

## **Divisions Affected - All**

### **SHAREHOLDER COMMITTEE**

**25 February 2025**

## **Enterprise Oxfordshire: Appointment of Auditors**

### **Report by Director of Economy and Place**

## **RECOMMENDATION**

Shareholder Committee is **recommended** to

- a. Agree the proposed appointment of Richardsons as External Auditors for Enterprise Oxfordshire (formally OxLEP) for financial Year 2024/25, as recommended by the company board.

## **Executive Summary**

1. This paper asks the Shareholder Committee to agree the appointment of External Auditors for Enterprise Oxfordshire for 2024/25.

## **Background**

2. In November 2024, Cabinet established the Shareholder Committee, delegating to it decision-making on reserved matters for Enterprise Oxfordshire (formally OxLEP).
3. Enterprise Oxfordshire is required to appoint external auditors for the financial year 2024. The County Council has confirmed that, as a separate entity, the company should appoint separate external auditors from those who conduct the County Council's statutory audit. As a consequence, on 4 February 2025, the Enterprise Oxfordshire company board approved a report recommending the appointment of external auditors for the Financial Year 2024/25. In line with audit best practice, the report also notes that audit services will be retendered for 2025/26. Making this appointment now will allow draft financial statements for 2024/25 to be prepared by mid-May 2025, prior to the County Council's own external audit.
4. The appointment of External Auditors is a reserved matter and therefore the Shareholder Committee is asked to approve the appointment. Procurement arrangements and the management of the audit process itself is a matter for Enterprise Oxfordshire.

## 2024/25 Statutory Audit Plan

5. The Enterprise Oxfordshire board were advised that Richardsons have undertaken the OxLEP external audit for the last six years and now have a firm understanding of processes and major programmes. They were further advised that Richardsons are well placed to assist in assessing any accounting changes arising from transition, together with the first year of consolidation within Oxfordshire County Council's accounts.
6. In previous years, the Board has delegated the appointment of external auditors to the Finance and Audit Committee. The audit typically includes two stages, commencing with an Internal Controls Review conducted and reported in January and February. The internal controls review is designed to provide assurance and offer an independent assessment of key financial processes and procedures and their alignment to financial regulations and related documentation, as well as to best practice. This stage also allows the auditors to apply control tests that they then rely on in the second stage.
7. The second stage, covering the audit of financial statements, preparation of statutory accounts, and tax compliance, has typically been undertaken from late May/early June to August. This sequence facilitated the formal approval and adoption of the financial statements by the Board directors and Board members in the September meeting cycle.
8. It has been confirmed with the County Council's S151 Officer that, as a separate entity, separate external auditors should continue to be appointed from those who conduct the County Council's statutory audit. Cooperation between the two external auditors and the respective Finance teams will be necessary to facilitate the consolidation of the two sets of financial statements for "Group" reporting.
9. Under the revised company Articles, the appointment of external auditors is specified as a Reserved Matter to be decided by the sole company member, the County Council. The earliest date this decision could be taken following the establishment of the Shareholder Committee and the appointment of the new board is February 2025. The Oxfordshire County Council Finance Team has requested that a set of draft financial statements for the Financial Year 2024/25 be provided by Enterprise Oxfordshire by mid-May 2025, to allow for these to be reviewed and consolidated into the council's financial statements, prior to the council's own external audit.
10. As Richardsons have undertaken the external audit for the last six years, a formal procurement process for this year's audit was originally planned by Enterprise Oxfordshire. However, this procurement plan was delayed by the LEP transition process, and the timelines outlined here make it impossible to achieve this market test for this year's audit. Richardsons have confirmed their availability in June to carry out the fieldwork and preparation of the financial statements. This timing aligns with Oxfordshire County Council's external audit plan timings. This award would be compliant with Enterprise Oxfordshire's

procurement processes and will demonstrate value for money in comparison with previous years.

11. To meet the required timeline, it is proposed not to undertake an Internal Controls Review this year. Richardsons have confirmed that the impact of foregoing this review would not be significant, as they are confident in placing reliance on last year's report and test outcomes, given there have been no significant changes to the processes and procedures. The 2024 Internal Controls Review outcome was considered exemplary, with no recommendations or errors found. Removal of this stage this year generates a cost efficiency.
12. Finally, the Enterprise Oxfordshire board set out their expectation that audit services should be retendered for the financial year 2025/26, in line with audit best practice.

## **Financial Implications**

13. The Audit Fee is budgeted for within Enterprise Oxfordshire's business plan and will have no additional financial impact on the Council.

Comments checked by:

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## **Legal Implications**

14. The Shareholder Committee's role is to approve the appointment of External Auditors for Enterprise Oxfordshire (formally OxLEP). The procurement and management of the audit process is a matter for Enterprise Oxfordshire

Comments checked by:

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## **ROBIN ROGERS**

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