilities across services, finance and elected members. Testing noted that charges raised are consistent with the charges approved by Cabinet. The area where a need for greater consistency was identified is in relation to confirming expected income levels and actively monitoring these against income received.

Setting and Approving Fees and Charges – The Council's Financial Regulations sets out the framework, roles and responsibilities for the setting and approval of fees and charges. The annual review and approval process as part of budget setting is clear, established and understood by officers and members. It was noted that the corporate charging policy referenced within the financial regulations is overdue for review.

Sample testing confirmed consistency between the schedule of fees and charges approved by Cabinet and charges raised. Statutory charges tested were in line with the relevant statutory requirements. It was also found that there is consistent and accurate charging information available on the public website for public facing charges. The full fees and charges schedule and documented Cabinet approval is also available on the Council's public website.

Application of Fees and Charges – Sample testing covering both statutory and discretionary fees and charges confirmed that, with one exception, fees and charges are being raised in accordance with the schedule approved by Cabinet. There was one charge reviewed where the timing of invoicing had resulted in the previous year's charge being invoiced in error for 3 of the transactions sampled, however this has already been addressed by the service with additional oversight processes now in place.

As part of the sample testing on charges raised, it was noted that there was one area where the full charge is not currently being recovered due to the way in which payment is being made (via British Library vouchers, which are exchanged between library services across the country). This is being reviewed within the service so that going forward income can be aligned with the approved charge. This testing also highlighted some ambiguity in how this payment method is recorded in the Council's accounts. This is being reviewed by Finance and colleagues within the service to ensure that there is clear and consistent recording of income and expenditure within the Council's finance system.

The audit noted that there are inconsistencies in the way in which income targets are documented and in how income is monitored and overseen during the year across service areas. The Council's Financial Regulations note that directors have responsibility for ensuring that income budgets are monitored against charges raised and that material variances are investigated. Whilst sample testing noted examples within some service areas where there were clear income budgets set at the start of the year and monthly monitoring of income received against the budget, there were other areas where it was not possible to identify specific income targets or budgets or any active monitoring of income received for the fee / charge sampled. Whilst it is acknowledged that there will be differences in approach to pursuing income targets, for example depending on whether the charge is aimed at income generation or deterrence, having an awareness of expected income levels and monitoring of income received is important for effective budget monitoring, and in being able to identify unexpected changes to income levels which could be an indicator of error or fraud.

APPENDIX 3 – As at **10/08/2026** - all audits with outstanding open actions (excludes audits where full implementation reported):

	ACTIONS								
	P1 & P2 Actions			IMPLEMENTED			Not Due for Implementation	Not Implemented	Partially Implemented
Report Title	1	2	**Total**	1	2	**Total**			
OCC AI 24/25	-	13	**13**	-	8	**8**	-	-	5
OCC Absence Recording 25/26	-	24	**24**	-	15	**15**	-	-	9
OCC AI follow up 26/27	-	2	**2**	-	-	**-**	-	2	-
OCC Bridge Mgmt 25/26	4	12	**16**	-	-	**-**	2	-	14
OCC BYOD 25/26	-	9	**9**	-	7	**7**	-	1	1
OCC Childrens DP 24/25	-	35	**35**	-	27	**27**	-	-	8
OCC Childrens Transformation 2526	-	5	**5**	-	2	**2**	-	1	2
OCC Disaster Recovery 25/26	-	9	**9**	-	6	**6**	-	-	3
OCC D2A 25/26	-	15	**15**	-	3	**3**	12	-	-
OCC Educ IT System – processes 22/23	-	5	**5**	-	3	**3**	-	-	2
OCC EHCP Top Ups 24/25	-	12	**12**	-	7	**7**	-	-	5
OCC Employee Feedback 2425	1	7	**8**	-	3	**3**	-	-	5
OCC Employee Relations Case Audit 25/26	1	17	**18**	-	3	**3**	-	1	14
OCC Feeder Systems 23/24	-	4	**4**	-	3	**3**	-	-	1
OCC FOI 25/26	-	10	**10**	-	9	**9**	-	-	1
OCC Grants Management 25/26	-	5	**5**	-	1	**1**	-	3	1
OCC Health Payments 23/24	1	7	**8**	1	6	**7**	-	-	1
OCC HIAMS 25/26	1	11	**12**	-	8	**8**	-	-	4
OCC Highways Contract 24/25	-	2	**2**	-	1	**1**	-	-	1
OCC Highways Contract Mgmt 25/26	2	13	**15**	-	3	**3**	-	-	12
OCC Insurance 25/26	-	4	**4**	-	2	**2**	2	-	-
OCC IROs 24/25	-	14	**14**	-	12	**12**	-	-	2
OCC IT Application ContrOCC 25/26	-	9	**9**	-	3	**3**	-	2	4

OCC IT Asset Management 2526	-	6	**6**	-	5	**5**	-	-	1
OCC IT Backups 25/26	-	4	**4**	-	3	**3**	-	1	-
OCC LAS IT Application 22/23	-	9	**9**	-	8	**8**	-	-	1
OCC Mandatory Training 24/25	-	5	**5**	-	-	**-**	-	-	5
OCC Missing Children 25/26	-	11	**11**	-	9	**9**	-	-	2
OCC P Cards 23/24	1	20	**21**	1	18	**19**	-	-	2
OCC Pensions Admin 24/25	-	6	**6**	-	4	**4**	-	1	1
OCC Pensions Admin 25/26	-	11	**11**	-	3	**3**	4	3	1
OCC Pension Fund 25/26	-	6	**6**	-	2	**2**	2	-	2
OCC Planning Application Appeals 24/25	-	8	**8**	-	2	**2**	-	-	6
OCC Property Health and Safety 23/24	2	28	**30**	2	27	**29**	-	-	1
OCC Recruitment Applicant System 25/26	-	20	**20**	-	13	**13**	2	-	5
OCC Repairs & Maintenance Schools 25/26	-	9	**9**	-	-	**-**	3	6	-
OCC S106 IT System 23/24	-	6	**6**	-	5	**5**	-	-	1
OCC S151 Schools Assurance 24/25	2	20	**22**	1	6	**7**	-	6	9
OCC Safeguarding Transport 25/26	-	28	**28**	-	2	**2**	1	1	24
OCC School Attendance 2526	2	24	**26**	1	19	**20**	-	1	5
OCC Supported Transport 23/24	6	9	**15**	6	7	**13**	-	-	2
OCC VMS 25/26	-	10	**10**	-	-	**-**	-	1	9
OCC Void Management 24/25	-	14	**14**	-	13	**13**	-	-	1
OCC YPSA 22/23	1	18	**19**	1	17	**18**	-	-	1
Samuelson House 2018/19	-	5	**5**	-	4	**4**	-	-	1
TOTAL	**24**	**521**	**545**	**13**	**299**	**312**	**28**	**30**	**175**

APPENDIX 4 – Summary of open management actions that exceed 9 months since original target date for implementation.

Audit Title	Directorate	Management Action Title	Management Action Summary	Priority Level	Last Update Date	Original Target Date	Revised Target Date	Update from Director / Head of Service – summary explanation implementation delay / progress to date.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Transport Development Management Guidance	Guidance will be created covering the Transport Development Management Team's role in appeals, including the process of drafting the R122 statement and roles and responsibilities around appeal hearings (e.g. giving evidence).	2	05/08/2026	30/09/2025	31/08/2026	This action is being addressed through the new Planning Appeals Guidance document, which includes: • Appeal processes and responsibilities. • Preparation and review of Regulation 122 evidence. • Hearing, inquiry and witness arrangements. • Escalation and governance processes. • Document management and evidence requirements. This guidance is pending finalisation.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Recording of Appeals (District Council as LPA)	The possibility of using MasterGov to log, track, and monitor appeals will be looked into, aligning the approach across the Council in regard to appeals management. If this is not feasible, it will be ensured standard document retention protocols are communicated and followed, including which folders key evidence should be stored in.	2	05/08/2026	30/09/2025	31/08/2026	This work remains under active consideration. Investigation is ongoing regarding the feasibility of using MasterGov as the primary mechanism for recording and tracking appeals, with the objective of improving consistency, auditability and document management across services. Importantly and irrespective of Mastergov being able to manage and track planning appeals, the monitoring process is captured in the Appeals Procedure note.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Review of Lessons Learned	Consideration will be given as to how any learning and opportunities for development should be reviewed following an appeal which has had an adverse outcome for the Council	2	05/08/2026	31/07/2025	31/08/2026	This action is addressed through the new Planning Appeals Guidance which establishes expectations around post-appeal review, capturing lessons learned, consideration of Inspector findings, costs decisions and identification of service improvements.

OCC Planning Application Appeals 24/25	OCC Economy and Place	Senior Management Oversight	Where appeals are identified with a certain complexity, materiality, or public sensitivity, a process will be developed to ensure there is a senior management lead to provide oversight around the strategy and approach for that appeal. This will clearly defined roles, responsibilities, and criteria for escalation, as well as a process for balancing cross-service priorities (with input from other senior officers as appropriate) to support timely and coordinated decision making in complex cases.	2	05/08/2026	31/07/2025	31/08/2026	The new Planning Appeals Guidance includes provisions relating to: • Escalation criteria. • Senior management oversight arrangements. • Cross-service decision-making. • Governance arrangements for complex, high-profile or high-risk appeals. This provides a structured framework for strategic oversight and decision-making.
OCC Planning Application Appeals 24/25	OCC Economy and Place	Appeals Management Information and Performance Reporting	Consideration will be given to what management information would be helpful in regard to the management of appeals, where this should be reported to, and how frequently.	2	05/08/2026	31/07/2025	31/08/2026	This action is also being addressed through the new Planning Appeals Guidance, which introduces a framework for monitoring appeals activity, outcomes, lessons learned, key deadlines and performance information to support management oversight.
OCC Supported Transport 23/24	OCC Property Services	Review of Contract Register System	Management will explore options, in conjunction with the Procurement hub and IT, to replace the manual contracts register spreadsheet, with a view to using the existing council register or agreeing to develop a separate more automated, system-driven solution.	2	13/07/2026	30/09/2024	31/12/2026	The contract register spreadsheet is being used for multiple different reporting data sets. To avoid brining in a new system which would still require manual copy and pasting of data from the data source Liquid Logic. The current work is focused on brining Service Provider contract management into Liquid Logic to join the contract management data with the commissioning data in one system. A report for this work has been submitted to the Liquid Logic Governance board and is being reviewed by them. The direct replacement of the contract register will be the services dashboard with the data all coming from Liquid Logic.

								This is not a short project and will be delivered in stages to replace the contract register.
OCC Property Health and Safety 23/24	OCC Property Services	Repairs and Maintenance Offer	Hard FM are in the process of putting together a repairs and maintenance package which maintained schools will have an option to buy into. It is planned that this will go to Schools Forum before the end of April after which it will be made available to schools.	2	10/03/2026	31/03/2025	30/04/2026	Action in progress - paper to be presented to Schools Forum.
OCC Supported Transport 23/24	OCC ICT	ContrOCC System Controls	IT will ensure the new ContrOCC system can interface with EYES in an effective and appropriate manner. It will also ensure that robust approval workflow controls are built in to prevent unauthorised and inappropriate changes to the system.	2	25/08/2026	30/09/2024	31/01/2027	Capability to record this on ContrOCC has not yet been fully implemented by the Supplier, SystemC. Provider payments remain on our legacy system. There is currently no roadmap from supplier available it is unlikely to be developed until 2027. SystemC are aware of this requirement and we will continue to discuss with our Account Manager.
OCC AI 2425	OCC ICT	AI Risk Assessment	A risk assessment procedure for AI systems will be agreed and documented.	2	25/08/2026	01/04/2025	30/09/2026	We are still forming our processes with regard to AI. These have been delayed due to the Restructure of IT in the last 6 months where staff interviews have had to take precedence. The new structure went live in August 2026 and we have recently adopted Microsoft Co-pilot into BAU from Project. Our new Product driven structure means that there will be staff in post to further form and finalise our AI policy and management

OCC AI 2425	OCC ICT	AI Inventory	The service areas who did not respond to the original request for information will be followed up by the Strategic AI Programme Board. Responsibility for managing and maintaining the AI inventory will be assigned.	2	25/08/2026	01/04/2025	30/09/2026	Please see response above.
OCC AI 2425	OCC ICT	AI Inventory Details	Once the risk assessment process for AI is agreed, the inventory will be updated to include the risk category of each system.	2	25/08/2026	01/04/2025	30/09/2026	Please see response above.
OCC Disaster Recovery 25/26	OCC ICT	DR Testing	A three-year plan for testing IT disaster recovery will be agreed which includes at least one critical IT system/application being tested annually.	2	25/08/2026	30/09/2025	31/08/2026	Draft for three year plan has been discussed and roadmap produced, update to audit action was missed. Now waiting for review and adoption by IT Operations managers.
OCC AI 2425	OCC ICT	Senior Management Awareness	An AI briefing will be given to SLT that includes how the technology can be used and also the governance structures being put in place to ensure it is introduced in a responsible way.	2	25/08/2026	01/04/2025	30/09/2026	SLT received an in person briefing with regard to Microsoft Co-pilot in 2025. The target has been re-opened following AI Audit review in June 2026 for a broader AI briefing – a briefing paper is to be presented to Scrutiny committee shortly.
OCC Employee Feedback 2425	OCC HR & OD	Implementation of Consolidated Framework for Feedback Mechanisms	As part of the Engagement Project, standardised processes to collect, consolidate, and analyse feedback from all three sources will be implemented. From this, a consolidated reporting framework that enables regular updates to relevant stakeholders, highlighting key themes, trends, and actionable insights will be developed. The	1	07/08/2026	30/09/2025	31/03/2027	This action has been deferred until March 2027 to allow the new pulse survey approach to become established and to explore a wider organisational listening strategy. During this period, we will work with HR and other stakeholders to map existing feedback mechanisms, understand how insight is captured and used, and identify opportunities for a more joined-up approach. Rationale for revised target date: Learning from the pulse survey implementation indicates that effective listening arrangements require time,

			framework will also include clear guidance and timelines for following up on action plans for achieving the required improvements implemented by services across the Council.					engagement and stakeholder support to embed successfully. A revised action will be implemented from March 2027, informed by the findings and experience gained during this period.
OCC Employee Feedback 2425	OCC HR & OD	Implement Formal Exit Interview Feedback and Reporting Procedures	A clear, formalised process for the management of exit interview feedback will be implemented. This will include steps for data collection, analysis and dissemination to relevant stakeholders.	2	07/08/2026	30/09/2025	30/09/2026	The Exit Interview workstream has developed beyond the scope of the original audit action and is now being delivered as a wider process redesign to address governance, escalation, reporting, audit control and workforce insight requirements. During the discovery and stakeholder engagement phase, it became clear that delivering a sustainable solution required agreement across multiple HR functions, IT and data teams, rather than implementing isolated process changes. As a result, progress has been dependent on technical feasibility assessments, system design, stakeholder consultation, and the alignment of supporting reporting and workflow solutions. The action remains actively managed through bi-weekly meetings with IT, and work has continued throughout the period. Significant preparatory work has also been completed ahead of the automation and workflow implementation, including agreement of the final MS Form questions, development of the MS Form, stakeholder

								engagement, and the drafting of supporting communications and guidance materials. As an interim measure, communications have also been arranged to reinforce the importance and value of completing exit interviews and to encourage greater participation while the redesigned process is being finalised. This includes a Viva Engage post published on 15 July 2026 and a headline feature to be confirmed (this was postponed due to LGR announcement. Revised Target Date The revised completion date reflects the time required to finalise technical solutions, complete system configuration, implement associated reporting requirements, and embed the redesigned process. Subject to the availability of required resources and dependencies, this date is considered achievable. This is currently expected to be the final revised completion date. However, delivery remains dependent on technical work and support from services outside HR's direct control, including IT development and reporting resources. Mitigation is in place through regular project oversight, stakeholder engagement, and ongoing monitoring of dependencies.

OCC Employee Feedback 2425	OCC HR & OD	Importance of Exit Interview Process	The importance of the exit interview process will continue to be communicated to employees. This will be enhanced to include communication regarding initiatives or changes made in response to exit interview insights. This will help to demonstrate the value of employee input, potentially encouraging higher participation	2	07/08/2026	30/09/2025	30/09//2026	Please see response above.
OCC Employee Feedback 2425	OCC HR & OD	Engagement Survey Feedback Procedures	The process for handling engagement survey feedback will be reviewed and procedures, timelines and expectations on the analysis and review by services of results and reporting back on any improvements and actions taken will be formalised.	2	07/08/2026	30/09/2025	30/09/2026	The procurement process to commission an external provider for a regular pulse survey and other surveys to explore colleague sentiment and feedback has completed following initiation in Feb 26. We are yet to be advised of the successful bidder and are eager to establish contact and commission the work. We estimate that we will be able to begin commissioning this month and anticipate an 8-10 week scale up. A full programme plan will follow. Risks to this process include the number of surveys and feedback requests being received by colleagues from other teams and associated with LGR. Ensuring the HR & CC function can manage/limit these appropriately through the use of our new platform, will be essential. Next update to be provided in a month.
OCC Employee Feedback 2425	OCC HR & OD	Grievance Monitoring Controls	Monitoring controls will be established to regularly assess the status of grievances cases, ensuring adherence to defined timescales and processes as per the Council's policies.	2	07/08/2026	30/09/2025	30/12/2026	The implementation of monitoring controls is contingent upon the development and agreement of Employee Relations (ER) Key Performance Indicators (KPIs). Once established, these KPIs will provide a framework for monitoring not only compliance with the Council's policies,

								procedures, and prescribed timescales, but also the performance and effectiveness of the Employee Relations team in managing grievance cases. The KPIs will form part of the work-pro case management system build and implementation. This will enable daily/weekly oversight of case progression, service delivery standards, and overall team performance. The revised target date is required to ensure that the KPIs are agreed with the HR Director and built into the case management system, with the team using this to both manage and report on the progress of cases in line with the KPIs. This remains achievable within the revised date, with current senior level input in the ER team
OCC Employee Feedback 2425	OCC HR & OD	Documentation of Case Risk Management Meetings	Discussions and decisions made during monthly at Case Risk Management meetings will be documented, which will include appropriate notes, minutes and action logs to provide a clear record of discussions and follow-up decisions	2	07/08/2026	30/09/2025	30/09/2026	Discussions, decisions and agreed actions arising from the monthly Case Risk Management meetings will be formally documented through meeting notes, minutes and action logs. This documentation will provide a clear audit trail of discussions, decision-making and follow-up actions, as well as an agreed timeline for case progression and closure. Records will also capture scenario planning, including identified risks, potential outcomes, mitigating actions and contingency plans, to support proactive case management, effective oversight and accountability. Progress achieved to date includes robust recording at the monthly meetings, with clear documentation; toolkit development to support the decision making and case progression in line with policies and procedures. The revised target date is required to align with the case management system

								implementation with case histories live on the system, along with building team skills and understanding around scenario planning, case strategy, contingency planning and building manager skills for effective decision making at each stage of their case. This remains achievable within the revised dates, with tasks allocated across the team
OCC Void Management 24/25	OCC Adults	Establish Target Occupancy Rates	We will determine and set target occupancy rates for all categories and block contracts. These targets will be based on historical data, demand forecasts, and strategic goals. We will implement formal processes to regularly monitor and report on the targets to senior management.	2	09/06/2026	30/06/2025	31/08/2026	Ongoing work is being undertaken with Finance colleagues to understand the occupancy levels in supported living. This is the final cohort of block contracts that need to be reconciled to complete this task
OCC Health Payments 23/24	OCC Adults	Memorandum of Understanding	The MOU will be finalised, signed off and communicated to all relevant parties to ensure that appropriate arrangements are in place.	2	09/06/2026	31/07/2024	31/08/2026	The updated MOU is in the S75 development plan – to be completed August 2026.
OCC YPSA 22/23	OCC Childrens Services	Referrals Process	All referrers, whether OCC teams or District Councils, will be reminded of, or given training in, the correct process for referring young people into YPSA, including correct use of forms, requesting the appropriate service package, and making referrals through brokerage in accordance with the Specification. Agreement/commitment from Heads of Service, Team Managers and Q & I, will be obtained, to follow the correct	2	30/07/2026	31/07/2023	31/08/2026	A new YPSA referral form is shortly to go live and the guidance will be updated at that this point. Form in testing phase with the support of the System Improvement team. Officer responsible will confirm when this aspect is complete.

			process, as per the Specification.					
OCC Childrens DPs 2425	OCC Childrens Services	Approach and Strategy to Children's Direct Payments	The current approach to Children's Direct Payments will be reviewed. The DP Advice Team will be asked to provide information on the potential benefits of the use of different types of accounts (i.e. self-managed, managed and online) so that consideration can be given to whether, where possible, it may be appropriate to encourage online and managed accounts going forward	2	30/07/2026	28/02/2025	31/12/2026	The service liaise directly with the direct payments team about the best form of account for families and where possible aim to progress online and self-managed account to avoid the fees associated with managed accounts. CHCC are moving towards solo managed accounts when parents struggle to find PAs these accounts are more expense. Our approach for managed accounts is routinely where we have concerns about how parents use the money inappropriately or where parents have learning difficulties and are not able to manage without oversight.
OCC Childrens DPs 2425	OCC Childrens Services	Review of Management Information Requirements	Consideration will be given to what management information would be helpful from Deputy Director level down to team level regarding children's direct payments to feed into further discussion with the Payments & System Data Team on development of management information / reporting (the development of management information and reporting is covered under finding 7).	2	30/07/2026	28/02/2025	31/12/2026	The report was commissioned by the finance team and was written to support the needs of the team. However, we've a change of staff this ceased and needs to recommence.

OCC Childrens DPs 2425	OCC Childrens Services	End to End Process Review – Education Direct Payments	Processes, roles and responsibilities in relation to the use of direct payments by Education (primarily used at present as a way of funding EOTAS provision) will be reviewed and confirmed to ensure that where direct payments are used, there is clarity over roles and responsibilities within the service area and the Payments and System Data Team, and consistency in approach in terms of communication with recipients, completion of key documentation and to oversight of the direct payment arrangement once in place.	2	29/07/2026	31/03/2025	30/09/2026	End to end process is currently being finalised.
OCC Childrens DPs 2425	OCC Childrens Services	Education Direct Payment Agreements (Funding Agreement)	The Direct Payment Agreement / Funding Agreement for education direct payments will be reviewed in conjunction with the DP Advice Team. Updates will be made as required (including but not limited to minimum retention periods, reference to DP Audit Team activity / involvement, clarifications on the clawback of surplus funds). The updated version will be approved by the Deputy Director of Education	2	17/07/2026	31/01/2025	31/08/2026	Please see response above.

OCC Childrens DPs 2425	OCC Childrens Services	Confirmation of Roles, Responsibilities and Process for Oversight of Education Direct Payments	Discussions are underway between Education and the Payments and System Data Team to confirm process, roles and responsibilities of both teams in relation to Education related direct payments. Processes, roles and responsibilities will be formalised as a result of the end to end process review agreed under finding 1 above.	2	17/07/2026	30/04/2025	31/08/2026	Please see response above.
OCC Childrens DPs 2425	OCC Childrens Services	Training and Documented Guidance	Following confirmation of roles, responsibilities and process relating to the oversight and review of Education DPs, training sessions will be arranged for relevant Education staff. This will cover roles, responsibilities and process for the oversight, audit, follow up and escalation. Documented guidance will also be produced and circulated	2	17/07/2026	31/05/2025	31/08/2026	Please see response above.
OCC Childrens DPs 2425	OCC Childrens Services	Communication of DP Audit Process for Existing Education DP Recipients	Following on from confirmation of roles, responsibilities and process for the audit of education related direct payments, targeted communications will be produced and sent to existing education direct payment recipients providing information on the process, expectations for supporting document retention etc.	2	17/07/2026	31/05/2025	31/08/2026	Please see response above.

OCC Childrens DPs 2425	OCC Childrens Services	Education Review Process	As part of the end to end process review detailed as part of management action 1b) above, the expectations for review of direct payment arrangements as part of the annual review process will be confirmed and communicated. This will include communications between the service and the DP Audit Team (covering how the reviews by each team can be co-ordinated / how they can inform each other) and communications with parents / carers	2	17/07/2026	30/04/2025	31/08/2026	Please see response above.
OCC IROs 24/25	OCC Childrens Services	b) Enhance Functionality in LCS	We will explore the possibility of upgrading the LCS system to include functionality that allows for automated flagging and notifications to IROs when changes are logged. This would require approval through Change Board and would ultimately ensure that IROs are immediately informed of significant events.	2	30/07/2026	30/09/2025	30/09/2026	This action is still in the pipeline for upgrades to the client held record system C.
OCC EHCP Top Ups 24/25	OCC Childrens Services	a) Review of Primary Top Up Guidance	The intranet guidance available to schools on the primary school EHCP top up process will be reviewed and updated. This will include refreshing out of date content, updating broken links and adding additional guidance on the process for obtaining top up funding.	2	29/06/2026	31/08/2025	30/09/2026	Although these actions appear relatively straightforward, work undertaken since the audit has highlighted that the issues identified are symptomatic of a much wider problem with the current guidance available to schools. The existing information is dispersed across multiple areas of the Schools Intranet, can be difficult to locate, contains outdated content and broken links, and requires a more fundamental review than originally anticipated.

								Progress has also been impacted by competing service priorities, including budget forecasting, delivery of SEN Reform activity and work associated with the proposed banding review. Given the expectation that a banded funding approach would be introduced, there was a risk that any substantial revision of the existing guidance would quickly become obsolete. As a result, updates were deferred pending greater certainty on the future funding model. However, the anticipated banding arrangements have not yet been implemented, and a revised approach has now been agreed. Rather than updating a number of separate webpages, I have been advised to develop a single standalone guidance document for schools which clearly sets out the process for applying for and claiming SEN funding. This will not only address the specific audit recommendations relating to primary and secondary top-up funding but will also improve accessibility and consistency of information for schools more generally. Work on this document is underway and is scheduled for completion by 31 August 2026, in line with the revised audit action deadline.
OCC EHCP Top Ups 24/25	OCC Childrens Services	b) Review of Secondary Exceptional Funding Top Up Guidance	Guidance available to schools on the process for obtaining exceptional top up funding will be made available via the schools intranet pages.	2	29/06/2026	31/08/2025	30/09/2026	Please see response above.

OCC S151 Schools Assurance 2425	OCC Finance	a) Review of Schools Financial Value Standard Process	A review of the way in which the assurance which can be gained from SFVS return process can be improved, including consideration of how meaningful review and challenge of submissions can be introduced, will be completed, with appropriate actions taken to improve the process	2	13/07/2026	31/07/2025	30/11/2026	***Overall Position*** The audit actions remain partially due and require a more specific delivery plan, this has been contingent on developing the direction of travel with School Finance / Education Finance Service (EFS). The delay does not indicate that the risks have been unrecognised. The Children Education and Families (CEF) Finance Business Partners (FBPs) & EFS team has prioritised immediate risk mitigation, continuity of statutory assurance and the wider redesign of the schools finance operating model, rather than progressing all improvement actions at the pace originally envisaged. Exposure has been managed through existing oversight routes, targeted work on schools of financial concern, revised governance arrangements and continued focus on statutory responsibilities. The next phase will see progress in moving from interim mitigation to formal closure of residual actions.
OCC S151 Schools Assurance 2425	OCC Finance	b) Assurance Reporting on the SFVS	Following improvements to the SFVS returns process, assurance reporting will be developed and implemented to provide more useful oversight of the process to the Finance Business Partnering team. Reporting to the schools financial management oversight group will also be considered and implemented as appropriate.	2	13/07/2026	31/08/2025	30/11/2026	

OCC S151 Schools Assurance 2425	OCC Finance	a) FBP Team Processes for Oversight of Budget Setting & Monitoring	Roles, responsibilities and processes for oversight, within the Finance Business Partnering Team, of budget setting and budget monitoring will be reviewed and clarified to ensure that a robust and appropriate assurance process is in place. This work is already underway with the Finance Business Partner – Education developing arrangements. Regular meetings with both EFS and School Improvement are now in place	2	13/07/2026	30/06/2025	30/11/2026	***Rationale for revised delivery profile*** The pace of completion has been affected by three main factors: - the future role and scope of the Education Finance Service has been unclear as an insourcing proposal and future operating model have been developed. This has affected the extent to which improvement actions could reasonably be delivered through the current arrangements. - EFS capacity has reduced through retirements and freeze on recruitment, creating pressure on delivery alongside business as usual support to schools. - the internal CEF FBP team has focused on the areas of greatest immediate exposure, including schools in deficit, escalation processes, financial monitoring, update of the Scheme for Financing Schools, consultation with schools, financial escalation guidance and knowledge transfer from EFS before further capacity is lost. ***Interim Risk Management*** The audit risks have been contained and monitored while the longer-term structural solution is developed. The Schools Financial Management Oversight Group provides a formal quarterly mechanism to bring together Finance Business Partnering, School Improvement, EFS, Education Personnel Services, Banking, Financial Systems and Support, and other relevant assurance sources. Its remit includes the Scheme for Financing Schools, the Financial Manual of Guidance, deficit budgets, banking activity, purchasing card issues, audit reports, escalation routes, training requirements and Schools Financial Value
OCC S151 Schools Assurance 2425	OCC Finance	b) Review of Reporting Arrangements to FBP Team	Reporting arrangements from EFS to the Finance Business Partnering team will be reviewed to ensure that coverage and frequency of reporting is appropriate. This will include development of reporting on budget monitoring which provides a collective position (current reporting is focussed on individual schools). The outcomes from this work will feed into the review of EFS contractual arrangements referred to as part of Management Action 7 below and the development of reporting referred to as part of Management action 1b	2	13/07/2026	31/07/2025	30/11/2026	

OCC S151 Schools Assurance 2425	OCC Finance	d) EFS Escalation Process	The EFS escalation process will be reviewed and confirmed to ensure that there is an appropriate, formal process in place.	2	13/07/2026	30/09/2025	30/11/2026	Standard assurance reporting. This provides a clearer route for visibility, coordination and escalation, so that financial management concerns are considered consistently rather than in isolation. This group has been meeting quarterly during this year, with the aim to close the audit actions and update the relevant Schools Financial Manual of Guidance. ***Specific closure plan and timescales*** Residual actions will be closed through a structured plan from August to December 2026. This will be undertaken alongside the in sourcing of the Education Finance Service, and a full review of their operating model. ***August & September 2026*** Review residual audit actions confirming status, risk exposure, mitigations, dependencies and evidence needed for closure. Take an update to the Schools Financial Management Oversight Group and confirm how audit actions align to statutory DfE requirements, the local Scheme for Financing Schools, SFVS assurance, escalation processes and the future EFS operating model. Progress school consultation on proposed changes to the Scheme for Financing Schools and present updates to Schools Forum on 29 September 2026, subject to consultation feedback. Progress the first tranche of updates to the Schools Financial Manual of Guidance
OCC S151 Schools Assurance 2425	OCC Finance	d) Update to Scheme of Delegation for £50-£200K Deficit Budgets	Delegated authority for finance approval of school deficit budgets of between £50-200K will be formally documented in the scheme of delegation (formalising the current arrangement of Strategic Finance Business Partner approval of this range of deficit budget).	2	13/07/2026	30/06/2025	30/11/2026	
OCC S151 Schools Assurance 2425	OCC Finance	a) Updating of Scheme For Financing Schools	The Scheme for Financing Schools is in the process of being reviewed and updated.	2	13/07/2026	31/07/2025	30/11/2026	

								where changes support closure of audit actions. ***October & November 2026*** Use the Oversight Group cycle to test whether revised governance arrangements are operating as intended and confirm the evidence base for actions that can be closed following the September Schools Forum and first phase of manual updates. Complete remaining drafting and internal review of the Schools Financial Manual of Guidance, including ownership, reporting routes and escalation processes for recurring schools financial management risks. Prepare the closure evidence pack for the outstanding audit recommendations.
OCC Pensions Admin 2425	OCC Finance	b) Updated Performance Reporting (Employers)	Development of performance reporting will be part of the performance objectives of the Team Leaders for 2025/26. Appropriate performance reporting covering the work undertaken within the Employers team will be developed and implemented.	2	13/07/2026	30/09/2025	30/09/2026	The Altair system is on track to be updated along with workflows so that the insights reports can be run going forward. This is expected to be completed mid-August and reported to Pension Fund Committee in September 2026.

APPENDIX 5 — Internal Audit Definitions.

Overall Conclusion Gradings:

Red - The system of internal control is weak, and risks are not being effectively managed. The system is open to the risk of significant error or abuse. Significant action is required to improve controls.

Amber - There is generally a good system of internal control in place, and the majority of risks are being effectively managed. However, some action is required to improve controls.

Green - There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.

Management Action Priorities:

Priority 1 – Major issue or exposure to a significant risk that requires immediate action or the attention of Senior Management.

Priority 2 – Significant issue that requires prompt action and improvement by the local manager.

Supplementary Issue – Minor issues requiring action to improve performance or overall system of control.

Root cause categories and descriptions:

PROCESSES - Inefficiencies or gaps in workflows or procedures. Are processes clearly defined, documented and communicated and followed effectively. Are the processes efficient and effective.

PEOPLE - Skills gaps, unclear responsibilities, or cultural issues. Examines the human element, individual skills, training, competency, experience of staff, adherence to procedures, workload, communication and supervision.

SYSTEMS / TECHNOLOGY - System limitations, poor integration, or lack of automation. Assesses the technology and systems used, design, implementation and maintenance, suitability for intended purpose.

MANAGEMENT / GOVERNANCE - Weak oversight, policy non-compliance, or lack of accountability. Examines whether management is providing adequate direction, resources and oversight and if governance structures are effective. Willingness to acknowledge or learn from mistakes.

CULTURE / ENVIRONMENT - Market conditions, regulatory changes, or third-party dependencies. Looking at the broader context, including physical environment, workplace culture, external factors.

Oxfordshire County Council

Rebuilding audit assurance: the path to an unqualified opinion

Year ended 31 March 2026

30 July 2026

Agenda Item 8

The better the question. The better the answer. The better the world works.

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Private and Confidential

30 July 2026

Audit and Governance Committee
Oxfordshire County Council
Oxford
OX1 1ND

Dear Audit and Governance Committee Members

Rebuilding audit assurance – risk assessment update

We attach our risk assessment update for consideration at the forthcoming meeting of the Audit and Governance Committee.

The purpose of this paper is to provide the Audit and Governance Committee with further detail on the risk assessment procedures performed in respect of opening reserve balances. These procedures have been undertaken in response to the prior-year qualified and disclaimed audit opinions and in accordance with the National Audit Office's Local Authority Reset and Recovery Implementation guidance.

This update should be read in conjunction with our Audit Planning Report for the 2025/26 audit, issued on 6 May 2026.

We welcome the opportunity to discuss this report with you at the meeting on 16 September 2026, and to understand whether there are any additional matters which the committee considers may influence our risk assessment.

Yours faithfully

Simon Mathers, Partner

For and on behalf of Ernst & Young LLP

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Contents

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 October 2025)' issued by the PSAA (https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO 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. Our work has been undertaken so that we might state to the Audit 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 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.

Management agree that they remain solely responsible for management decisions relating to the audited body and that we do not, and cannot, act in a managerial capacity nor can we make business decisions for management/the audited body in connection with the services or otherwise, nor advise or recommend that any accounting policy, treatment or reporting is suitable for any particular purpose or specific facts, and management agrees that they will not rely on us as having done so.

If you wish to discuss how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may raise the matter with the Key Audit Partner responsible for services provided under our appointment by PSAA Ltd. Alternatively, you may contact Stephen Reid, UK Head of Government and Public Sector Audit, at 1 More London Place, London SE1 2AF. We will consider any concerns carefully and promptly and will make every effort to explain our position clearly. If your concerns remain unresolved, you may escalate the matter to Anna Anthony, UK&I Regional Managing Partner, at 1 More London Place, London SE1 2AF. If you remain dissatisfied, you may refer the matter to PSAA Ltd or raise it with our professional institute; further details are available on request.

Rebuilding audit assurance – risk assessment update

1. Background and regulatory context

Appendix A explains the expected timeline to full assurance set out in the National Audit Office's (NAO) Local Authority Reset and Recovery Implementation Guidance (LARRIG 01), together with our assessment of Oxfordshire County Council's (the Council's) current position. During 2023/24 and 2024/25, the focus of the rebuild process has been on the Council's "natural" rebuild, through completing planned audit procedures for each respective audit year.

As set out in Appendix A, as all planned audit procedures for the 2023/24 and 2024/25 audits were completed, the Council's "natural" rebuild is now well progressed.

LARRIG 06, issued by the NAO, requires auditors to perform specific risk assessment procedures over reserves. The guidance recognises that reserves balances may contain the cumulative effect of unaudited transactions over more than one financial year and may therefore represent an area of accumulated audit risk. The purpose of this risk assessment is to identify the likelihood and potential magnitude of risks of material misstatement within reserves balances, together with management's readiness to support the historical rebuild process. This assessment informs audit planning and any potential rebuild of assurance over future audit cycles as well as completion of the capacity and risk assessment return that we are required to make to the Ministry for Housing, Communities and Local Government ('MHCLG').

2. Scope of our risk assessment procedures

Our risk assessment covered all reserves disclosed in the Council's Movement in Reserves Statement, including both usable and unusable reserves. In performing the assessment, we considered:

- the nature and purpose of individual reserves;
- the scale and significance of movements during periods subject to disclaimer;
- susceptibility to material misstatement, including the risks of fraud and management bias;
- the wider governance and control environment of the Council's financial reporting processes; and
- risks associated with the classification of reserves between usable and unusable categories.

The assessment did not seek to re-establish assurance over historic balances. Its objective was to determine whether, where and when, such assurance could be rebuilt over time.

Rebuilding audit assurance – risk assessment update

3. Summary of risk assessment findings

The risk assessment process identified that the risk of material misstatement is not uniform across reserves. Certain reserves were assessed as presenting a higher risk of material misstatement, reflecting factors including:

- the size of balances and the extent of movements during periods subject to disclaimed opinions;
- the degree of judgement required in determining the appropriate accounting treatment; and
- reliance on complex statutory and capital accounting arrangements.

Other reserves were assessed as lower risk, with characteristics that may support a more targeted and proportionate rebuilding of assurance, without undermining audit quality, subject to the availability of sufficient appropriate audit evidence. This assessment underpins the differentiation in audit response which will be adopted across reserves and is intended to promote a consistent and proportionate approach.

The following dashboard summarises our assessment of the risk of material misstatement by reserve following the disclaimers of opinion.

Usable Reserve	Risk Assessment	Rationale for Risk Assessment
General Fund Balance	Higher inherent risk	Given the sensitivity of the General Fund balance as a key measure of financial resilience, together with its susceptibility to management bias in determining available usable reserves, and the material unaudited movements identified during the disclaimed periods, this reserve has been assessed as higher inherent risk.
Capital Grants Unapplied Account	Higher inherent risk	The Capital Grants Unapplied Account reserve requires judgement regarding the timing of grant recognition and includes material balances that require further risk assessment procedures. Therefore, this reserve has been assessed as higher in inherent risk.
Revaluation Reserve	Higher inherent risk	The Revaluation Reserve is assessed as having higher inherent risk due to its reliance on valuation judgements and technical accounting adjustments arising from movements in property, plant, and equipment (PPE). Material balances requiring further audit procedures increase inherent risk, notwithstanding the mitigation provided through the use of external valuers.
Capital Adjustment Account	Higher inherent risk	The Capital Adjustment Account is assessed as having higher inherent risk due to the complexity and volume of statutory capital adjustments required, as well as its direct interaction with the General Fund. However, these adjustments are largely governed by statutory capital finance regulations and prescribed accounting treatments. In addition, no factors have been identified that indicate heightened management override risk or complexity beyond that ordinarily expected; therefore, the risk is not assessed as significant.
Earmarked Reserves	Lower inherent risk	Earmarked Reserves are assessed as lower inherent risk, as the accounting treatment is relatively straightforward, representing amounts set aside for specific purposes, with movements driven by management decisions rather than complex statutory or technical adjustments. There is limited susceptibility to management bias, as the complexity and funding implications primarily reside within the General Fund rather than within the reserve themselves.

Rebuilding audit assurance – risk assessment update

3. Summary of risk assessment findings

Usable Reserve	Risk Assessment	Rationale for Risk Assessment
Collection fund adjustment account	Lower inherent risk	The Collection Fund Adjustment Account is assessed as lower inherent risk, as it reflects timing differences between statutory collection fund arrangements and accrual-based accounting, with limited impact on the overall financial statements if misstated. Despite a degree of mechanical complexity, the reserve does not affect the reported financial position or financial resilience and provides limited scope or incentive for management bias.
Unusable Reserve	**Risk Assessment**	**Rationale for Risk Assessment**
Dedicated schools grant adjustment account	Lower inherent risk	The Dedicated Schools Grant (DSG) Adjustment Account is assessed as lower inherent risk, as its accounting treatment is prescribed by statute. Movements are driven by clearly identifiable DSG deficits with minimal judgement involved, and the reserve cannot be used to support the General Fund. As a result, there is limited scope or incentive for management bias.
Pension reserve	See right	We have obtained assurance over the closing balance as at 2024/25; therefore, no rebuild procedures are required.
Financial instruments adjustment account	See right	The reserve balance is immaterial
Accumulated absences account	See right	The reserve balance is immaterial
Pooled investments fund adjustment account	See right	The reserve balance is immaterial

Rebuilding assurance over reserves – Risk assessment

4. Implications for the 2025/26 audit

Our risk assessment process has found that the pre-2023/24 gaps in assurance - particularly those relating to reserves and other cumulative balances - can be sufficiently addressed as part of the 2025/26 audit, supporting future progression towards an unmodified audit opinion.

Before we commence our audit procedures, it will be essential for management to have completed a robust review and reconciliation of both usable and unusable reserves in the disclaimed periods, and to provide assurance to Those Charged with Governance that these balances are accurate, supportable, and appropriately documented. This reflects management's primary responsibility for preparing the financial statements and maintaining the underlying evidence base.

To rebuild assurance over the historic position, we will need to audit certain transactions and movements from 2022/23 (and earlier years, where applicable). We will share details of these transactions with management and will require confirmation that high-quality working papers and supporting evidence can be provided, together with sufficient management capacity to support this historic rebuild without compromising the delivery of planned audit procedures for 2025/26 over closing balances and in-year movements. We will then take the decision, with management, when is most appropriate time to commence the rebuild of reserves.

5. Fees

The activities undertaken in relation to this risk assessment, the preparation of the submission required by MHCLG, and the drafting of this addendum are outside the scope of the scale fee set out in our Audit Planning Report issued on 6 May 2026.

Accordingly, we will seek a variation to the scale fee to reflect these changes to the scope of our work and will communicate further through our reporting once the costs are agreed.

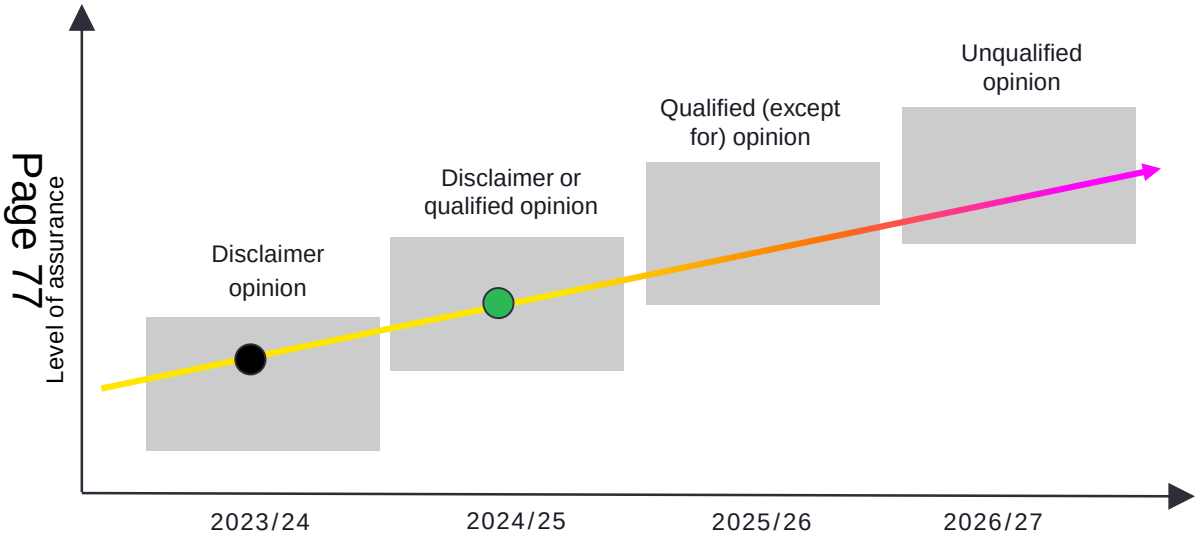
Appendix A

Appendix A – Rebuilding assurance

Progress to full assurance

The chart below illustrates the expected timescale for rebuilding audit assurance as set out in the NAO's LARRIG 01. It also shows our assessment of the Council's progress against that illustrative timescale, together with the reasons for that assessment and the key actions required to successfully rebuild assurance.

The guidance recognises that the journey to full assurance - and therefore an unqualified audit opinion - will typically take a number of years. Progress depends on sustained coordination and engagement between the Council and the audit team across successive audit cycles. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits. This approach is designed to support a return to unqualified audit opinions wherever feasible, while continuing to meet the statutory backstop requirements introduced as part of the local audit reset.



Council progress

- In the audit report for the year ended 31 March 2025, a qualified audit opinion was issued which drew attention to the areas where we had yet to obtain sufficient appropriate audit evidence. This was the valuation of property, plant and equipment (PPE) assets that were last revalued in the financial years 2022/23 and classification of reserves between useable and unusable.
- In the audit report for the year ended 31 March 2024 a disclaimer of opinion was issued due to the application of the backstop.

  The timing of the Council's valuation cycle for PPE is an important factor for this timeline. The Council has a rolling 3-year programme. At the end of 2025/26, all PPE last valued in 2022/23, the original disclaimed year, has now been subsequently revalued. We will not however have assurance over the comparative disclosure of the valuation of that PPE in the current year accounts and associated movements in income and expenditure.

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AUDIT AND GOVERNANCE COMMITTEE

16 September 2026

UPDATE ON THE IMPLEMENTATION OF THE COUNCIL'S COMMERCIAL STRATEGY

Report by the Director of Financial and Commercial Services

RECOMMENDATION

The Audit and Governance Committee is recommended to NOTE the actions taken by officers to ensure value for money is achieved through third party contracts.

Executive Summary

1. In response to a request from the Audit and Governance Committee, this paper sets out how the council ensures value for money is achieved on behalf of residents and communities.

Definition of "Value for Money"

2. In securing third party agreements, the council is legally obliged to secure best value on behalf of the residents and communities of Oxfordshire as a whole county. One of the key pieces of legislation is the Procurement Act 2023 (PA23) which sets out the process that all contracting authorities must follow when spending material sums of public money.

3. Under PA23, there is no prescribed definition of "value for money". The legislation intentionally changed the contract award principles from the previous regulations which were the "Most Economically Advantageous Tender" to the current "Most Advantageous Tender". This switch allowed contracting authorities greater flexibility to define value on a local level taking into consideration a wider range of factors.

4. The same principles of a flexible definition of value are applied across the council's third-party agreements covering; procurements, income generation, investments, and grants.

5. The Commercial & Procurement service was designed to deliver across three pillars of value:

   (a) Value Creation – through the negotiation of agreements that positively contribute to the council's goals;

(b) Value Protection – through effective management of commercial risks and professionalising our contract management capabilities to ensure we receive the value we anticipate from our agreements; and

(c) Value Assurance – through acting as expert commercial advisers to stakeholders, disseminating best practice, and collaborating with external parties.

Value Creation

6. The council determines value for money through our procurements by setting clear evaluation criteria that balance elements of quality, social value, and price. The respective weighting of quality and price can vary from one tender to another to reflect specific requirements. For example, in contexts where the council is buying standardised goods and services from a competitive market, the quality of provision is likely to be less of a differentiator and so the quality criteria are down weighted in favour of a greater emphasis on price. The reverse is also true where there is a large degree of variation in how a good or service may be delivered.

7. Similar principles are applied to other forms of third-party agreements. Investments and income generation opportunities will be assessed based on a wider potential impact for communities or local areas. The recent investment in the Castle Quarter site in Oxford is a good example of an investment case that is primarily driven by the opportunity for positive redevelopment of the Western approach to the city centre with sustainable income generation a necessary but lower priority.

8. In the case of grants, the council will assess the appropriateness of grants as a form of funding against subsidy control criteria. If this assessment deems that a grant is the preferred route to fund a third-party, the primary focus will be on the potential / planned impact of providing the funding, with the cost consideration being on affordability rather than minimising the absolute investment.

Value Protection

9. The council seeks to identify, manage, and mitigate commercial risks through a range of mechanisms. Key commercial risks are identified as part of the options analysis / commercial strategy stage of planning. These will then be prioritised and management or mitigation actions planned where necessary to bring them back within our risk appetite. These will then be monitored throughout the project through to contract award, and any that are applicable will form the first risk register as part of the contract management plan as the new contract hands over into operation.

10. Commercial considerations also play a part in wider strategic risk management for the council. For example, the Commercial & Procurement service have contributed their knowledge on supply chain management and trends in commodities to contribute to thinking on a strategic risk of disruption to food

supply chains. This risk could materially impact the provision of school meals and wider Public Health activities to encourage healthier eating. The contribution has helped to shape the council's understanding of the risk and the likely short and medium-term manifestations that would require the council to react.

11. The council has also implemented a centre-led contract management model as part of the Commercial & Procurement service redesign that went live in December 2025. This model includes a central team located within the Commercial & Procurement service. They set the standard for good contract management at the council and act as an escalation point for the community of contract management professionals located in services across the council. They supplement this support with tools, training, guidance, and facilitate a network of contract managers to share experience and best practice. This team is complemented with a central team who provide hands-on contract management for the council's Platinum agreements – the highest value, most complex, and greatest risk.

Value Assurance

12. Following the Commercial & Procurement service redesign in 2025, the service now has three Strategic Commercial Partners that work with a designated portfolio of Directors and act as their senior commercial advisers. They will build a pipeline of work, provide constructive challenge as part of options analysis for any material project, and seek to balance the council's competing demands for quality services, affordability, and timely delivery.

13. Working with the Head of Commercial & Procurement, the Strategic Commercial Partners also explore novel commercial opportunities with stakeholders. Recent examples include;

    (a) Working with the Digital Infrastructure team to commercialise the 5G Mobile Private Network schemes at Harwell and for East / West Rail, and
    (b) Exploring advertising and sponsorship opportunities to utilise the council's existing assets on a more commercial basis.

14. The council is also developing a new "commercial curriculum". The intent is for a curated development resource to be available for key audiences. This will support the upskilling of colleagues to develop a council-wide commerciality that will influence all decision-making. The curriculum will also include a supplier proposition to support particularly Small and Medium Enterprises (SME) and Voluntary, Community, and Social Enterprises (VCSE) organisations to develop key skills that will support them in developing stronger bids in future tenders and will have transferrable elements to support them bidding for work with a variety of different potential customers.

Corporate Policies and Priorities

15. This work is undertaken as part of the delivery of the council's Commercial Strategy approved by Cabinet in March 2024. It also links to the council's Ethical Procurement Policy and Social Value Policy, approved by Cabinet in September 2025 and March 2026 respectively.

16. The flexible definition of "value for money" enables delivery of the council's Greener, Fairer, Healthier priorities while supporting responsible fiscal behaviours.

Financial Implications

17. This paper does not have any direct financial implications. The resources associated with the delivery where budgeted and form part of the base budget 2026/27. Projects are assessed on an individual basis, and if additional resource is required will follow standard route of approval.

Legal Implications

18. Under the Local Government Act 1999, UK local authorities are subject to the best value duty. This requires that authorities secure continuous improvement in the exercise of their functions, balancing economy, efficiency and effectiveness. The procurement and subsequent management of contracts for goods, works and services is an important activity that the council undertakes to secure value for money across its services.
19. Section 12 of the Procurement Act 2023 requires that when carrying out a covered procurement, a contracting authority must have regard to the importance of value for money as well as other objectives such as maximising public benefit.
20. The requirement for value for money is also embedded in the council's constitution through its Financial Procedure Rules & Regulations, Contract Procedure Rules and corporate governance framework.

Equality & Inclusion Implications

21. There are no equality & inclusion implications of this update paper. The flexible approach to defining value allows for community and resident needs to be factored into decisions where appropriate.

Local Government Reorganisation Implications

22. While all current authorities across the Oxfordshire / West Berkshire footprint operate under the same legislation, the flexibility of the legal definitions of value allow for each of the current authorities to interpret "value for money" in a unique way.

23. The simplest difference is the geographic boundaries that are considered. While the council must consider the implications for all residents of the county, the District Councils and West Berkshire District Council are obliged to consider only the benefits to their local residents.

24. More complex differences manifest from the political and official leadership of the authorities and how they set priorities. They can also be influenced by the financial status of the authority which can force an authority to apply a more rigid financial definition of value.

25. As part of the transition planning for LGR, the Value Assurance role of the council's Commercial & Procurement service will be seeking to positively influence peers across the system to embrace a wider definition of value. This will manifest through work to align operational processes, templates, and guidance pre-vesting day, and in the proposals that are made for the future Unitary Authorities to adopt into their constitutions and policies.

Sustainability Implications

26. There are no sustainability implications of this update paper. The flexible approach to defining value allows for sustainability considerations to be factored into decisions where appropriate.

Risk Management

27. In applying a broad definition of value for money, there is a risk that decisions may be perceived as placing insufficient emphasis on lowest cost or immediate financial savings. This risk is particularly relevant where wider benefits such as quality, social value, sustainability, resilience or longer-term outcomes are considered alongside price. The risk is managed through clear governance, documented options appraisal, agreed evaluation criteria, transparent decision-making and appropriate communication about the factors considered in reaching decisions.

Consultations

28. Not applicable

Ian Dyson, Director of Financial & Commercial Services

Annex:	Commercial Strategy
Background papers:	Nil
Contact Officer:	Richard Scarlett, Head of Commercial and Procurement
September 2026	

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ANNEX 1

Oxfordshire County Council Commercial Strategy

Current State – Background

The Local Government sector faces many challenges including:

1. Funding – declining government grants forcing tough decisions about spending, rising costs and limited traditional income sources, and increasing demand for public services
2. Capacity and skills – a leaner workforce, changing nature of work such as digitalisation, and attracting strong leadership while fostering innovation.
3. Political and regulatory environment – fragmented and complex landscape where authorities have overlapping responsibilities and potential inefficiencies, and confusion, and a changing legislative and policy landscape.
4. Social and environmental challenges – growing income inequality, poverty, and homelessness; climate change and environmental sustainability; and demographic shifts such as an aging population

Oxfordshire County Council (OCC) has these exact challenges and is under pressure to 'balance the books' and prepare for increasingly difficult decisions on spending priorities. It is therefore important that OCC optimises organisational efficiency to minimise costs and secure available efficiencies to offset the financial pressures created by the above challenges. Thereafter, OCC can explore more complex and innovative solutions to generate income.

Future State – Vision

To leverage Oxfordshire's unique assets and strengths to optimise organisational efficiency, generate sustainable revenue, support the development of a more inclusive local economy and enhance public services through innovative and responsible commercial activities.

This vision will complement OCC's broader ambition to become a Place Shaper of Choice, a Partner of Choice, and an Employer of Choice in the following ways:

1. Place Shaper of Choice – once the long-term vision for Oxfordshire has been defined, it will create commercial opportunities that would either help to prioritise activity to optimise organisational efficiency or identify ways to create income streams.
2. Partner of Choice – the delivery activity of this commercial strategy will help to support the local economy and build stronger and more strategic relationships with OCC's supplier base and target broader social, environmental, or financial improvements (i.e. social value commitments to support the local economy and/or strengthening relationships with the supply chain through third party contractual commitments)

3. Employer of Choice – creating exciting opportunities, increasing commercial capability across the organisation, and building communities of practice will help to improve OCC's employer proposition.

Future State – Mission

OCC's mission is to become a leader in local authority commercialisation, balancing revenue generation with social and environmental responsibility, while remaining accountable residents and communities.

To achieve the vision, OCC will focus on enabling an organisation of commercially minded individuals with an understanding of:

- Commercial awareness – building a consistent appreciation for market forces, basic economic principles (e.g. supply and demand and profit and loss), and risk management.
- Value creation – opportunities to balance social, economic, and environmental value to ensure OCC is efficient (e.g. by reducing costs or increasing revenue) and effective (e.g. increasing quality or maximising outcomes).
- Strategic thinking – how decisions and actions impact the wider 'system' and long-term objectives while being able to adapt to changing circumstances, and where suitable turning them into opportunities.
- Resourcefulness – making the most of what's available and finding options and solutions when presented with challenges or constraints (e.g. decreasing budget).
- Entrepreneurial spirit – where to apply initiative through a blend of calculated risk-taking and willingness to try new things [and recover if it goes wrong].
- Collaboration – how to build strong relationships, share ideas/ learning/ resources, and negotiate effectively to work towards shared goals (i.e. either within OCC and outside with partners and stakeholders).

Remit of the Commercial Strategy

The Strategy will apply to all revenue and capital expenditure, acquired, or disposed of by OCC from commercial or non-commercial providers. OCC's commercial interest extends beyond the scope of its direct commercial relationships, for example where OCC works to improve cost, sustainability, or market capacity; or where OCC engages with others who influence policy, standards, or regulation that will ultimately have a commercial impact on the Council; or where OCC is exposed to financial, reputational, or any other risks and liabilities. The Strategy therefore seeks to promote a wide and more integrated approach to commercial management combining strategic and operational tasks distributed across the Council.

Governance Framework

Delivery against the Commercial Strategy will be governed by the Commercial Board and where appropriate escalate to the Corporate Management Team (CMT).

The Commercial Board will meet twice a month to review all revenue spend requests prior to them being put out for tender, or other procurement route to market. They will review the requests for overall commerciality, considering factors such as whether the service is statutory, whether demand can be decreased, the procurement route to market, and providing constructive challenge to the service around the specification for the particular requirement.

Delivery Plan – Commercial Priorities

- Strategic alignment: Ensure commercial activities directly contribute to OCC's strategic priorities, including:
  - Building a more inclusive and sustainable economy
  - Delivering high-quality public services
  - Promoting health and wellbeing
  - Protecting and enhancing the environment
- Sustainability: Prioritise long-term, sustainable income generation through:
  - Investing in renewable energy and low-carbon infrastructure
  - Developing partnerships with like-minded businesses and organisations
  - Adopting ethical sourcing and responsible business practices
- Innovation: Drive innovation and explore new market opportunities by:
  - Supporting and partnering with local startups and tech companies
  - Embracing digital technologies to improve efficiency and services
  - Piloting new commercial models and ventures
- Community focus: Ensure commercial activities benefit the entirety of Oxfordshire:
  - Prioritising local suppliers and contractors
  - Investing in community-based projects and initiatives
  - Maintaining transparency and accountability to residents

Delivery Plan

With an increasing share of OCC's budget spent externally, OCC continue to deliver exceptional value for money while promoting broader social economic, and environmental priorities. To maintain vital public services, OCC will find a balanced approach to optimising organisational efficiency and finding avenues to generate income; typical efficiencies through a more commercially minded organisation are between 3-10% of total expenditure.

The focus of the Strategy in FY2024/25 will be to establish robust control over business-as-usual commercial activities including but not limited to:

- Information and systems –
  - Develop greater visibility of data and management information on third party spend and any associated risk exposure (complementing existing initiatives to enhance data and performance insights)

    - Use market intelligence, data and management information to inform commissioning, contracting, contract management and asset acquisition, management and disposal activity
    - Simplify processes, common systems and ways of working
- Process –
    - Run major procurements with assurance and achieve good service user and commercial outcomes
    - Create simple and automated process to order and pay for goods and services and provide an efficient transactional process for internal and external suppliers, ensuring contractual obligations are met
    - Manage external supplier relationships well and consistently, and optimise the value of these relationships over time
    - Create the capability to shape and develop new markets as required to support commissioning needs
    - Improve the business cases process and forward planning to manage and mitigate risk exposure
- People and capability –
    - Make decisions with commercial acumen and proactively seek to understand and manage risk
    - Embed consistent and rigorous contract management (complementing existing initiatives to build communities of practice)
    - Build a culture of continuous improvement and organisational learning
    - Adopt a structured approach to commercial skills development so that individuals are able to act confidently
- Define risk appetite –
    - Focus on managing an appropriate level of risk, not avoiding it
    - Balance caution with innovation to support informed, responsible risk-taking
    - Prioritize transparency and sound assessments
    - Improve visibility of demand management to inform decision-making
- Monitoring and evaluation –
    - Regularly assess the performance of commercial activities to track progress against key objectives and metrics, such as revenue generation, job creation, and social impact
    - Conduct ongoing risk assessments to identify and mitigate potential risks associated with commercial ventures
    - Maintain transparency and accountability by regularly sharing information about commercial activities with residents and stakeholders
    - Develop key performance indicators, for example: number of suppliers in each category/by spend
    - Once the data and insights work has been completed, seek opportunities to benchmark and conduct comparative studies while consolidating any disparate spend

AUDIT AND GOVERNANCE COMMITTEE
16 September 2026

ANNUAL MONITORING OFFICER REPORT 2025-26

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

The Audit and Governance Committee is recommended to CONSIDER and ENDORSE the Monitoring Officer's Annual Report for 2025/26.

Executive Summary

1. This report provides a comprehensive overview from the Monitoring Officer of democratic and ethical governance activities during the municipal year 2025-26 (from 1 April 2025 to 31 March 2026). The report is aligned with the functions of the Audit and Governance Committee, which is responsible for ensuring high standards of conduct among councillors and co-opted members.

2. The Committee's key responsibilities include:

   i) Promoting high standards of conduct by councillors and co-opted members.

   ii) Granting general and individual dispensations to councillors and co-opted members from requirements related to interests as set out in the code of conduct. Individual dispensations under Section 33 of the Localism Act 2011 and the Members' Code of Conduct are delegated to the Monitoring Officer.

   iii) Reviewing the arrangements for dealing with complaints against Members and advising the Council on the adoption or revision of these arrangements, as well as the Members' Code of Conduct.

3. Over the course of the year, the Committee has consistently fulfilled its obligations, ensuring that ethical standards are maintained and that any complaints or allegations of misconduct are addressed promptly and fairly. This report highlights the Committee's activities, achievements, and the progress made in fostering a culture of transparency, accountability, and integrity within the council.

The Committee's responsibilities for ethical standards

4. The terms of reference of the Audit and Governance Committee detail the responsibilities as set out above.

5. These responsibilities, stemming from the Localism Act 2011, demonstrate the council's expectation that high standards of conduct will continue to be promoted and maintained among elected councillors and co-opted members.

Member Code of Conduct

6. The County, District and City Councils in Oxfordshire maintain harmonised Member codes of conduct. This has the benefit of creating transparency and accountability for the public and clarity of expectation for councillors who may also be members of more than one authority. This harmonisation is itself a key aspect in promoting and maintaining high standards across Oxfordshire. The code is also held out to parish and town councils as a model to follow.

7. Oxfordshire's Members' Code of Conduct can be found at Part 9 of the Constitution. This local Oxfordshire code reflects the Local Government Association's (LGA) Model Member Code of Conduct, published in January and May 2021.

8. Whilst each authority has adopted slightly different approaches to handling complaints about councillor conduct, there has been a common theme of proportionality in these arrangements, as envisaged by the Localism Act 2011.

9. The current Member Code of Conduct was adopted by the council with effect from 1 May 2022.

10. Mr Andrew Mills-Hicks and Mr Nicholas Holt-Kentwell remain as the council's Independent Persons. Both were appointed as Independent Persons for a period of two years, renewable once. Their appointments were approved by Council on 5 November 2024, with the term commencing on 1 December 2024.

11. The role of Independent Person is to provide support to the Monitoring Officer and, where required individual members, on complaints relating to the code of conduct.

12. A summary of code of conduct complaints received, considered and determined during 2025-26 and their outcome, is reported at paragraph 29 below.

13. The Monitoring Officer's role is wherever possible to provide proactive advice to members before any complaint is received. Upon receipt of code of conduct complaints, the Monitoring Officer continues to work proactively with members. The Monitoring Officer may consider that there is learning which should be shared with the councillor who is subject to a complaint and/or the Audit and Governance Committee.

14. The council has continued to be fully compliant with the Localism Act 2011 and subsequent government guidance and regulations in terms of maintaining the register of members' interests, which are published against each councillor's name on the Council's website (Find Councillor | Oxfordshire County Council). For quality assurance purposes, the Monitoring Officer will review all the council's guidance and processes in respect of the operation of the code of conduct and maintaining the register of members' interests in 2026-27.

Member Code of Conduct complaints – promoting and maintaining high standards of conduct by Councillors and Co- opted Members

15. It is a core duty of the Audit and Governance Committee and every member to promote and maintain high standards of conduct by councillors and co-opted members.

16. The Strengthening the Standards and Conduct Framework for Local Authorities in England Consultation sought input on establishing a mandatory code of conduct and improving standards procedures, including member suspension. On 15 January 2025, this committee agreed a council response, which was submitted as official feedback. The reforms aim to establish a consistent national framework for conduct, granting councils greater authority to investigate and penalise breaches. This is designed to boost accountability, ensure consistency, and increase public trust in local government.

17. As reported to this committee on 26 November 2025, 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 government has indicated that "necessary legislation will be brought forward when parliamentary time allows" and the Monitoring Officer will keep the committee updated on key developments in the government's response to the consultation, including progress and timing of legislation. This is not included in the current parliamentary schedule.

18. Advice from the Monitoring Officer was issued during the year as regards:

i) Disclosable pecuniary interest (DPI) – advice and guidance were provided to members during 2025-26 through the May 2025 Code of Conduct induction/training, following the May County Council elections.

ii) Interests in relation to the council budget setting meeting in February 2026

iii) Pre-election guidance to councillors and employees on responsibilities about the use of council publicity and resources during the pre-election period for the 7 May 2026 city and district council elections.

Declaration of interests

19. There are three types of interest relating to members:

i) **Disclosable pecuniary interest** – this is an interest of the member, or their partner. This includes employment, office, trade, profession or vocation, sponsorship, contracts, land and property, licences, corporate tenancies and securities.

ii) **Other Registrable interest** – this is an interest of the member relating to

- Any unpaid directorships
- Anybody of which they are a member or are in a position of general control or management to which they are appointed to by the council.
- Anybody exercising functions of a public nature, directed to charitable purposes or one whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

iii) **Non-registrable interest** - Where a matter arises at a meeting which directly relates to a member's financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, they must declare the interest.

20. The usual safeguards are in place including a reminder to members of the need to declare interests at all meetings, and all agendas contain a standard item headed 'Declarations of Interest'. The item refers to detailed guidance attached to the agenda setting out how and when to declare an interest.

21. The Monitoring Officer will continue to encourage Councillors to think about whether they have any interests to declare as soon as they receive the published papers for a meeting rather than at the commencement of the meeting. This will allow the Councillor to discuss any concerns with the Monitoring Officer in good time, and this point is built into all member Code of Conduct training.

Number and outcome of applications for dispensations

22. There were no applications during 2025-26 for dispensation from the requirement to remove oneself from a meeting where either a disclosable pecuniary interest or another registrable interest or non-registrable interest would otherwise require this on a motion.

The number and nature of complaints of breaches of the code

23. There were 11 formal complaints received and determined against members during 2025-26 (12 in 2024-25), five of which related to the use of social media.

24. In each conduct case, the Monitoring Officer considered whether the behaviour complained about arose when the person was acting or purporting to act as a county councillor. This is known as 'official capacity'. Consideration is given to the following assessment criteria:

i) **Adequate information**
Is sufficient information available at the initial test and assessment stage to decide whether the complaint should be referred for investigation or other action?

ii) **Official capacity**
Was the member subject to the complaint acting in an official capacity?

iii) **Timescale**
Complaints will not normally be investigated or pursued if the events occurred more than 6 months prior to the complaint being submitted other than in exceptional circumstances, such as where the conduct relates to a pattern of behaviour which has recently been repeated.

iv) **Seriousness**
The matter will not normally be referred for investigation or other action if it is considered trivial, malicious, vexatious, or politically motivated.

v) **Public interest**
Consideration will be given as to whether the public interest would be served by referring a complaint for investigation or other action.

vi) **Multiple complaints**
It will be noted whether the Monitoring Officer has received more than one complaint about a single event.

25. As part of the assessment, the Monitoring Officer assesses whether the conduct complained of, if proven, could amount to a breach of the code of conduct.

26. On each occasion in 2025-26 the Monitoring Officer undertook the initial assessment of a code of conduct complaint against the criteria set out above and sought the views of an Independent Person before reaching their decision as to what further action was required.

27. The Monitoring Officer has personally reviewed every complaint received and, after consultation with the Independent Person, has taken a decision which could be any of the following:
    i) That no further action should be taken
    ii) Refer the complaint for informal resolution (which might involve an apology or training or some other form of mediation)
    iii) Refer the complaint for investigation

28. Of the cases received in 2025-26 that have been determined, details and outcomes are set out as follows:

	Complaint/Allegation	Outcome
1	Complaint about post on social media	No Further action
2	Complaint about post on social media	No Further Action
3	Complaint about post on social media	No Further Action
4	Complaint about submission to public planning matter	No Further Action
5	Complaint about post on social media	No Further Action
6	Complaint about post on social media	No Further action
7	Complaint about information shared publicly about highway proposals.	No Further action
8	Complaint about comments made in public forum	No Further action
9	Complaint about comments made in public forum	No Further action
10	Complaint about comments made in council meeting	No Further action
11	Complaint about the undertaking of the role of councillor	No Further action

29. While Councillors cannot be compelled to respond to every piece of correspondence or communication they receive and can choose how they undertake their role as a Councillor, non-response to communications remains a source of complaint from members of the public who expect engagement from Councillors. Additionally, social media and other public forum activity by Councillors continue to generate complaints.

30. As part of this process, the Monitoring Officer evaluates whether a complaint merits further investigation, applying the public interest as a guiding principle.

Oxfordshire Monitoring Officers' Group

31. Monitoring Officers from Oxfordshire's County and District Councils have continued to meet to discuss issues of common concern, along with a representative of the Oxfordshire Association of Local Councils. This joined up approach between the Monitoring Officers continues to be useful in interpreting the code of conduct and monitoring the operation of the harmonised codes of conduct and adopting an agreed approach to governance issues generally.

Democratic process

32. Clarity and accountability in the decision making of the council is an important bedrock for good governance. Members of the public continue to be able to participate at formal meetings in person or virtually in terms of speaking and addressing meetings, as well as viewing them remotely.

33. In total, 127 formal public meetings were held and facilitated by the committee services team of the council between 1 April 2025 and 31 March 2026 (132 in 2024-25)

34. There remains a high level of democratic engagement at Council, Cabinet and Committee meetings that are open to the public, particularly in respect of questions from the public which saw a significant rise. Members of the public asked 105 public questions (31), presented 8 petitions (23) and addressed members 296 (331) times at formal meetings during 2025-26. The figures in brackets are for 2024-25.

Decision-making governance

35. It is important, though, as in any year, to inform the Audit and Governance Committee of how the decision-making arrangements worked in practice as regards instances of closed sessions, urgent decisions, and call-in.

Closed sessions

36. The press and public can be excluded from the whole or part of a meeting if the meeting is to discuss confidential or exempt information (as set out is Schedule 12A of the Local Government Act 1972, as amended). The Monitoring Officer, in the role of ensuring lawful decision making, has reviewed the number of times that either the public was excluded or that an exempt report was featured on an agenda and was satisfied in each case that Schedule 12A of the Local Government Act 1972, as amended was applied appropriately. This happened at 16 out of 127 meetings during 2025-26 (9 in 2024-25) broken down as follows:

Pension Fund Committee	4
Remuneration Committee	5
Remuneration Committee (Sub-Committee)	3
Cabinet	2
Education and Young People Overview & Scrutiny Committee	1
Planning and Regulation Committee	1
Total	**16**

Urgent decisions

37. The Cabinet and any other body or person discharging executive functions may take a decision which is contrary to or not wholly in accordance with the budget or policy framework as approved by the council if the decision is a matter of urgency. However, the decision may only be taken if it is not practical to convene a quorate meeting of the council; and if consent has been given to the decision being taken as a matter of urgency by the Chair and Deputy Chair of relevant Overview and Scrutiny Committee (or by the Chair and/or Vice-Chair of the Council in the absence of one or both of them).

38. Under the Scheme of Delegation in the Council's Constitution (Part 7.2, paragraph 6.3 (c)(i)), the Chief Executive is authorised to undertake an executive function on behalf of the Cabinet. Cabinet receives a quarterly report on the use of this delegated power in relation to such executive decisions; that is, decisions that might otherwise have been taken by Cabinet. The decisions taken largely related to approval to exceptions from the Council's Contract Procedure Rules.

39. There were 2 instances where the Chief Executive has taken Executive Decisions relating to urgent matters in 2025-26 (5 in 2024-25). These decisions are recorded by Democratic Services and were reported to the Cabinet on each occasion.

Scrutiny call-in

40. No executive decisions were called in by Scrutiny during 2025-26.

Transparency and access

41. Modern.Gov is the software package used by the council for creating, tracking and publishing council meeting agenda, reports and minutes. This is important for transparency as the system publishes clear information on the council's website as to the calendar of meetings and the accessibility of meeting papers.

42. Modern.Gov is used to manage the council's Forward Plan and for publicising meetings and agendas, committee appointments, as well as appointments to outside bodies. The system has wider capabilities to support paperless meetings and report preparation, and these aspects continue to be taken forward through improvement projects as part of the Governance Improvement Plan.

The Constitution

43. A local authority is under a duty to prepare and keep up to date its constitution under s.9P Local Government Act 2000 as amended which should be publicly accessible.

44. The council's constitution:

i) sets out the council's governance arrangements which provide clear leadership to the community in partnership with citizens and other stakeholders;

ii) supports the active involvement of citizens in the process of local authority decision-making by setting out their rights in respect of the process of decision-making and access to information;

iii) helps Councillors represent their constituents more effectively;

iv) enables decisions to be taken efficiently and effectively;

v) creates an effective means of holding decision-makers to public account;

vi) ensures that no one will review or scrutinise a decision in which they were directly involved;

vii) ensures that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and

viii) sets out the standards of conduct expected of Councillors and those who work for or with the council

Constitution Review

45. It is the Monitoring Officer's responsibility to monitor and review the operation of the Constitution to ensure that its aims, principles and requirements are given full effect and make recommendations on any necessary amendments to it to the council.

46. On 26 November 2025, this Committee agreed to re-establish a Constitution (Member) Working Group (CWG), which plays an important role in reviewing and updating the Council's constitution and associated protocols. At its first meeting on 2 February 2026, proposed changes were presented by the Director of Law & Governance and Monitoring Officer, focusing mainly on clarifying wording, updating memberships and descriptions, and addressing grammatical and formatting issues. The Director has delegated authority for such textual amendments under Part 7.2, paragraph 6.4(t) of the Constitution. Some changes, including responsibilities related to Honorary Aldermen, Freedom of the County, the petition scheme, guest speakers, and member-officer contact, require approval by CWG, Audit and Governance Committee, and Council. Feedback from Political Groups was received and a comprehensive report was presented to this Committee on 20 May 2026 ahead of seeking approval of the final updated constitution from Council on 30 June 2026.

Pre-election and induction preparation

47. In 2024-25, the council prepared for the County Council elections (1 May 2025) and launched an induction programme for the incoming administration and councillors.

48. Induction training commenced following the elections and focused on the Member Code of Conduct, service overviews, legal requirements like planning law, and practical skills such as chairing meetings. It introduced members to the leadership team and service colleagues to foster open relationships and provided a foundation for ongoing member development throughout their term.

49. All newly elected councillors were required to take part in a thorough induction process. This was particularly pertinent following the May 2025 elections, with 39 of the 69 seats occupied by individuals who have not previously served as Oxfordshire County Councillors.

Internal Audit of Officer Declarations of Interest and Gifts & Hospitality

50. Internal Audit assessed the council's controls around Officer Conflicts of Interest and Gifts & Hospitality for 2024-25, looking at governance, policy communication, compliance, and oversight. The review was designed to provide assurance over risk management and to help inform the annual opinion on internal controls.

51. The Committee received Internal Audit's findings in a report at its meeting held on 12 March 2025. The internal control system was rated amber, and twelve priority 2 actions were identified. All of these were completed by September 2025.

Complaints

52. As previously reported to this Committee on 15 July 2026 the number of complaints received by the council during 2025-26 is summarised as follows under Children Social Care, Adult Social Care and Corporate (with data for 2024-25 included for comparison). All councils are required to process Children Social Care and Adult Social Care complaints in line with statutory frameworks. Complaints made relating to other council services are categorised as corporate complaints.

	2025-26	**2024-25**
Children's Social Care complaints	164	129
Adult Social Care complaints	144	114
Corporate (non-Social Care) complaints	530	482
Total complaints	**838**	**725**

Compliments

53. During 2025-26, 187 compliments were centrally recorded by the Customer Feedback team against identifiable service areas and teams across the council.

54. The highest number of recorded compliments related to Adult Social Care, followed by Customer Experience and Children's Social Care. A full breakdown of compliments recorded by service area is set out in the table below.

Service area	**2025-26**
Adult Social Care	82
Customer Experience	59
Children's Social Care	22
SEND	9
Waste & Recycling	8
Highways & Transport	3
Fire & Rescue Service	1
Libraries & Heritage	1
Registrations	1
Quality Assurance Service	1
Total compliments	**187**

55. It should be noted that there is no formal requirement for compliments to be recorded centrally and, as such, these figures may not capture the full number of compliments received across the Council during the year. The figures should therefore be regarded as an indication of compliments formally recorded, rather than a complete measure of all positive feedback received.

56. Analysis of the compliments received identifies several recurring themes:

i) **Professionalism, kindness and empathy** – residents, families and partner organisations frequently praised officers for their compassion, patience, understanding and respectful approach, particularly during challenging or emotional circumstances.

ii) **Clear communication and responsiveness** – compliments regularly highlighted officers who kept people informed, explained processes clearly, responded promptly to enquiries and helped customers understand available options and next steps.

iii) **Going above and beyond** – many compliments recognised officers who took additional time to resolve problems, coordinate services, support applications, follow up enquiries and ensure positive outcomes for residents and families.

iv) **Positive support for vulnerable residents and families** – feedback reflected the impact of support provided across Adult Social Care, Children's Services, SEND, Occupational Therapy, Home First, Financial Assessment and Review Services, helping people maintain independence, access appropriate support and navigate complex situations.

v) **Professional expertise and effective practice** – residents and professionals praised officers for their knowledge, sound judgement, advocacy, assessment skills, effective meeting facilitation and commitment to achieving positive outcomes.

vi) **Customer service excellence** – significant positive feedback was received for Customer Experience services, including Blue Badge, Bus Pass, Parking Permit and Congestion Charge enquiries, with officers recognised for being helpful, patient and solution-focused when assisting customers with services and online systems.

vii) **Partnership working and collaboration** – compliments highlighted strong working relationships between council staff, families, carers, schools, health professionals and partner organisations, with appreciation expressed for collaborative approaches and coordinated support.

viii) **Commitment to residents and communities** – compliments demonstrated the positive impact council officers have on residents' day-to-day lives, from frontline customer services and social care support to SEND, waste and recycling, highways and community services.

57. The compliments recorded during the year provide a useful indication of the positive impact that council officers continue to have on residents, families, carers and communities across Oxfordshire. Whilst not all compliments received across the organisation are formally recorded, the feedback received demonstrates a strong commitment to public service, professionalism and supporting positive outcomes for residents.

Information requests –Subject Access Requests, Court Orders, Police disclosures and Freedom of Information

58. The council receives a number of different types of information requests:

i) Subject Access Requests – Individuals have the right to ask an organisation if it is using or storing their personal information and can request copies under Section 45 of the Data Protection Act 2018.

ii) Court Orders – Requests for information relating to a matter being heard in Court, such as the Court of Protection or private hearings in the Family Court.

iii) Police disclosures – Requests received from the Police for information relating to investigations about an alleged criminal offence.

iv) Freedom of Information/Environmental Information – Anyone has a right to request recorded information from a public authority under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

59. The number of requests received during 2025-26 (and 2024-25 for comparison) is summarised as follows:

	2025-26	2024-25
Subject Access Requests	655	491
Court Orders	156	131
Police Disclosure Requests	79	100
Freedom of Information Act 2000 (FOI)	1490	1467
Environmental Information Regulations 2004 (EIR)	630	536

Records Management

60. During 2025-26, significant preparatory and operational work was undertaken to move hard copy records from County Hall to the council's store at Nuffield Way, Abingdon. This involved identifying, cataloguing and preparing paper files for transfer, ensuring that records remained appropriately managed, retrievable and secure during and after the move. Future plans will focus on consolidating records storage, maintaining reliable access to records needed for statutory information requests and service delivery, and reducing reliance on paper records where appropriate by improving digital capture and records management at the point of creation. This work will support the wider move from County Hall, strengthen business continuity arrangements for vital paper records, and help the Access to Information Team respond more effectively where historic or hard copy material is required.

Local Government Reorganisation - Governance

61. In addition to the matters set out above, the council's governance activity during 2025-26 included preparation for the implications of local government reorganisation. The Council submitted its final proposal to Government in November 2025, setting out its preferred model for a single unitary authority for Oxfordshire. In the period to 31 March 2026, work continued to consider and plan for the governance, constitutional and operational implications of local government reorganisation, including preparation for the potential model or models that may be taken forward. At the end of the reporting year, the council was awaiting the Secretary of State's minded-to decision, anticipated during summer 2026 and subsequently received on 16 July 2026.

62. Oversight of local government reorganisation will be reported through the Performance and Corporate Services Overview and Scrutiny Committee. This Committee will receive reports on the governance arrangements associated with any subsequent implementation.

Summary

63. This annual review highlights progress in maintaining democratic accountability and transparency, with members continuing to undertake their role as community leaders during 2025-26.

64. During 2025-26, the council maintained its existing governance arrangements while preparing for the next phase of local government reorganisation. The Secretary of State's minded-to decision will shape governance work throughout 2026-27.

65. Sustained demand across complaints and information request processes remains a significant feature of the Council's governance activity. Compliments received during the year also provide assurance of the professionalism, responsiveness and resident-focused approach demonstrated by officers across services.

66. Promoting and upholding the highest standards of conduct will remain a key priority in 2026-27. Members and officers must continue to provide clear ethical leadership for the Council and exemplify the standards of behaviour expected of themselves and others.

Corporate policies and priorities

67. The council has a stated priority to ensure a vibrant participatory democracy.

Financial implications

68. The activities highlighted in this report relate to business as usual and funding is provided as part of the council budget.

Legal implications

69. Relevant references to legal powers are included in the main body of the report. Under section 5 of the Local Government and Housing Act 1989 the Council is required to designate an officer as the Monitoring Officer whose responsibilities set out in the council's Constitution include ensuring lawfulness and fairness of decision making and to contribute to the promotion and maintenance of high standards of conduct through provision of support and advice to the Audit & Governance Committee.

Staff implications

70. None directly arising from this report.

Equality and inclusion implications

71. None directly arising from this report.

Sustainability implications

72. None directly arising from this report.

Risk management

73. None directly arising from this report.

Consultation

74. None directly arising from this report.

Anita Bradley,
Director of Law & Governance and Monitoring Officer

Contact officer: Sarah Smith, Senior Governance Lead

September 2026

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AUDIT AND GOVERNANCE COMMITTEE

16 SEPTEMBER 2026

REPORT ON THE AUTHORITY'S POLICY FOR COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND USE OF ACTIVITIES WITHIN THE SCOPE OF THIS ACT

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

The Committee is recommended to:

a) NOTE Policy for Compliance with the Investigation of Regulatory Powers Act 2000 included in the annex of this paper and to comment on any changes to the policy that the committee would wish the Director of Law & Governance and Monitoring Officer to consider; and

b) CONSIDER and NOTE the use of any activities within the scope of the Regulation of Investigatory Powers Act by the Council.

Executive Summary

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

2. Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's Policy annually. This report provides a summary of the covert activities undertaken by the council between April 2025 and March 2026 for review by the Committee.

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

Exempt Information

4. None.

Introduction

5. The Act regulates the use of covert investigatory activities by local authorities. It creates the statutory framework by which covert surveillance activities may be lawfully undertaken. Special authorisation arrangements need to be put in place whenever a local authority considers commencing covert surveillance or seeks to obtain information by the use of informants or officers acting in an undercover capacity.

6. Under the Act, local authorities may only carry out covert surveillance where it is necessary for the prevention or detection of crime. In addition, local authorities can only authorise surveillance activities within the framework created by the Act if it meets one of the following tests – criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol, tobacco or nicotine inhaling products (the 'seriousness' threshold). Covert surveillance for other matters, such as for the investigation of minor criminal offences not meeting the 'seriousness' threshold cannot be authorised under the Act.

7. Codes of Practice under the Act require that elected members review the Authority's use of activities within the scope of the Act periodically and review the Authority's policy annually. This paper provides a summary of the activities undertaken by Oxfordshire County Council that fall within the scope of this Act for the period from April 2025 to March 2026. The Authority's Policy for Compliance with the Regulation of Investigatory Powers Act 2000 is attached in Annex 1 for consideration.

Investigatory Powers Commissioner's Office Inspection

8. As part of the legislative regime, the Investigatory Powers Commissioner's Office (IPCO) carry out three-yearly inspections to examine an authority's policies, procedures, operations and administration. The Council's last inspection was in 2023, where the IPC informed the Council that they were satisfied that the Council had demonstrated ongoing compliance with the Act and that the Council will be due its next inspection this year.

Use of the Act by Oxfordshire County Council

9. Within the Council, covert surveillance is mainly carried out by the Trading Standards Service, as part of investigations into suspected contraventions of consumer protection legislation. Between April 2025 and March 2026, the Council authorised two instances of the use of covert surveillance (resulting from two applications being submitted by officers).

10. Both instances related to ‘test purchasing’ operations and the use of covert video recording equipment. One instance related to investigating and gathering evidence around the sale of illegal tobacco and vapes, the second relating to sale of age restricted products (namely vapes) to children.

11. The first operation led to the sale of suspected illegal tobacco at 4 premises, out of 9 visited. The second led to 3 vape sales being made to our child volunteer, out of 5 premises tested.

12. The above activities sit within a wider amount of effort to tackle both the supply of illegal tobacco and nicotine products, and the sale of vapes to children. The majority of this work is ‘overt’, through the inspection of premises and announced visits. However, the ability to use covert surveillance remains an important ‘tool in the box’ for officers.

13. Below is a brief summary of the outcomes and achievements from this area of work in 2025/26:

    Illegal Tobacco:

- 43,460 cigarettes seized
- 10,150g hand-rolling tobacco seized
- 16,900g waterpipe tobacco seized
- 12,000g chewing tobacco seized
- 2 licence reviews initiated (leading to 1 revocation and 1 suspension)
- 10 criminal convictions
- One defendant receiving a £400,000 Proceeds of Crime confiscation order

    Illegal Vapes (and other nicotine products)

- 100 inspections at vape retailers
- 3,427 vapes seized
- 53 warning letters
- 7 fixed monetary penalties issued
- 2 prosecutions
- Securely and environmentally disposed of 523kg of vapes (approx. 6000 units)

Magistrate’s Oversight

14. As of October 2012, the Protection of Freedoms Act 2012 required Judicial oversight of authorisations of covert surveillance activities. All authorisations for covert surveillance activities falling within the scope of the Act granted by local authorities now need Magistrate approval before they take effect.

15. Both of the authorised applications for the use of covert surveillance were approved by a Magistrate.

The Council's RIPA Policy

16. The Council's Policy for Compliance with the Investigation of Regulatory Powers Act 2000 ('the Policy') is reviewed annually and was subject to a significant refresh in 2023. This was to take account of feedback to local authorities, from the IPCO, of the need to provide clearer guidance to council staff and better reflect the council's position on monitoring social media, and to outline the importance of clear document management processes for the product of surveillance.

17. The current policy reflects the recommendations following previous IPCO inspections and it provides more clarity on how RIPA applies when looking at social media, ensures there is early reference to the importance of safeguarding young people and strengthens the expectations in relation to records retention and information management. No new amendments are proposed this year, following the comprehensive refresh in 2023.

Corporate Policies and Priorities

18. This RIPA policy is an internal policy setting out governance arrangements for operational activity within the scope of the Act. It has no direct implications on Council priorities. However, compliance with the Act is important to manage risk for the Council and to ensure successful outcomes of operational activity undertaken by a number of council services.

Financial Implications

19. This is a procedural matter and there are no direct financial implications arising from the adoption of the policy.

Legal Implications

20. The use of investigatory powers and covert surveillance by public authorities to prevent and detect crime is governed by a comprehensive legislative framework designed to ensure transparency, accountability and effective oversight in the use of such powers.

21. The legal framework requires local authorities to ensure that the use of covert techniques is necessary, proportionate and compatible with the relevant statutory regime. This includes, but is not limited to, the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and the Human Rights Act 1998, together with the Home Office Codes of Practice, which provide comprehensive guidance to public authorities in the exercise of their functions.

22. The legislative framework also provides extensive guidance on procedural requirements and regulatory oversight. This includes the requirement to maintain a policy document to support the effective exercise of powers by officers, as well as mechanisms to ensure robust internal member oversight and external regulatory scrutiny through inspections and annual reporting to the regulator.

23. The Council and its relevant officers continue to have regard to the applicable legislative framework, relevant codes of practice, and any advice or guidance issued by the Investigatory Powers Commissioner's Office (IPCO) when considering the use of investigatory powers and surveillance in connection with relevant investigations. This includes ensuring that the Policy remains fit for purpose, that effective member oversight is maintained in accordance with applicable guidance, and that the requisite annual reports are submitted to the regulatory body where such powers are exercised.

Staff Implications

24. None.

Equality & Inclusion Implications

25. There are no equality and inclusion implications arising from the policy.

Local Government Reorganisation Implications

26. There are no local government reorganisation implications arising from this policy.

Sustainability Implications

27. There are no sustainability implications arising from the policy.

Risk Management

28. The policy is important in order to ensure there is appropriate governance over activities that fall within the scope of the Act and as such assists in managing risks to the council.

Consultations

29. No consultation is required. This policy replaces the existing policy and does not introduce any new requirements and has no direct impact on Oxfordshire residents and businesses.

Anita Bradley,

Director of Law and Governance and Monitoring Officer

Annex:	Policy on Compliance with Investigation of Regulatory Powers Act 2000.
Background papers:	None.
Contact Officer:	Jody Kerman, Head of Prevention, Protection and Trading Standards

September 2026

OXFORDSHIRE COUNTY COUNCIL
POLICY ON THE COUNCIL'S INVESTIGATORY POWERS AND COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

1. Introduction

1.1 Where RIPA applies

The Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 and the relevant statutory framework regulates the use of covert surveillance activities by public authorities, including Local Authorities. The need for special authorisation arrangements must be considered whenever the Local Authority considers commencing a covert surveillance operation or obtaining information by the use of informants or officers acting in an undercover capacity. Informants are termed covert human intelligence source or CHIS.

1.2 Social media, confidential information and juveniles

The authorisation requirements under RIPA may also apply to the monitoring of use of social media. Detailed discussion on this appears in paragraph 6 below. Special procedures also apply where juveniles are involved or where confidential information is sought. Guidance appears in sections 8 and 9 respectively.

1.3 Surveillance that falls outside RIPA

Local Authorities operate covert activities in a number of key areas. Activities can include covert surveillance in relation to Internal Audit and Human Resources where fraud, deception or gross misconduct by staff might be suspected.

RIPA only applies where the Local Authority is investigating crime and exercising one of its core activities or one of its specific public functions. It does not apply in the exercise of general and civil matters such as monitoring of human resource policies. Article 8 of the Human Rights Act which protects a person's right to privacy is relevant. A guide to covert activities that fall outside RIPA but under Article 8 appears at section 7 below.

1.4 Relevant guidance

The following material is relevant and should guide your action:

a) The Regulation of Investigatory Powers Act 2000 (as amended);

b) The Investigatory Powers Act (2016)

c) Protection of Freedoms Act 2012

d) Human Rights Act 1998

e) Data Protection Act 2018/UK GDPR

f) Statutory instrument 2010 No. 521 (The Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010) This sets out the rank of officers who can give a RIPA authority;

g) The Codes of Practice. If in doubt have a look at the collection of RIPA codes. They offer detailed and practical advice. They give a lot of case studies which might match the scenario you are looking at. They are as follows:

i. Covert surveillance code of practice – February 2024;
ii. Covert Human Intelligent sources code of practice 2022 – December 2022;
iii. Code of practice for investigation of protected electronic information – September 2018
iv. Communications data: code of practice – June 2025 (under Investigatory Powers Act: codes of practice).

To find all the codes follow these links –
https://www.gov.uk/government/collections/ripa-codes
https://www.gov.uk/government/collections/investigatory-powers-act-codes-of-practice

1.5 Authorisation of covert surveillance or a CHIS

You will need authorisation from a senior officer where RIPA applies. There are only a small number of Authorising Officers who can give this permission as set out in Appendix 1. Before authorisation it will normally be necessary to consult with the relevant Deputy Director/Assistant Director/Head of Service. You should discuss the matter with your Line Manager before seeking authorization

1.6 Application of policy

This Policy applies to all services in Oxfordshire County Council. The Trading Standards Service has their own specific internal Service procedures for dealing with authorisations. Copies of all authorisations including those for Trading Standards will be forwarded to the Head of Prevention, Protection and Trading Standards for retention in a central register.

1.7 Safeguarding

It is imperative that the safety and welfare of young people is prioritised in any covert surveillance involving or relating to juveniles. This is outlined further in section 8

2. Definitions

Surveillance – includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

Covert Surveillance – this is carried out to ensure the person who is the subject of the surveillance is unaware that it is or may be taking place.

Local authorities are able to use the following forms of surveillance which require a RIPA authority:

a) **Directed Surveillance** – is covert but not intrusive, is undertaken for the purposes of a specific investigation which is likely to result in the obtaining of private information about a person (targeted or otherwise);

b) **Covert Human Intelligence Source** (CHIS) – this is an undercover operation whereby an informant or undercover officer establishes or maintains some sort of relationship with the person in order to obtain private information;

c) **Intrusive Surveillance -** means covert surveillance carried out in relation to anything taking place on residential premises or in any private vehicle and that involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device. Local Authorities are not lawfully able to carry out intrusive surveillance.

3. RIPA Requirements

3.1 **General**

Directed surveillance or the use of a CHIS can only be authorised under RIPA if it involves a criminal offence punishable by a custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol, tobacco or nicotine inhaling products. Less serious criminal offences cannot be subject to directed surveillance under RIPA.

3.2 In either case surveillance under RIPA is only permitted for the purpose of prevention or detection of crime or preventing disorder.

3.3 The surveillance must also be necessary and proportionate. These terms are discussed in paragraphs 4 and 5 below. It should also be subject to review.

3.4 **Prior authorisation**

All directed surveillance and activity by a CHIS require prior authorisation by the appropriate Local Authority Officer (as set out in Appendix 1 of this policy) before any surveillance activity takes place. The only exception to this is where covert surveillance is undertaken by way of an immediate response to events that means it was not foreseeable and not practical to obtain prior authorisation.

3.5 **Who can grant RIPA authority**

Only officers listed in Appendix 1 of this RIPA Policy may authorise surveillance. Special rules apply when authorising the use of a juvenile as a CHIS and this requires a higher level of authorisation as set out in this Policy.

3.6 **Necessary and proportionate**

The surveillance must also be necessary and proportionate. These terms are discussed in paragraphs 4 and 5 below. It should also be subject to review.

3.7 **Judicial approval**

Judicial approval is also required before any internal authorisation of surveillance under RIPA takes effect. Once internal authorisation has been granted a specific application to the Magistrates Court will be required.

3.8 **Criminal Conduct**

Special rules exist where the CHIS activities include criminal conduct under the Covert Human Intelligence Sources (Criminal Conduct) Act 2021. Local Authorities do not have the power to grant criminal conduct authorisations. Be very careful over possible criminal conduct and refer to the Senior Responsible Officer if in doubt.

3.9 **Intrusive Surveillance**

Local Authorities are not permitted to carry out Intrusive Surveillance. Local Authorities may not use hidden officers or concealed surveillance devices within a person's home or vehicle in order to directly observe that person.

3.10 A flow chart showing the authorisation procedures for covert surveillance and the relevant considerations at each stage is included in Appendix 2 of this policy.

3.11 **Details of procedure to follow in application**

Further details of the procedure to follow including the forms to use are set out in paragraph 12 below.

3.12 **Duration of authorisation**

The duration of authorisation is always three months for directed surveillance and 12 months for a CHIS. However, authorisation should be reviewed periodically and cancelled once the surveillance has achieved its purpose or is no longer required.

3.13 **Failure to obtain a RIPA authority and judicial approval**

If you carry out directed or CHIS surveillance in the absence of a RIPA authority you could be accused of breaching a person's right to privacy under Article 8 of the European Convention on Human Rights. If you wish to use the evidence from an investigation in court the court may exclude the evidence. The Investigatory Powers Tribunal is able to investigate complaints from anyone who feels aggrieved by a public authority's exercise of its powers under RIPA. They are also able to give directions and make awards of damages. You could also face a claim under the Human Rights Act.

4. Grounds of Necessity and collateral intrusion

4.1 The authorisation by itself does not ensure lawfulness, as it is necessary also to demonstrate that the interference was justified as both necessary and proportionate. The statutory grounds of necessity must apply for the purposes of preventing or detecting crime or of preventing disorder.

5. Proportionality

5.1 **Do the ends justify the means?**

Once a ground for necessity is demonstrated, the person granting the authorisation must also believe that the directed surveillance or use of CHIS is proportionate to what is aimed to be achieved by the conduct and use of that source or surveillance. This involves balancing the intrusive nature of the investigation or operation and the impact on the target or others who might be affected by it against the need for the information to be used in operational terms. Do the ends justify the means? Other less intrusive options should be considered and evaluated. All RIPA investigations or operations are intrusive and should be carefully managed to meet the objective in question and must not be used in an arbitrary or unfair way.

5.2 The following guidance in the Covert Surveillance and Property Interference Code of Practice 2024 should be noted:

'*4.6 The authorisation or warrant will not be proportionate if it is excessive in the overall circumstances of the case. Each action authorised should bring an expected benefit to the investigation or operation and should not be disproportionate or arbitrary. The fact that a suspected offence may be serious will not alone render the proposed actions proportionate. Similarly, an offence may be so minor that any deployment of covert techniques would be disproportionate. No activity should be considered proportionate if the information which is sought could reasonably be obtained by other less intrusive means.*

4.7 The following elements of proportionality should therefore be considered:

• balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or harm;

• explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;

• considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the information sought;

• evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented or have been implemented unsuccessfully."

5.3 **Collateral intrusion**

Before authorising applications for directed surveillance, the Authorising Officer should also take into account the risk of obtaining private information about persons who are not subjects of the surveillance (Collateral Intrusion). Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. Measures should be taken wherever practicable to avoid unnecessary intrusion into the lives of those not directly connected with the operation. All applications should therefore include an assessment of the risk of collateral intrusion and details of any measures taken to limit this to enable the Authorising Officer fully to consider the proportionality of the proposed actions.

6. Social Media

6.1 Social media is becoming an increasingly important source of information. Reference should be made to the covert surveillance and property interference Code of Practice 2024 (section 3.10).

6.2 Although most social media sites allow public access, the Code of Practice suggests that prolonged and systematic surveillance of a particular individual on a site would amount to directed surveillance and a RIPA authority should be obtained. The code sets out the checklist of questions in 3.16 and where the answer to some or all of them is 'yes' then it's likely that a RIPA authority for directed surveillance is required.

6.2.1 Checklist of questions:

- Whether the investigation or research is directed towards an individual or organisation;
- Whether it is likely to result in obtaining private information about a person or group of people;
- Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile;
- Whether the information obtained will be recorded and retained;
- Whether the information is likely to provide an observer with a pattern of lifestyle;
- Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life;
- Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s);
- Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

6.3 Officers must not create a false identity in order to 'befriend' individuals on social networks other than in accordance with the RIPA Codes and with appropriate authorisation.

6.4 Officers should be aware that it may not be possible to verify the accuracy of information on social networks and, if such information is to be used as evidence, take reasonable steps to ensure its validity.

7 Applications for civil directed surveillance that fall outside RIPA

7.1 Generally, local authorities can only authorise the use of directed surveillance under RIPA to prevent or detect criminal offences that are punishable, whether on summary conviction or indictment, by a maximum term of at least 6 months' imprisonment or the offence relates to the underage sale of alcohol, tobacco and nicotine inhaling products. This is referred to as the serious crime threshold.

7.2 The powers are not therefore available where you wish to use covert directed surveillance in the pursuit of civil matters such as employment issues or civil claims. However, if an officer is investigating a criminal offence that does not meet the serious crime threshold, but the offending behaviour is significant and there are grounds to investigate the offence subject to the relevant legislative framework, officers can still pursue covert surveillance as outlined further below. A Local Authority as a public body is however subject to the above legislative framework, including Article 8 of the Human Rights Act, the right to privacy which states:-

'Article 8 – Right to respect for private and family life

'Everyone has the right to respect for his private and family life, his home and his correspondence.

There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.''

7.3 Where it is wished to pursue covert directed surveillance that falls outside RIPA an internal authorisation process must still be followed. You should also consider whether the surveillance is necessary and proportionate as set out in paragraphs 4 and 5 above. You should also consider the application of Article 8 and record whether the interference is a justified one as set out in Article 8. The Authorising Officer should record their decision in writing, and it should be retained in accordance with the provisions for document retention in this policy. The Head of Prevention, Protection and Trading Standards should also be informed so that a record can be made in the authority's central register of surveillance authorisations. It should be subject to the same periodic reviews. It is not, however, necessary to obtain judicial approval for authorisations that fall outside RIPA.

8. Juveniles

8.1 Authorisation of a juvenile as a CHIS

Special care should be taken over the authorisation of a juvenile as a CHIS. You should first speak to the Head of Trading Standards. You should read 4.2 and 4.3 of the CHIS Code of Practice 2022 before doing this. They state among other things**:**

(a) On no occasion should the use or conduct of a CHIS under 16 years of age be authorised to give information against their parents or any person who has parental responsibility for them.
(b) In other cases, authorisations should not be granted unless the special provisions, contained within the Regulation of Investigatory Powers (Juveniles) Order 2000 (as amended), are satisfied.
(c) Enhanced authorisation is required. Authorisations for juvenile sources should be granted by the Head of Paid Service, or (in their absence) the person acting as the Head of Paid Service.
(d) The duration of such an authorisation is four months from the time of grant or renewal (instead of twelve months), and the authorisation should be subject to at least monthly review. For the purpose of these rules, the age test is applied at the time of the grant or renewal of the authorisation.
(e) Public authorities must ensure that an appropriate adult is present at any meetings with a CHIS under 16 years of age. The appropriate adult should normally be the parent or guardian of the CHIS, unless they are unavailable or there are specific reasons for excluding them, such as their involvement in the matters being reported upon, or where the CHIS provides a clear reason for their unsuitability. In these circumstances another suitably qualified person should act as appropriate adult, e.g. someone who has personal links to the CHIS or who has professional qualifications that enable them to carry out the role (such as a social worker). Any deployment of a juvenile CHIS should be subject to the enhanced risk assessment process set out in the statutory instrument, and the rationale recorded in writing.

8.2 Juveniles and directed surveillance

You are referred to the sections on necessity and proportionality that appear in paragraphs 4 and 5 above. If a juvenile is the subject of directed surveillance or there is a risk of collateral intrusion affecting a juvenile, then special care should be taken. The tests of necessity and proportionality that you apply should be more exacting. It is more difficult to justify intrusion into the privacy of juveniles. A risk

assessment is required setting out the risks to the juvenile and how those risks will be managed. The application for surveillance authorisation should consider those risks and show why the directed surveillance is necessary and that the ends justify the means. You should record in any application or authorisation that you have taken into account the fact that juveniles are involved. You should record that you have applied an enhanced test.

9. Confidential and Privileged Information including information subject to legal professional privilege.

9.1 Special care should be taken where the subject of the investigation or operation might reasonably assume a high degree of confidentiality. This includes where the material contains information that is legally privileged, confidential journalistic material or where material identifies a journalist's source.

9.2 Reference should be made to the guidance which appears at Chapter 9 of the Covert Surveillance and Property Interference Code of Practice (February 2024). Detailed considerations apply and you require enhanced levels of authorisation which differ from the usual level of authorisation. Where an investigation may reveal sensitive and confidential material this requires special authorisation by the Chief Executive or his/her delegated Authorising Officer. The provisions are involved and sensitive and you are advised to take advice before proceeding.

10. Information security and retention of RIPA authorisations

10.1 It is essential that all information gathered through covert surveillance activities is stored securely, with access strictly restricted to those who require access, and disposed of securely when no longer required for the purpose for which the surveillance was undertaken. The arrangements for storing and disposing of the material gathered through the surveillance should be set out in the application.

10.2 The Deputy Director/Assistant Director/Head of Service for the service area undertaking surveillance retains responsibility for secure storage and disposal of material gathered through surveillance activities. Care should be taken to limit the number of copies of the material, including when providing access to the material to other parties who require it (e.g. legal advisors) and to ensure all copies are disposed of in accordance with retention policies.

10.3 The originals of all authorisations, reviews, renewals, cancellations, Court approvals and details of the dissemination of the product of surveillance must be promptly submitted by the officer on the case to the Head of Prevention, Protection and Trading Standards who shall be the 'RIPA Coordinator'. The Head of Prevention, Protection and Trading Standards will maintain a central register of all cases of Directed Surveillance and CHIS authorisations. The central register shall be stored securely.

10.4 The retention period for the forms which constitute the central register shall be for 5 years**.** This retention period is considered adequate but not excessive for facilitating independent external inspection.

10.5 In all cases, the RIPA coordinator must maintain the following documentation:

a) the application and the authorisation, together with any supplementary documentation and notification of the approval given by the Authorising Officer;
b) the court approval;
c) a record of the period over which the surveillance has taken place;
d) the frequency of reviews prescribed by the Authorising Officer;
e) a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
f) the date and time when any instruction was given by the Authorising Officer;
g) details of persons in possession of the product of surveillance, i.e. the dissemination record.

11. **Dissemination, copying and retention of material obtained through authorised surveillance**

11.1 Dissemination, copying and retention of material obtained through the authorised surveillance must be limited to the minimum necessary for authorised purposes. Authorised purposes for the dissemination, copying and retention of material obtained through surveillance are if that processing of the material:

a) is, or is likely to become, necessary for any of the statutory purposes set out in legislation in relation to covert surveillance including RIPA;
b) is necessary for facilitating the carrying out of the functions of public authorities in legislation in relation to covert surveillance including RIPA;
c) is necessary for facilitating the carrying out of any functions of the Commissioner or the Investigatory Powers Tribunal;
d) is necessary for the purposes of legal proceedings; or
e) is necessary for the performance of the functions of any person by or under any enactment.

11.2 All data obtained under RIPA should be clearly labelled and stored with a known retention policy.

11.3 Material obtained from surveillance should only be retained so long as it is necessary for the authorised purpose and it should be subject to periodic review. All persons to whom the information is disseminated should be made aware of this principle and review should be carried out by the RIPA coordinator to make sure that they have not retained the information longer than is necessary. All emails or other forms of communication disseminated material should contain a statement recording that the information should not be retained longer than is necessary.

11.4 Particular care should be taken in the storage and destruction of confidential or privileged material such as journalistic material, material subject to legal professional privilege or confidential personal information.

11.5 There is nothing in RIPA which prevents material obtained from properly authorised surveillance from being used in other investigations. The Local Authority must ensure that the material is clearly identified and kept securely.

11.6 Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements for a suitable further period, commensurate to any subsequent review.

11.7 Particular attention is drawn to the requirements of the Code of Practice issued under the Criminal Procedure and Investigations Act 1996. This requires that material which is obtained in the course of a criminal investigation and which may be relevant to the investigation must be recorded and retained.

12. Implementation of all procedures

12.1 All directed surveillance and CHIS authorisations should be made by the Authorising Officers listed in Appendix 1.

12.2 All applications for authorisation and authorisations must be made in accordance with the procedure and on the appropriate forms: (download forms from the following link: http://intranet.oxfordshire.gov.uk/cms/content/ripa-policy-surveillance)

RIPA Form 1 – Authorisation Directed Surveillance
RIPA Form 2 – Review of a Directed Surveillance Authorisation RIPA Form 3 – Renewal of a Directed Surveillance Authorisation RIPA Form 4 – Cancellation of a Directed Surveillance Authorisation
RIPA Form 5 – Authorisation of the conduct or use of a Covert Human Intelligence Source (CHIS)
RIPA Form 6 – Review of a Covert Human Intelligence Source (CHIS) Authorisation
RIPA Form 7 – Renewal of a Covert Human Intelligence Source (CHIS) Authorisation
RIPA Form 8 – Cancellation of an Authorisation for the use or conduct of a Covert Human Intelligence Source (CHIS)
RIPA Form 10 –Judicial Approval Application

12.3 The Senior Responsible Officer will monitor the central register periodically and produce an annual report to the Audit & Governance Committee. Renewal of authorisation will be for 3 months. Cancellation of authorisation should be requested as soon as possible i.e. as soon as the surveillance is no longer considered necessary.

12.4 After internal authorisation of an application, judicial approval is required before the operation can commence. The applicant should liaise with the Local Authority's Legal Service for advice and assistance in making this application for judicial approval (other than Trading Standards applications which are managed within the service). Judicial approval is required for the renewal of authorisation, but it is not required for any internal review or cancellation.

12.5 The Authorising Officers may authorise a person to act in their absence. The substitute will be a senior manager who will have overall management responsibility for the operation/investigation. A list of all current named Authorising Officers and named substitutes will be included in the central register and appended to this Policy (Appendix 1). The Director of Law and Governance will approve all proposed Authorising Officers for inclusion in a central register. The annual report to the Audit & Governance Committee will also include a review of the appropriate designated Authorising Officers.

12.6 All managers have responsibility for ensuring that they have sufficient understanding to recognise when an investigation or operation falls within the requirements of RIPA. Authorising Officers will keep up to date with developments in the law and best practice relating to RIPA.

12. 7 Authorising Officers must ensure full compliance with the RIPA Authorisation Procedure set out in the appropriate forms in paragraph 12.2 above.

12.8 Authorising Officers and Deputy Directors/Assistant Directors/Heads of Service will co-operate fully with any inspection arranged by the Investigatory Powers Commissioner's Office.

12.9 **RIPA Coordinator (Head of Prevention, Protection and Trading Standards)**
The role of the RIPA Coordinator is to have day-to-day oversight of all RIPA authorisations and maintain a central register of all authorisations, review dates, cancellations and renewals. All forms should be passed through the RIPA Coordinator to ensure that there is a complete record of all authorisations. Contents of the forms will be monitored to ensure they are correctly filled in and the coordinator will supply quarterly statistics to the Senior Responsible Officer (Director of Law and Governance and Monitoring Officer). The Coordinator will also monitor training requirements and organise training for new staff as appropriate and ensure continued awareness of RIPA throughout the Council via staff information on the Council's Intranet.

13. Communications Data

Local authorities can obtain a very limited amount of communications data. This falls under the Investigatory Powers Act 2016 and not RIPA. Separate procedures and law apply. It is unlikely that you would ever seek communications data. If you do need to seek access to communications you should contact the RIPA Coordinator and the Head of Prevention, Protection and Trading Standards for guidance.

14. Briefings

The Director of Law and Governance will provide updates on the RIPA legislation and best practice but Assistant/Deputy Directors/Heads of Service and other managers must be able to recognise potential RIPA situations.

15. Conclusion

The benefit of having a clear and regulated system of authorising all covert activities is self-evident. Surveillance by its very nature is intrusive and therefore should be subject to appropriate scrutiny at the highest level and the authorisation procedure requires that the reasons for the decision are specifically and clearly set out and the basis for the decision is readily accessible and understood. Completion of appropriate authorisations also means that in reaching a decision alternative options will also have been fully explored. Proper compliance with the procedure and properly recorded authorisations is the best defense should any of our investigations be challenged.

16. Review of Authorisations and Policy

16.1 The Council's "Audit and Governance Committee" will review:

a) a summary of all authorised RIPA applications on a regular basis; and
b) an annual report from the Director of Law and Governance on the operation of the Policy; and
c) the policy annually to ensure it remains compliant with current legislation, relevant codes of practice and continue to meet the responsibilities of the Council.

Appendix 1

Authorising Officers and Named Substitutes

Senior Responsible Officer – Anita Bradley, Director of Law and Governance and Monitoring Officer
(Named substitute - Jay Akbar, Head of Legal and Governance Services)

Authorising Officer – Jody Kerman, Head Prevention, Protection and Trading Standards

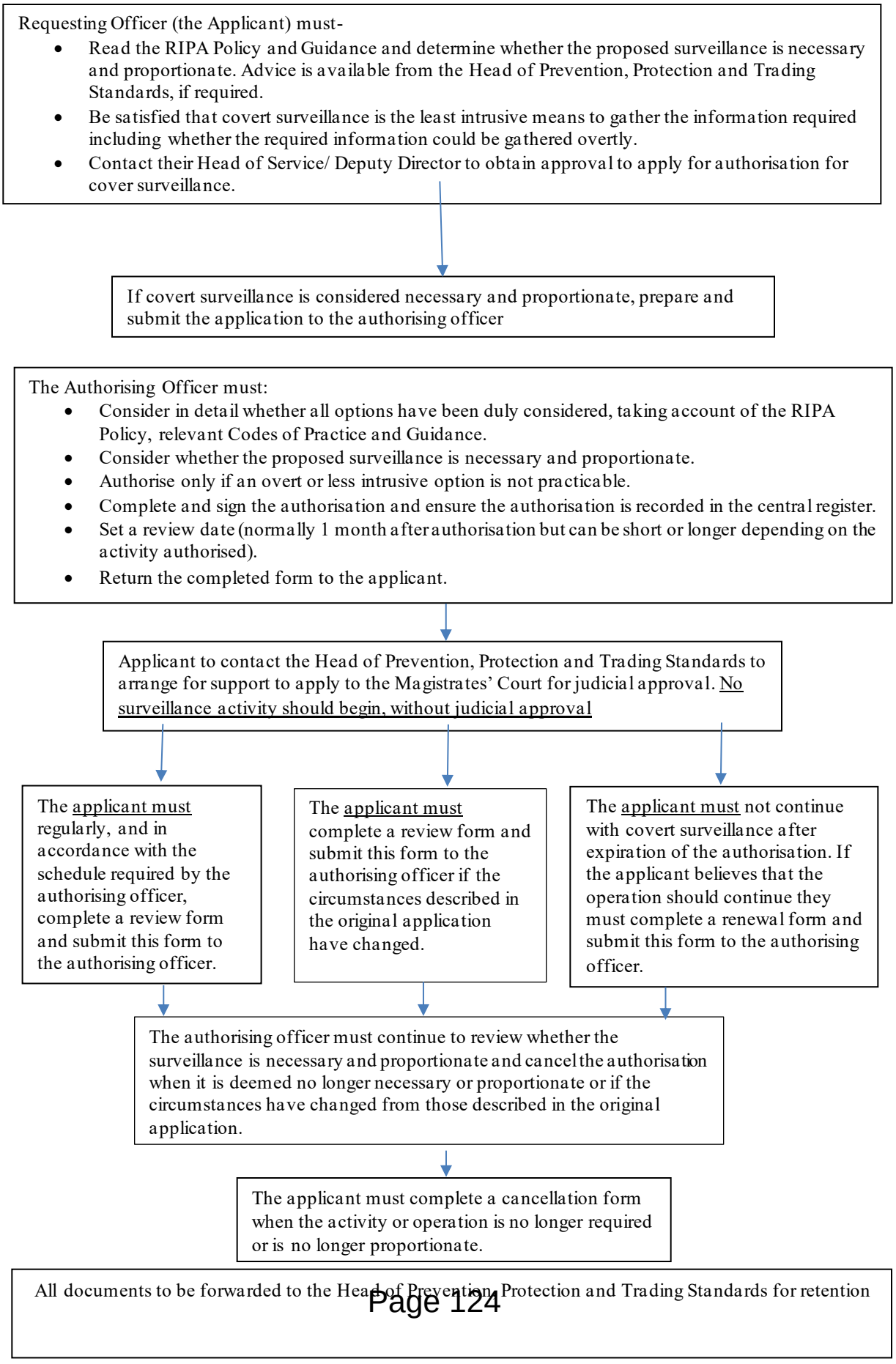
Authorising Officer and Named Substitute – Lorna Baxter, Executive Director of Resources and S151 Officer

Confidential Material Special Authorisation – Martin Reeves, Chief Executive**

**Named Substitute – Lorna Baxter, Executive Director of Resources and S151 Officer

Appendix 2

Flow Chart of Authorisation Procedures and Considerations for Covert Surveillance



AUDIT AND GOVERNANCE COMMITTEE
16 September 2026

CATEGORY B OUTSIDE BODY APPOINTMENTS 2026/27

Report by the Director of Law & Governance and Monitoring Officer

RECOMMENDATION

The Audit and Governance Committee is recommended to AGREE the appointments to Category B outside bodies listed in Annex 1 to this report until July 2027.

Introduction

1. The report asks the Audit and Governance Committee to consider Member appointments to a variety of bodies which in different ways support the discharge of the Council's responsibilities, but which are the responsibility of the Committee - and not Cabinet - to appoint.

Background

2. The Council has the power to appoint individuals onto external bodies through Paragraph 19 of Schedule 2 to the Local Authorities (Functions and Responsibilities) Regulations (England) 2000. Schedule 2 sets out the functions which may be (but need not be) the responsibility of an authority's executive. Paragraph 19 provides for:

"The appointment of any individual—

(a) to any office other than an office in which he is employed by the authority;

(b) to any body other than—
(i) the authority;
(ii) a joint committee of two or more authorities; or

(c) to any committee or sub-committee of such a body,

and the revocation of any such appointment."

3. The Council has chosen not to make appointments to non-strategic outside bodies via the Cabinet, but through the Audit and Governance Committee.

4. At its 16 July 2025 meeting, the Audit and Governance Committee agreed to a recommendation that it should be responsible for appointments:

'in the case of any office or body which has not been identified by the Cabinet and endorsed by the Council as strategic, the functions relating to appointment

of individuals to offices or bodies as specified in Paragraph 19 of Schedule 2 to the Local Authorities (Functions and Responsibilities) Regulations (England) 2000.'

5. This change was endorsed by Council on 09 September 2025, and the Council's constitution was consequently updated, reflecting that the Audit and Governance Committee is responsible for appointments to those offices and bodies which Cabinet and Council have not explicitly deemed 'strategic'. These bodies are referred to as 'Category B' outside bodies.

Basis of Appointment

6. The basis of appointment for Category B outside bodies agreed by Audit and Governance at its 16 July 2025 meeting was that the Committee should appoint on the basis of 'the best person for the role' having sought nominations from political group leaders.

7. The requirement for appointments to be made on the basis of the best person for the role means that political proportionality does not apply.

8. **Annex 1** lists the Council's Category B outside bodies, highlighting where relevant the requirements for specific office holders to take specific roles (a specific Cabinet member, or the Chair of the Council). The list also contains the complete list of nominations received from political group leaders. All nominees put forward have confirmed their willingness to take up (or continue) their role.

9. As there are no bodies with multiple nominations, the Committee is recommended formally to agree, the proposed list of nominations in Annex 1.

Financial Implications

10. There are no direct financial implications for this report.

Legal Implications

11. Part 5.1A 1(a) (16) of the Council's constitution states that the Audit and Governance Committee may exercise the following power:

'In the case of any office or body which has not been identified by the Cabinet and endorsed by the Council as strategic, the functions relating to appointment of individuals to offices or bodies as specified in Paragraph 19 of Schedule 2 to the Local Authorities (Functions and Responsibilities) Regulations (England) 2000.'

12. There are no other specific legal implications directly arising from this report.

Anita Bradley,
Director of Law & Governance and Monitoring Officer

Annex:	1. Proposed appointments for 2026/27
Background papers:	Nil
Contact Officer:	Tom Hudson, Scrutiny Manager

September 2026

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Body	Requirements	2025 representative	2026 nomination
Chilterns AONB Conservation Board	A councillor	Cllr McLaughlin	Cllr McLaughlin
Cotswold National Landscape	A councillor	Cllr Graham	Cllr Graham
LGA Fire Commission	Relevant Cabinet member	Cllr Hannaby	Cllr Fawcett (new Cabinet member)
North Wessex Downs Conservation Board	A councillor	Cllr Hope-Smith	Cllr Hope-Smith
PATROL (Parking and Traffic Regulations Outside London)	Cabinet Member for Transport preferred	NA	Cllr Epps
Oxfordshire Buildings Trust (x 3 nominees)	One must be the Chair of Council	Cllr Lygo Cllr Middleton Cllr Smith	Cllr Fenton (Chair of Council) Cllr Middleton Cllr Levy
Oxfordshire Play Association	Councillor preferred	Cllr Lygo	Cllr Lygo
Oxford Preservation Trust (x2 nominees)	Councillors	Cllr Pressel Cllr Smith	Cllr Pressel Cllr Smith
South East Regional Forces and Cadets Association	A councillor	Cllr Jones	Cllr Jones
Thames RFCC	Relevant Cabinet member	Cllr Roberts	Cllr Gordon (new Cabinet member)
Townlands Steering Group	A councillor	Cllr Gawrysiak	Cllr Gawrysiak

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AUDIT & GOVERNANCE COMMITTEE
16 September 2026

REPORT OF THE AUDIT WORKING GROUP 2 SEPTEMBER 2026

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATION

The Audit and Governance Committee is recommended to NOTE the report.

Executive Summary

1. The Audit Working Group (AWG) met on 2 September 2026. The group received an update on the implementation of management actions arising from the audit of Bridge Management and the audit of Highways Contract Management, which were both undertaken in 2025/26.

Introduction

2. Attendance:
Full Meeting: Councillors: Roz Smith (Chair), Ron Batstone, Gavin McLauchlan, Leigh Rawlins, John Shiri, James Fry. Independent member: Paul McGinn

Officers: Full meeting: Sarah Cox, Head of Internal Audit & Counter Fraud, Jack Nicholson, Committee Officer, Dave Burn, Chief Governance Officer, Paul Fermer, Director of Environment and Highways, Conor O'Sullivan, Assistant Project Manager, Stephen Fitgerald, Ops Manager Asset Management and Programmes Management Lead, Andrew Branch, Arcadias, Richard Scarlett, Head of Commercial and Procurement Services

Officers: Part meeting: Ian Dyson, Director of Finance and Commercial

Matters to Report:

Internal Audit of Bridge Management 2025/26

3. An Internal Audit of Bridge Management was completed in 2025/26 and resulted in an overall Red Assurance opinion. The Audit & Governance Committee requested that progress in implementing the agreed management actions be monitored through the Audit Working Group. The audit identified significant weaknesses across all areas reviewed, including governance and strategy, asset management, inspection, maintenance and repairs, contract management, budget monitoring, management oversight and performance management.

4. The Director of Environment and Highways provided an update on the weaknesses identified and the scale and complexity of the improvements required. The service acknowledges that significant action is needed to strengthen the control environment and provide greater assurance that structures-related risks are being effectively managed. Specialist support has therefore been commissioned to assist with identifying and delivering the required improvements.

5. Management is working on delivery of an improvement programme to strengthen governance, asset management, data quality, inspection and defect management, financial controls, strategic planning, performance monitoring and service oversight across the structures function.

6. The Audit Working Group received an update on progress against the agreed actions and was advised that the commissioned specialist is expected to report to management by the end of September. The report will inform the next phase of improvement activity, and a summary of the findings will be shared with the Audit Working Group.

7. The Audit Working Group requested a further update on the delivery of the improvement programme, including progress in implementing the outstanding audit actions. It was agreed that the Director of Environment and Highways would liaise with the Head of Internal Audit & Counter Fraud to schedule a future progress report. This will provide assurance over the management and monitoring of structures-related risks, the effectiveness of revised contractual and governance arrangements, and the adequacy of service capacity and specialist skills within the structures function.

Internal Audit of Highways Contract Management 2025/26

8. An Internal Audit of Highways Contract Management was completed in 2025/26 and received an overall Amber opinion. The Audit & Governance Committee requested that progress against the agreed management actions be reviewed by the Audit Working Group. The audit identified weaknesses across the areas of governance, contract management and payment controls.

9. The Director of Environment and Highways and the Head of Commercial and Procurement Services provided an update on the actions taken to address the findings. Working jointly with Commercial and Procurement Services, service management is implementing a programme of improvements to strengthen contract governance, risk management, performance monitoring, financial controls and management information, thereby improving assurance over service delivery, decision-making and governance of the contract.

10. The Audit Working Group was satisfied with the progress being made and agreed that officers should provide a further update, supported by a short report, when the Bridges Management audit is next presented to the Group. This follow-up report will provide assurance on the effectiveness of contract management arrangements following implementation of the agreed actions from the audit and the wider improvement programme currently underway.

Financial Implications

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

Legal Implications

12. There are no direct legal implications arising from this report however it is imperative that the mitigations and measures discussed at the Audit Working Group for both audits are implemented in accordance with agreed commitments. Progress should be monitored and regularly reviewed as part of the audit update process.

Lorna Baxter,
Deputy Chief Executive & S151 Officer

Annex: None
Background papers: None

Contact Officer: Sarah Cox, Head of Internal Audit & Counter Fraud

September 2026

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AUDIT & GOVERNANCE COMMITTEE
WORK PROGRAMME – 2026/27

18 November 2026

Confidential Sessions with the Head of Internal Audit and external auditors
1. Treasury Management Mid Term Review 2026/27 (Tim Chapple)
2. Oxfordshire County Council 2025/26 Ernst and Young LLP Draft Audit Results Report
3. Oxfordshire County Council 2025/26 Ernst and Young LLP Draft Auditor's Annual Report
4. Oxfordshire Pension Fund 2025/26 Ernst and Young LLP Draft Audit Results Report
5. Risk Management Update (Louise Tustian)
6. Counter Fraud Update (Sarah Cox)
7. Oxfordshire Fire and Rescue Service Statement of Assurance 2025-26 (Matt Schanck)
8. Annual Governance Statement- Update on Actions (Anita Bradley)
9. Annual Report on Whistleblowing (Anita Bradley)
10. Review of the Effectiveness of Internal Audit (Anita Bradley)
11. Internal Audit Update on Enterprise Oxfordshire (Robin Rogers)
12. Audit Working Group Update (Sarah Cox)
13. Audit & Governance Committee Work Programme

13 January 2027

Training: Treasury Management (Tim Chapple)
1. Annual Governance Statement- Update on Actions (Anita Bradley)
2. Internal Audit 2026/27 Progress Report (Sarah Cox)
3. Treasury Management Strategy Statement and Annual Investment Strategy for 2027/28
4. Financial Management Code (Kathy Wilcox)
5. Audit Working Group Update (Sarah Cox)
6. Ernst and Young Update (Kalthiemah Abrahams)
7. Audit Working Group Update (Sarah Cox)
8. Audit and Governance Committee Work Programme

17 March 2027

Training:
1. Counter Fraud Update (Sarah Cox)
2. Audit and Governance Committee Annual Report to Council (Sarah Cox)
3. Treasury Management Q3 Performance Report 2026/27 (Tim Chapple)
4. Risk Management Update (Louise Tustian)
5. Oxfordshire Code of Corporate Governance (Anita Bradley)
6. Accounting Policies (Ella Stevens)
7. Ernst and Young Update (Kalthiemah Abrahams)
8. Audit and Governance Committee Work Programme

May 2027

1. Chief Internal Auditor's Annual Report (Sarah Cox)
2. Internal Audit Strategy & Plan 2026//27 (Sarah Cox)
3. Pension Fund Provisional Audit Planning Report 2026/27 (Ernst and Young)
4. Oxfordshire County Council Provisional Audit Planning Report 2026/27
5. Annual Governance Statement 2026/27 (Anita Bradley)
6. Risk Management Update (Louise Tustian)
7. Audit Working Group Update (Sarah Cox)
8. Audit & Governance Committee Work Programme

July 2027

1. Treasury Management- Outturn report 2025/2026 (Tim Chapple)
2. 2026/27 Statement of Accounts (Ella Stevens)
3. Internal Audit Charter (Sarah Cox)
4. External Auditor's Update (Ernst and Young)
5. Counter Fraud Plan and Update (Sarah Cox)
6. Risk Management Update (Louise Tustian)
7. Ombudsman Annual Report (Anita Bradley)
8. Health and Safety Annual Report (Paul Lundy)
9. Appointments to Category B Outside Bodies (Anita Bradley)
10. Audit & Governance Committee Work Programme

September 2027

1. Treasury Management Quarter 1 Performance Report 2026/2027 (Tim Chapple)
2. Progression on Statement of Accounts 2026/2027 Audit (Ella Stevens)
3. Internal Audit 2026/27- Progress Report (Sarah Cox)
4. External Auditor's Update (Ernst and Young)
5. Monitoring Officer Annual Report (Anita Bradley)
6. RIPA Policy (Jody Kerman)
7. Audit Working Group Update (Sarah Cox)
8. Audit & Governance Committee Work Programme

November 2027

Confidential Sessions with the Head of Internal Audit and external auditors

1. Treasury Management Mid Term Review 2027/28 (Tim Chapple)
2. Oxfordshire County Council 2026/27 Ernst and Young LLP Draft Audit Results Report
3. Oxfordshire County Council 2026/27 Ernst and Young LLP Draft Auditor's Annual Report
4. Oxfordshire Pension Fund 2026/27 Ernst and Young LLP Draft Audit Results Report
5. Risk Management Update (Louise Tustian)
6. Counter Fraud Update (Sarah Cox)
7. Oxfordshire Fire and Rescue Service Statement of Assurance 2026/27 (Matt Schanck)
8. Annual Governance Statement- Update on Actions (Anita Bradley)
9. Annual Report on Whistleblowing (Anita Bradley)
10. Audit Working Group Update (Sarah Cox)
11. Audit & Governance Committee Work Programme