

Wednesday, 18 September 2024
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AUDIT AND GOVERNANCE COMMITTEE

You are summoned to a meeting of the Audit and Governance Committee which will be held in the Council Chamber, Woodgreen, Witney OX28 1NB on **Thursday, 26 September 2024 at 6.00 pm.**



Giles Hughes
Chief Executive

To: Members of the Audit and Governance Committee

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, Jane Doughty, David Jackson, Edward James, David Melvin, Elizabeth Poskitt, Nigel Ridpath and Sandra Simpson

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted. By participating in this meeting, you are consenting to be filmed.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Democratic Services officers know prior to the start of the meeting.

AGENDA

1. **Apologies for Absence**
To receive any apologies for absence. The quorum for the Audit and Governance Committee is 4 Members.
2. **Declarations of Interest**
To receive any declarations from Members of the Committee on any items to be considered at the meeting
3. **Minutes of Previous Meeting (Pages 5 - 10)**
To approve the minutes of the meeting held on 25 July 2024.
4. **Participation of the Public**
To receive any submissions from members of the public, in accordance with the Council's [Public Participation Rules](#).
5. **The Final Audit Finding and Statement of Accounts 2022/23 (Pages 11 - 164)**
Purpose:
This report presents The Audit Findings Report and audited Statement of Accounts for the period 1 April 2022 to 31 March 2023.

Recommendation:
That the Audit and Governance Committee resolves to:
1. Note the contents of the report and appendices.

Invited:
Madhu Richards, Director of Finance
6. **Treasury Management Q1 Report (Pages 165 - 196)**
Purpose:
To report to the Audit and Governance Committee the Quarter 1 Treasury Management Indicators as required by the CIPFA Treasury Management Code.

Recommendation:
That the Audit and Governance Committee resolves to:
1. Note the contents of the report

Invited:
Sian Hannam, Treasury Accountant
Madhu Richards, Director of Finance
7. **External Audit Plan - Year Ended 31 March 2024 (Pages 197 - 214)**
Purpose:
To present Members with the draft Audit Plan for the year ended 31st March 2024.

Recommendation:
That the Audit and Governance Committee resolves to:
1. Note the content of the report and the annex.

Invited:

Madhu Richards, Director of Finance

8. **Internal Audit Progress Report (Pages 215 - 230)**

Purpose:

To present a summary of the audit work concluded since the last meeting of this Committee.

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Note the report

Invited:

Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services

Madhu Richards, Director of Finance

9. **CFEU Update Report (Pages 231 - 236)**

Purpose:

To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Consider and comment on the report.

Invited:

Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit

Madhu Richards, Director of Finance

10. **Annual Local Government Ombudsman Letter (Pages 237 - 246)**

Purpose:

The report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1st April 2023 – 31st March 2024.

Recommendation:

That the Audit and Governance Committee resolves to:

- I. Note the content of the report and the Annual Review Letter 2023 – 2024.

Invited:

Cheryl Sloan, Business Manager, Governance, Risk & Business Continuity

11. **Annual Summary of Member Conduct Complaints (Pages 247 - 270)**

Purpose:

To advise the Committee of the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer in the period from 1 September 2023 to 31 August 2024 and to consider the Council's Complaint Handling Arrangements and the Standards Sub-Committee Procedure Rules following a review by officers.

Recommendations:

That the Audit and Governance Committee resolves to:

1. Note the report;
2. Recommend to Council the adoption of the revised Complaint Handling Arrangements (Annex A); and
3. Recommend to Council the adoption of the revised Standards Sub-Committee Procedure Rules (Annex B) following a review undertaken by officers and the three Independent Persons.

Invited:

Andrew Brown – Business Manager, Democratic Services

12. **Audit and Governance Committee Work Programme 2024/25 (Pages 271 - 274)**

Purpose

For the Committee to review and note its work programme for the remainder of 2024/25.

Recommendation

That the Audit and Governance Committee resolves to:

1. Note the Committee's Work Programme for 2024/25.

(END)

Public Document Pack Agenda Item 3

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the **Audit and Governance Committee**

Held in the Council Chamber, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB
at 6.00 pm on **Thursday, 25 July 2024**

PRESENT

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, Jane Doughty, David Jackson, David Melvin, Elizabeth Poskitt, and Nigel Ridpath

Officers: Madhu Richards, Director of Finance, Andrea McCaskie, Director of Governance (Monitoring Officer), Georgina Dyer, Chief Accountant, Jaina Mistry, Principal Auditor, Anne Learmonth, Strategic Support Officer and Christine Elsasser, Democratic Services Officer

5 Apologies for Absence

Apologies for absence were received from Councillor Edward James and Sandra Simpson.

6 Declarations of Interest

Councillor Elizabeth Poskitt declared a non-pecuniary interest in Item 3, Minutes of Previous Meetings; as she was a Member of the Standards Sub-Committee.

7 Minutes of Previous Meeting and Actions Arising

The minutes of the meeting held on 19 March 2024 and 22 May 2024 were approved and signed by the Chairman as a correct record.

The Committee also noted the previous actions. An update was provided on the Independent Members and it was confirmed that Independent Members would be classified as non-voting co-opted members. The recruitment was ongoing and was advertised on the website and through LinkedIn; there had also been some targeted recruitment.

The minutes of the meeting of the Standards Sub-Committee held on 15 March 2024 were agreed and signed by the Chairman as a correct record.

8 Participation of the Public

There was no public participation.

9 Audit Plan for 2023/2024 – Bishop Fleming

Madhu Richards, the Director of Finance introduced the report that presented Members with the draft Audit Plan for the year ended 31st March 2024.

It was explained that there was a delay in the last year accounts which were prepared from a different auditor and had nothing to do with the year end 31 March 2024 accounts.

Due to a technical failure Charlie Martin, Bishop Fleming, was unable to join the meeting remotely and therefore the report would be deferred to the next Audit and Governance Committee meeting.

RESOLVED that the External Audit report would be considered at the September meeting.

10 2023/24 Statement of Accounts Update and Accounting Policies

Madhu Richards, Director of Finance, introduced the report that presented the accounting policies to be included in the 2023/24 Statement of Accounts. The report provided Members with the opportunity to review and approve the policies in advance of the preparation of the

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Statement of Accounts 2023/24. Approving the accounting policies in advance of the preparation of the accounts represented best practice.

It was explained that the report would be on the website by 31 July 2024 and would be created in a similar format as previously done unless CIPFA had suggested any changes.

RESOLVED that the Audit and Governance Committee **AGREED** to:

- I. Consider and approve the draft accounting policies for 2023/24 included at Annex A.

11 Internal Audit Annual Opinion 2023/24

Jaina Mistry, Principal Auditor, introduced the report that presented a summary of the work undertaken by Internal Audit during 2023/24 and provided an overall opinion on the levels of assurance resulting from the summary of work.

It was to be noted that due to the information contained in the Internal Audit Annual Opinion, it was deemed unnecessary to submit a separate quarterly monitoring report. Instead, a condensed version of the usual report was produced which contained a summary of the work concluded since the last meeting of the Committee.

Based on various questions and queries from Members the following points were explained:

- All outstanding actions were being dealt with and/or were a work in progress.
- In terms of taxi licensing procedures, the Chair of the Miscellaneous Licensing Committee could approach Licensing Officers if he felt it was necessary.
- It was suggested that a robust timeframe should be in the cover report in future.

Action Point: The Principal Auditor would add a robust timeframe to any future reports provided to the Committee.

RESOLVED that the Audit and Governance Committee **AGREED** to

- I. Note the report.

12 Treasury Management Outturn Quarter 4

Georgina Dyer, Chief Accountant, presented the report that advised Members of the treasury management activity and of the performance of internal and external fund managers for 2023/24.

It was explained that the overall performance of the investments in 2023/24 was favourable, with a returning interest of £1,726,274 (4.97%) against a revenue budget of £1,227,228 and achieving an unrealised capital gain of £439,475 (3.27%) in the 12 months to 31st March 2024.

The capital value of the pooled funds had increased by £439,475 but continued to be affected by the uncertainty in the financial markets. The effect in 2023/24 was mostly positive due to buoyed global equities, resilient economic data, and falling inflation.

Pooled funds were intended to be long term investments whereas short-term fluctuations in capital value were expected and would provide capital appreciation over the long term. After an initial period of caution due to the likelihood of recession, the UK economy fared better than anticipated with a shallow recession, falling inflation and improved consumer confidence providing support for UK equities, with stocks trading at attractive valuations relative to their global peers.

The Council had benefitted from a higher revenue return due to the sustained high base interest rate to bring inflation back down to 2.5%. During the 2023/24 period there was

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incurred unrealised capital gains of £0.439m, these funds were being monitored closely by Arlingclose and they continued to advise that the capital values would recover over the next 2-3 years as gilts and bond revenue return rates started to decline again.

The Council complied with all but one (see section 9.4) of the Prudential Indicators for 2023/24 as set in the February 2023 budget.

Based on various questions and queries from Members the following points were explained:

- The operational level of treasury management was delegated to officers but the strategy and policy officers worked within was set by Members as part of the annual budget process. Therefore, Officers would be directed by Members; however, Members would need to attain a high level of understanding and information on all the various aspects which affect the market.
- When looking at funding capital projects, there were various factors to consider including interest rates and revenue return.
- The next steps would be to investigate funds with better green credentials and for officers to present a table or chart of the performance of ethical funds over a certain time period.
- Officers had asked Arlingclose to be more proactive in reducing risk.
- Pooled funds were completely liquid and would carry on; whereas, the super national funds had a maturity date.

Members thanked Officers for the report and for the Audit and Governance training that was undertaken last week.

Action Point: A glossary of terms was requested to be added to enable ease of understanding in future.

Action Point: The Chief Accountant would bring information on ethical funds to the next meeting.

RESOLVED that the Audit and Governance Committee **AGREED** to:

- I. Note the Treasury Management and performance of internal and external funds for 2023/24.

13

Strategic Risk Register

Andrea McCaskie, the Director of Governance, introduced the report that brought to Members the current version of the Strategic Risk Register for information and to provide assurance that any risks to the Council were being managed with appropriate actions being taken to mitigate risk.

It was explained that all updates to the commentary since the March Audit and Governance Committee were shown in red, along with a direction of travel column, which showed if the risk had either increased / red (got worse), decreased / green (reduced in risk) or stayed the same since the last time it was reported to the Audit and Governance Committee.

Two new risks had been added since the last report to Audit and Governance Committee:

- ER5 General Election. This risk was added when the general election was announced for 4 July 2024 to ensure it was managed effectively. The risk would now be closed and removed from the Strategic Risk register.
- ER6 Diddy Squat. This risk was added in preparation for the release of series 3 and the potential impact this may have on the Council and its employees in Publica. A project team was established to monitor and manage any potential impact.

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It was reported that one risk had been increased since the last report:

- SR2 Major Civil Emergency: the transition of services from Publica to the Councils was having an immediate impact on the emergency call out arrangements, where critical employees were no longer within the business. It was expected that there would be further impact, and therefore proposals were being reviewed for current and future mitigation.

There were no further changes to the risk register except for updates which were shown in red.

Based on various questions and queries from Members the following points were explained:

- Regarding risk ER6, it picked up issues that came to light and ensured that the Council was prepared with messaging on the website and that staff had the support they required.
- Emergency planning and business continuity were on the action plan because more testing was required and it was highlighted as an area that would be worked on.
- It was questioned why the five-year land supply was not on the risk register.

Action Point: Officers would enquire about why the 5-year land supply was not on the risk register and ascertain if this could be added as requested.

RESOLVED that the Audit and Governance Committee **AGREED** to:

- I. Note the strategic risk register.

14

Annual Governance Statement for 2023/24 and Action for 2024/25

Andrea McCaskie, the Director of Governance, introduced the report that provided the Audit Committee with an updated Annual Governance Statement for 2023/24 and an Annual Governance Action plan for 2024/25 which formed part of the Statement of Accounts.

It was explained that the Annual Governance Statement was backward looking, detailing the governance arrangements which were in place for the previous financial year (2023/24). This also showed the progress which was made against the Annual Governance Action Plan for 2023/24. Regulation 4 of The Accounts and Audit Regulations 2011 required the Council to produce an Annual Governance Statement (AGS), setting out the Council's governance arrangements. The Annual Governance Action Plan, was forward looking, setting out the areas of improvement / focus for the current financial year (2024/25).

There were 9 key actions within the 2024/25 Annual Governance action plan, these included the following:

- Freedom of information
- Complaints process
- New service delivery models
- Council constitution
- Emergency planning and business continuity
- Risk management
- Review of Audit and Governance Committee
- Financial management
- Procurement

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The plan identified the specific tasks that would be undertaken in the respective areas of focus and set timescales for their completion. The Annual Governance Action Plan would also include a RAG rating to show whether the actions were on target or off target and if action was being taken to ensure delivery. Furthermore, it also needed to be determined whether they were off target and no action had yet been agreed to resolve the situation. Updates on progress would be presented to future Audit and Governance Committee meetings.

Based on various questions and queries from Members the following points were explained:

- Martin's law was based around arena security which came into practice after the terrorist incident in Manchester and was part of business continuity and emergency planning to ensure the change in legislation was implemented.
- There were three stages of escalation for complaints at West Oxford District Council currently and this was re-examined with a two-stage system put in place to ensure good practice.
- HR policies mirrored Publica policies to ensure the transition for staff after the Publica split would be less problematic. The policies would be updated as required as and when, once the split was complete. Copies were kept on the intranet that went through Oct 2023 Executive and would be on the intranet as well.
- The bulk of the statement was demonstrating the evidence around good practice and that it was being implemented. The Annual Governance Action Plan drew attention to the areas that required focus and further potential attention.
- The permanent record of the meetings were the approved minutes; and regarding regulatory matters it was very important to capture what the decision actually was. However, Officers would find out how long recordings of meetings were kept for.

Action Point: Officers would ensure Councillors knew where to find the recent HR policies that they were allowed access to.

Action Point: Officers would find out how long the Council kept meeting recordings for 6 months.

RESOLVED that the Audit and Governance Committee **AGREED** to:

1. Approve and agree the updated Annual Governance Statement for 2023/24 and Annual Governance Action Plan for 2024/25;
2. Receive updates on the progress against the key actions at future meetings.

15 Audit and Governance Committee Work Programme 2024/25


The Committee were asked to note the Work Programme 2024/25.

It was requested that dependent on the interviews for the Independent Members next week, ideas on how to recruit Independent Members to the Committee be discussed at the September meeting.

RESOLVED that the Audit and Governance Committee **AGREED** to:

1. Note and update where necessary the Work Programme 2024/25.

The Meeting closed at 7.30 pm

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 26th SEPTEMBER 2024</p>
<p>Subject</p>	<p>FINAL 2022/23 AUDIT FINDINGS REPORT (ISA260) AND STATEMENT OF ACCOUNTS FOR WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Wards affected</p>	<p>All</p>
<p>Accountable member</p>	<p>Cllr Alaric Smith Executive Member for Finance Email: alaric.smith@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk</p>
<p>Report author</p>	<p>Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>This report presents The Audit Findings Report and audited Statement of Accounts for the period 1 April 2022 to 31 March 2023.</p> <p>At the Audit and Governance Committee on 19th March 2024, at which The Audit Findings Report was presented, authority was delegated to the Director of Finance in consultation with the Executive Member for Finance and the Chair of the Audit and Governance Committee, to sign of the final report provided there were no material errors or adjustments.</p>
<p>Annexes</p>	<p>Annex A: The Audit Findings for West Oxfordshire District Council.</p> <p>Annex B: Statement of Accounts including the Annual Governance Statement</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <p>I. Note the contents of the report and appendices.</p>
<p>Corporate priorities</p>	<ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife

	<ul style="list-style-type: none"> • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	NO

1. BACKGROUND

- 1.1 Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (“the Code”) external auditors are required to report whether, in their opinion:
- the Council’s financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
 - have been properly prepared in accordance with the CIPFA/ LASAAC code of practice on local authority accounting and prepared in accordance with Local Audit and Accountability Act 2014.
- 1.2 The auditors are also required to report whether other information published together with the audited financial statements is materially inconsistent with the financial statements or their knowledge obtained during the audit or otherwise appears to be materially misstated.
- 1.3 The Statement of Accounts are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (‘the Code’). The Council is statutorily obliged under the Accounts and Audit Regulations 2015 to prepare its Statement of Accounts in accordance with the Code.

2. MAIN POINTS

- 2.1 The Audit Findings Report (ISA260) for West Oxfordshire District Council was presented to the Audit and Governance Committee on 19th March 2024.
- 2.2 The auditors had completed 90% of their work as of 11th March 2024 and had not identified any material errors or adjustments to the financial statements. It was also concluded that it would be unlikely that there would be any further material errors or adjustments.
- 2.3 The initial back stop date for 2022/23 audits, to tackle the local audit backlog, was 30th September 2024. On 30th July 2024, this date was extended to 13th December 2024.
- 2.4 At the March meeting, working on 30th September 2024 back stop date, authority was delegated to sign off the final report to the Director of Finance in consultation with the

Executive Member for Finance and the Chair of the Audit and Governance Committee, provided there were no material errors or adjustments.

2.5 The 2022/23 audit was signed off on 20th August 2024.

2.6 The appendices to this report contain the Audit Findings Report (ISA260) for West Oxfordshire District Council and the Statement of Accounts including the Governance Statement.

2.7 STATEMENT OF ACCOUNTS

The four core statements within the Accounts are:

Comprehensive Income & Expenditure Statement:

The statement shows the accounting cost of services in accordance with generally accepted accounting practices (GAAP). The 'below the line' funding & accounting entries that bring the statement back to the movement on the General Fund (reversing items such as depreciation and accounting for pension contributions) form part of the Movement in Reserves Statement below.

Movement in Reserves Statement:

The statement details the movement in the year between reserves, from the surplus/deficit on provision of services in the Comprehensive Income & Expenditure Statement, to the position on the Balance Sheet at 31 March, splitting the reserves into the usable reserves (which are available to spend) and unusable reserves which represent reserve held for accounting purposes (and are not available for use).

Balance Sheet:

The balance sheet depicts the assets and liabilities of the Authority, with the overall position representing the 'net worth' of the Council.

Cash Flow Statement:

The statement shows the year on year change in cash and cash equivalents (i.e. on demand deposits) available to the Council, as opposed to simply showing the movement in the bank balance.

The 'notes to the accounts' provide additional breakdown and disclosure of balances to support the primary statements.

2.8 Revenue Outturn and Performance

The Council's approved revenue budget for 2022/23 was £13,727,413. The final outturn position saw the Council budget overspent by £573,004. The revenue outturn position was reported to Executive on 12th July 2023 (for a full breakdown of the outturn for the year, please refer to the Executive report, agenda item 60). At their meeting, Executive recommended to Council to transfer £2,071,519 to earmarked reserves. Council subsequently approved the appropriations on 19th July 2023.

2.9 Reconciling the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement to the Revenue Outturn position reported to Executive

The Comprehensive Income and Expenditure Statement (CI&ES) (page 8 of the Accounts) shows the accounting cost in the year of providing services. The statement is prepared based under International Financial Reporting Standards (IFRS) and therefore does not match the figure presented to Executive as part of the year-end outturn report, which is prepared on the basis of internal reporting practices. To reconcile the figures, the CI&ES and Movement in Reserves Statement (MiRS) need to be read together as the MiRS reverses out or adjusts some Income and Expenditure items to make them compatible with the Code of Practice on Local Authority Accounting, and UK statutory requirements.

Note B1 “Expenditure and Funding Analysis” on page 13 of the Accounts reconciles the difference between statutory financial reporting and those figures reported internally to Executive. The CI&ES declares a deficit on the provision of services of £987,626. This figure includes changes in asset values and pension fund accounting which are not reported to Members as they are statutory accounting adjustments and do not impact upon council tax payer financing of the Council. These are set out in the column headed “Adjs. between accounting and funding basis” and amount to £1.288m. Once adjustments to earmarked reserves of £1.7m are considered, the net contribution from the Council’s General Fund Balance is £573,004 ($£1,288k + £987k - £1,702k = £573k$).

2.10 Key Balance Sheet Movements

The balance sheet represents the value or ‘net worth’ of the Council as at 31st March 2023. The key movements in the balance sheet between 31st March 2022 and 31st March 2023 and the reasons for the largest changes are summarised below.

The value of Property, Plant and Equipment has increased by £5.257 million. This is primarily due to acquisition of Mariotts Close and the revaluation downwards of some of our investment property, operational buildings and leisure facilities. This reflects the difficult market conditions for large office premises and the performance of the leisure sector.

Short term debtors have decreased by £5.468 million and short term creditors have decreased by £18.564 million. While in a normal year fluctuations in these balances would be expected, in 2021/22 these were hugely exacerbated due to the size of transactions with central government departments and the Council’s partners. Specifically the Business Rates deficit, S31 compensation grant and Business Support grants. This impact has been reversed in 2022/23 bringing Short Term Debtors and Creditors in line with pre Covid levels. Aged Debt balances increased significantly to £5,709.430 at 31 March 2023.

The valuation of the pension fund net assets and liabilities which is shown in note F1 to the accounts, has shown a decrease in liability of £23.142 million. The valuation of the pension fund does fluctuate each year and is based upon a number of actuarial assumptions and a triennial revaluation cycle. At 31 March 2023, the Council’s share of the Oxfordshire Pension Fund stands at a net liability of £1.789 million compared to a liability at 31st March 2022 of £24,931,000. The future value of pension liabilities is based on the discount rate, which is based on the yield on investment grade corporate bonds. There has been a significant rise in yield over the period which has led to an increase in the discount rate, which in turn has had a positive effect on pension scheme liabilities. Whilst the scheme is in

deficit it represents the net value of what the Council owes across all future years. The Council are making contributions to cover liabilities accruing for employees that are current members.

In March 2023, the Council took out short term borrowing of £5 million which was repaid in April 2023. This borrowing was to support operational cash requirements i.e. paying Precepts, paying invoices and our contract obligations. There was a £13.026 million decrease in our cash and cash equivalents year on year due to a significant amount of Government funding being received at the end of March 2022 for Business Support Grants and additional S31 Grant compensating for the impact of Government legislation changes on Business Rates income.

The 'general fund balance' has decreased by £573,004 from 1 April to 31 March. The movement represents the remaining overspend in the year (after transfers to earmarked reserves). The general fund balance represents the unallocated revenue reserves of the Council. At 31 March 2023, the General Fund balance stood at £12,240,348.

The Council's 'earmarked reserves' represent resources that have been set-aside by the Council for specific projects or money to provide particular schemes in the future. Overall contributions to earmarked reserves amounted to £4.236 million, including £2.060m to the Business Rates Deficit Reserve, £670,206 to a Budget Deficit Reserve and £633,757 to the Local Plan Reserve. Expenditure amounted to £7.317m. Of the money spent, £4.578m funded the repayment of the Business Rates deficit relating to 2021/22 and £1.187m for High Speed Broadband across the District. The value of earmarked reserves has therefore decreased by £3.081m.

The 'Net Assets' or 'Net Worth of the Council has increased by £19,875,034. The main contributing factor is the decrease in pension liability. Although the Council faces significant challenges in 2023/24 and beyond, the Council is in a stable position at the end of the 2022/23 financial year with a level of reserves to fund budget deficits until they are exhausted in 2027/28.

3. ALTERNATIVE OPTIONS

3.1 None.

4. CONCLUSIONS

4.1 The Audit and Governance Committee are requested to note the report.

5. FINANCIAL IMPLICATIONS

5.1 None.

6. LEGAL IMPLICATIONS

6.1 None.

7. RISK ASSESSMENT

7.1 None.

8. EQUALITIES IMPACT

8.1 None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

The Audit Findings Report (ISA260) for West Oxfordshire Council

Year ended 31 March 2023

20 August 2024





Your key Grant Thornton team members are:

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This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed and agreed with management and will be presented to the Audit & Governance Committee on 21 March 2024.

Peter Barber
For Grant Thornton UK LLP
20 August 2024

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of West Oxfordshire District Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2023 for the attention of those charged with governance.

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), Narrative Report) is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We commenced our post-statements audit in December 2023 and whilst at the date of reporting our findings in March 2024 our work was substantively complete; we were not able to conclude our work due to the outstanding letter of assurance from the auditors of Oxfordshire Pension Fund in respect of the IAS 19 Pension Fund net liability. We have now received this response and have been able to conclude this work with no new significant issues arising.

Our findings are summarised on pages 6 to 22.

Our work has not identified any material errors or adjustments to the financial statements. No adjustments have been identified that have resulted in an adjustment to the Council's Comprehensive Income and Expenditure Statement.

We have recommended a small number of audit adjustments to improve the presentation of the financial statements as detailed in Appendix D. We have also raised recommendations for management as a result of our audit work in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix C.

We commenced the 2022/23 post-statements audit late due to delays in the prior year. The audit this year has been supported by good quality working papers and more timely responses to queries.

Our work is complete and there are no matters of which we are aware that would require modification of our audit opinion [Appendix G] or material changes to the financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our financial statements audit report opinion issued on 20 August 2024 is unmodified. Our work on the Council's value for money (VFM) arrangements was presented to the March meeting of the Audit & Governance Committee with a final version being issued on 20 August 2024, the date we signed the financial statements. We have been able to satisfy ourselves that the Council has made proper arrangements in securing economy, efficiency and effectiveness in its use of resources.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have completed our VFM work, which is summarised on page 24, and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside an interim version this report to Audit & Governance Committee in March 2024. A final version of the report was issued on 20 August 2024. We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit opinion.

Significant matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance and timely collaboration provided by the finance team and other staff during the course of our audit. This is our final year of auditing the Council and we would like to place on record our appreciation of this cooperation throughout.

1. Headlines

National context – audit backlog

Nationally there have been significant delays in the completion of audit work and the issuing of audit opinions across the local government sector. Only 1% (5 of 467) of local government bodies had received audit opinions in time to publish their 2022/23 accounts by the deadline of 30 September 2023. We at Grant Thornton have a strong desire and a firm commitment to complete as many audits as soon as possible and to address the backlog of unsigned opinions.

Over the course of the last year, Grant Thornton has been working constructively with DLUHC, the FRC and the other audit firms to identify ways of rectifying the challenges which have been faced by our sector, and we recognise the difficulties these backlogs have caused authorities across the country. We have also published a report setting out our consideration of the issues behind the delays and our thoughts on how these could be mitigated. Please see [About time? \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/about-time/)

We would like to thank everyone at the Council for their support in working with us to ensuring the audit has been completed in a timely and efficient manner.

National context – level of borrowing

All Councils are operating in an increasingly challenging national context. With inflationary pressures placing increasing demands on Council budgets, there are concerns as Councils look to alternative ways to generate income. We have seen an increasing number of councils look to ways of utilising investment property portfolios as sources of recurrent income. Whilst there have been some successful ventures and some prudently funded by councils' existing resources, we have also seen some councils take excessive risks by borrowing sums well in excess of their revenue budgets to finance these investment schemes.

The impact of these huge debts on Councils, the risk of potential bad debt write offs and the implications of the poor governance behind some of these decisions are all issues which now have to be considered by auditors across local authority audits.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents will be discussed with management and the Audit & Governance Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks
- There have been no changes to our proposed approach set out in our audit plan.

Conclusion

We have completed our audit of your 2022/23 financial statements issued an unqualified audit opinion on 20 August 2024.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan.

Council Amount (£) Qualitative factors considered		
Materiality for the financial statements	1,070,000	We considered materiality from the perspective of the users of the financial statements. The Council prepares an expenditure-based budget for the financial year and monitors spend against this, Therefore gross expenditure was deemed as the most appropriate benchmark. This benchmark was the same as used in the prior year. We considered that 1.9% was an appropriate rate to apply to this benchmark, reflecting on the size and complexity of the Council.
Performance materiality	800,000	The performance materiality percentage is reduced to reflect the number of misstatements identified in the prior year accounts.
Trivial matters	50,000	Calculated as a percentage of headline materiality and in accordance with auditing standards



2. Financial Statements: Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our work on this risk area we:</p> <ul style="list-style-type: none">• evaluated the design effectiveness of management controls over journals;• analysed the journals listing and determine the criteria for selecting high risk unusual journals;• tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration;• gained an understanding of the accounting estimates and critical judgements applied made by management and considered their reasonableness with regard to corroborative evidence• evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions. <p>Our audit work is complete and our review of journal entries and the related control environment, has not identified any significant issues with regards to management override of controls. For all the journals reviewed we concluded that they were appropriate transactions.</p>

2. Financial Statements: Significant risks

Page 25

Risks identified in our Audit Plan	Commentary
<p>Improper revenue recognition</p> <p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>In our Audit Plan we set out that having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition• opportunities to manipulate revenue recognition are very limited• the culture and ethical frameworks of local authorities, including West Oxfordshire District Council mean that all forms of fraud are seen as unacceptable. <p>We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.</p>
<p>The expenditure cycle includes fraudulent transactions (rebutted)</p> <p>Practice Note 10: Audit of Financial Statements of Public Sector Bodies in the United Kingdom (PN10) states:</p> <p>"As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition". Public sector auditors therefore need to consider whether they have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit</p>	<p>In our Audit Plan we set out that having considered the risk factors, we have rebutted this presumed risk for West Oxfordshire District Council because:</p> <ul style="list-style-type: none">• expenditure is well controlled and the Council has a strong control environment; and• the Council has clear and transparent reporting of its financial plans and financial position to the Council. <p>We re-considered this assessment on receipt of the draft financial statement and have not identified any reasons to change this assessment.</p>

2. Financial Statements: Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings

Revaluation of property, plant and equipment should be performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. The Council revalues its land and buildings on a rolling basis to ensure that the carrying value is not materially different from the current value or fair value (for surplus assets) at the financial statements date.

This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, requiring special audit consideration.

We have

- evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluate the competence, capabilities and objectivity of the valuation experts;
- written to the valuers to confirm the basis on which the valuation was carried out;

Our work is complete and has not identified any significant issues.

Valuation of Investment property

The Council revalues its investment properties annually. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

We therefore identified valuation of investment properties, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.

We have

- evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work;
- evaluate the competence, capabilities and objectivity of the valuation expert;
- written to the valuer to confirm the basis on which the valuation was carried out;

Our work is complete and has not identified any significant issues.

2. Financial Statements: Significant risks

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Risks identified in our Audit Plan	Commentary
<p>Valuation of the pension fund net liability</p> <p>The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>We have</p> <ul style="list-style-type: none">• updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls;• evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work;• assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation;• undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report;• Reviewed the assurances from the auditor of Oxfordshire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements. <p>Our work is complete and has not identified any significant issues.</p>

2. Financial Statements: Key judgements and estimates

This section provides commentary on key estimates and judgements in line with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management’s approach	Audit Comments	Assessment
Land and Building valuations – £72.769m	<p>Other land and buildings comprises £72.769m of assets which are required to be valued at either current market value or depreciated replacement cost (DRC) at year end reflecting the cost of a modern equivalent asset necessary to deliver the same service provision.</p> <p>The Council used valuers it properties as at 31/03/22 on a five yearly cyclical basis. For 2022/23, the internal valuer was used to value toilets and an external valuer was instructed to complete the valuation of all the other assets which were due to be revalued this year.</p> <p>The total year end valuation of land and buildings was £72.769m, a net increase of £9.4m from 2021/22.</p>	<p>We have reviewed management’s processes and no issues were identified. We have considered:</p> <ul style="list-style-type: none">• The completeness and accuracy of the underlying data used to determine the estimate.• The reasonableness of the overall decrease in the estimate.• The adequacy of the disclosure of the estimate in the financial statements. <p>Our work did not identify any issues to report. Overall, the valuation of land and buildings as at 31 March 2024 was deemed to be appropriate.</p>	<div>●</div> <div>Light Purple</div>

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management’s estimation process contains assumptions we consider cautious
- [Light Purple] We consider management’s process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Investment Property Valuation - £51.305m	<p>The Investment properties comprises £51.305m of assets, which are required to be valued at fair value.</p> <p>The Council instructed an External Valuer to complete the valuation of all investment properties as at 31 March 2023. In line with the CIPFA Code, all investment properties were revalued during 2022/23.</p> <p>The total year end valuation of investment properties was £51.305m, this is a net decrease of £3.9m from 2021/22 (£55.207m).</p>	<p>We have reviewed management's processes and no issues were identified. We have considered:</p> <ul style="list-style-type: none"> • The completeness and accuracy of the underlying data used to determine the estimate. • The reasonableness of the overall decrease in the estimate. • The adequacy of the disclosure of the estimate in the financial statements. <p>Our work did not identify any issues to report. Overall, the valuation of Investment Properties as at 31 March 2024 was deemed to be appropriate.</p>	<p>●</p> <p>Light Purple</p>

Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Key judgements and estimates

Significant judgement or estimate

Summary of management's approach

Audit Comments

Assessment

Net pension liability – £1.789m

The Council's net pension liability at 31 March 2022 is £1.789m (PY £24.154m) comprising the Oxfordshire Pension Fund Local Government funded defined benefit scheme. The Council uses Hymans Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.

The latest full actuarial valuation was completed in 2022. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements.

- we identified the controls put in place by management to ensure that the pension fund liability is not materially misstated. We also assessed whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. No issues were identified from our review of the controls in place.
- we also evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuations and gained an understanding of the basis on which the valuations were carried out. This included undertaking procedures to confirm the reasonableness of the actuarial assumptions made:

Assumption	Actuary Value	PwC range	Assessment
Discount rate	4.75%	4.5%-4.8%	●
Pension increase rate	3%	2.85-3%	●
Salary growth	3%	Varies by employer	●
Life expectancy – Males currently aged 45/65	23.2/21.9	Varies by employer	●
Life expectancy – Females currently aged 45/65	26.1/24.6	Varies by employer	●


- we have gained assurance over the completeness and accuracy of the underlying information used to determine the estimate
- we have reviewed the adequacy of disclosure of the estimate in the financial statements.
- Our work is still in progress

●
Light Purple





Assessment

- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Provisions for NNDR appeals - £1.638 million	The Council are responsible for repaying a proportion of successful rateable value appeals. Management calculates the level of provision required. This calculation is based upon the latest information about outstanding rates appeals provided by the Valuation Office Agency (VAO) and previous success rates. The provision has decreased by £0.88m in 2021/22	<ul style="list-style-type: none"> No issues were identified with the appropriateness of the underlying information used to determine the estimate There has been no change to the method used to determine the provision The method is in line with industry practise adjusted to reflect the specific circumstances of the Council The disclosure of the estimate in the financial statements is adequate management has increased the amount set aside against this, however we note that the increase in the provision is not reflective of the amount of provision used, which is generally lower than the increase. This indicates that the Council is taking a cautious approach to the recognition of provisions. we are satisfied that the current levels of provisions for NNDR appeals are reasonable. 	 Grey

Assessment

-  [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
-  [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
-  [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
-  [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Key judgements and estimates





Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Minimum Revenue Provision - £0.420m	<p>The Council is responsible on an annual basis for determining the amount charged for the repayment of debt known as its Minimum Revenue Provision (MRP). The basis for the charge is set out in regulations and statutory guidance.</p> <p>The year end MRP charge was £420k, a net increase of £76k from 2021/22.</p> <p>The MRP policy was adopted as part of the Capital Strategy by Full Council on 3rd February 2022 and the policy did not change during the 22/23 financial year.</p> <p>The Council uses the Equal Instalment method in general however used the Annuity Method where this most closely matches corresponding capital receipts.</p>	<ul style="list-style-type: none"> Our review of the MRP calculations confirmed the Council has calculated MRP line with the statutory guidance and is in line with the Council's MRP policy We challenged the Council where 50 years had been used as the basis of the calculation of the MRP and obtained sufficient evidence from the Council to support this. Note the Council did not charge MRP on the purchase of the Marriot Shopping Centre due to the MRP policy stating MRP commences in the financial year following that in which the expenditure is incurred. This is in line with the statutory guidance. <p>Government consulted (February 2022) on changes to the regulations that underpin MRP, to clarify that capital receipts may not be used in place of a prudent MRP and that MRP should be applied to all unfinanced capital expenditure and that certain assets should not be omitted. The consultation highlighted that the intention is not to change policy, but to clearly set out in legislation, the practices that authorities should already be following. A subsequent survey indicated amended proposals to provide additional flexibilities for certain capital loans. Government has not yet issued a full response to the consultation</p>	<p>●</p> <p>Light Purple</p>

Assessment





- [Dark Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements: Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Unit 4- Business World Agresso	ITGC assessment (design, implementation and operating effectiveness)					Management override of controls (journals)

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

2. Financial Statements: Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit & Governance Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation has been received from the Council.

2. Financial Statements: Other communication requirements



Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send confirmation requests to the institutions you bank with and have loans with. We have received all the confirmations.
Accounting practices	We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures.
Audit evidence and explanations/ significant difficulties	We did not identify any significant difficulties during the audit.

2. Financial Statements: Other communication requirements



Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Council and the environment in which it operates the Council's financial reporting framework the Council's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements: Other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified. We issued an unmodified opinion in this respect – refer to Appendix G.</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported significant weaknesses. <p>We have nothing to report on these matters</p>



2. Financial Statements:

Other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <p>For the Council, detailed work is not required as the Council does not exceed the threshold set by the NAO</p>
Certification of the closure of the audit	<p>We certified the closure of the 2022/23 audit of West Oxfordshire District Council in the audit report dated 20 August 2024, a draft is detailed in Appendix G.</p>

3. Value for Money arrangements (VFM)

Approach to Value for Money work for 2022/23

The National Audit Office issued its guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3–5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements



3. VFM: our procedures and conclusions

We have completed our VFM work and our detailed commentary is set out in the separate Auditor's Annual Report, which is presented alongside this report.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. The risks we identified are detailed in the table below, along with our overall conclusions. We are satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Criteria	2022/23 Risk assessment	2022/23 Auditor judgement on arrangements
Financial sustainability	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but six improvement recommendation made to support the Council in improving arrangements for Financial sustainability.
Governance	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but two improvement recommendation made to support the Council in improving governance arrangements.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but three improvement recommendation made to support the Council in improving arrangements for securing economy, efficiency and effectiveness.

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

5. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix F.

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Grant Thornton International Transparency report 2023](#).

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council. No non-audit services were identified which were charged from the beginning of the financial year to March 2024.

5. Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Company that may reasonably be thought to bear on our integrity, independence and objectivity
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Group or investments in the Group held by individuals
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff [that would exceed the threshold set in the Ethical Standard]

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person [and network firms] have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

Appendices

- A. Communication of audit matters to those charged with governance
- B. Action plan – Audit of Financial Statements
- C. Follow up of prior year recommendations
- D. Audit Adjustments
- E. Fees and non-audit services
- F. Auditing developments
- G. Management Letter of Representation
- H. Audit opinion
- I. Audit letter in respect of delayed VFM work

A. Communication of audit matters to those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, we are also required to distribute our findings to those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report to all those charged with governance.

B. Action Plan – Audit of Financial Statements

We have identified 2 recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
●	The Council does not have a formal agreement with UBICO extending the Environmental Services Contract. The previous contract was to provide services to 31 March 2021 with an option to extend by up to five years.	<p>We recommend the Council and UBICO have a formal agreement disclosing the agreed length of the extension.</p> <p>Management response</p> <p>The Auditors were provided with a copy of the report taken on this contract to Cabinet on 17th February 2021. The subject of that report was “Extension of Environmental Services Contract with Ubico” and the recommendation was an extension to 31st March 2024. The recommendation was approved by the Council on 24th February</p>
●	We identified two members where their registers of interest had not been updated on a timely manner.	<p>We recommend the Council consider their monitoring process for responses to ensure timely responses are being provided.</p> <p>Management response</p> <p>Members will be reminded of the timelines and the monitoring process will be reviewed.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

C. Follow up of prior year recommendations

We identified the following issues in the audit of West Oxfordshire District Council 2021/22 financial statements, which resulted in 5 recommendations being reported in our 2021/22 Audit Findings report.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	The S151 office recognises that capacity within the finance team remains a significant issue. We are of the view that there is not sufficient skilled finance expertise below the S151 officer and Chief Accountant to support the multiple responsibilities of a LG finance team. Specifically, the reliance on the Chief Accountant, who has for a number of years taken on almost sole responsibility for supporting the external audit process, means that timely audit completion is compromised.	The 22/23 audit has been supported by an additional Finance Manager from the Council and this additional capacity has resulted in a much smoother and timely audit process.
✓	The journal authorisation process in place involves the Chief accountant reviewing all journals, with any journals posted by the latter subject to a separate review by the Business Partner Accountant. The second review did not consistently include a date.	The same issue has been identified in 22/23. Therefore we continue to recommend that the documentation of journal reviews are completed in full as these are important evidence trails to support the journals.
✓	As part of our review of the ledger we noted one journal had a blank description. Journal line descriptions are not mandated in the Agresso system. It is best practise within the Council that this be filled in.	The same issue has been identified in 22/23. Therefore we continue to recommend that there should be no manual journals with blank descriptions posted into Agresso.
✓	We have noted that an officer included in the Council's journal user list was no longer employed at the Council.	This issue has been resolved – no further issues identified in 22/23.

Assessment

- ✓ Action completed
- ✗ Not yet addressed

D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

Detail	Comprehensive Income and Expenditure Statement		Impact on total net expenditure £'000	Impact on general fund £'000
	£'000	Statement of Financial Position £' 000		
The figure for the defined pension liability for the prior year did not agree to the prior year audited accounts.		<u>2021/22</u>	Nil	Nil
		Cr Defined Benefit Pension Liability £777		
		Dr Unusable reserves £777		
An inconsistency in how Collection fund debtors were accounted was identified.		<u>2022/23</u>	Nil	Nil
		Dr Debtors £448		
		Cr Creditors £448		

D. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure/issue/Omission	Auditor recommendations	Adjusted?
A number of amendments were made to the financial statements to enhance the clarity of the accounts to the reader and to adjust for non-material disclosure errors within the notes to the accounts.	These will be reflected in the final revised accounts.	✓
A non-adjusting post balance sheet event has been added into the financial statements to reflect the decision to bring the services provided by Publica back in house.	These will be reflected in the final revised accounts.	✓
Collection Fund <ul style="list-style-type: none"> - Note G2 disclosed the incorrect rateable value under ‘ rating list 2023’ - Note G1 did not disclosure the chargeable dwellings of the Council. - Deficit carried forward for business rates had been disclosed as a surplus 	These will be reflected in the final revised accounts	✓
Financial Instruments <ul style="list-style-type: none"> - The bank balance was not included as part of cash and cash equivalents balance per Note F2. 	These will be reflected in the final revised accounts	✓

D. Audit Adjustments (continued)

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Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2022/23 audit which have not been made within the final set of financial statements. This has not been amended as it is not a material error and only impacts on categorisation within the balance sheet. The Audit and Governance Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Impact on general fund £'000	Reason for not adjusting
The Council has not split out the short term element (amount due within 1 year) of it's long term debtors	Nil	Dr Current Debtors £233 Cr Non-Current Debtors £233	Nil	Nil	Not material error
Overall impact	Nil	Nil	Nil	Nil	Not material error

Impact of prior year unadjusted misstatements

There were no unadjusted mistatements in the prior year.

E. Fees and non-audit services

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

Audit fees	Final 2021/22 fee	Proposed 2022/23 fee	Final 2022/23 fee
Scale fee published by PSAA 2022/23		£43,028	£43,028
Additional work on Value for Money (VfM) under new NAO Code		£9,000	£9,000
Increased audit requirements of revised ISAs 540 / 240 / 700		£2,100	£2,100
Enhanced audit procedures on journals testing (not included in the Scale Fee)		£3,000	£3,000
Additional procedures to address other local risk factors		£1,500	£1,500
Enhanced audit procedures for Payroll – Change of circumstances		£500	£500
Enhanced audit procedures for Collection Fund- reliefs testing		£750	£750
Increased audit requirements of revised ISAs 315		£3,000	£3,000
Total audit fees (excluding VAT)	£69,628	£62,878	£62,878

F. Auditing developments

Revised ISAs

There are changes to the following ISA (UK):

ISA (UK) 315 (Revised July 2020) 'Identifying and Assessing the Risks of Material Misstatement'

This impacts audits of financial statement for periods commencing on or after 15 December 2021.

ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'

ISA (UK) 240 (Revised May 2021) 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements'

A summary of the impact of the key changes on various aspects of the audit is included below:

These changes will impact audit for audits of financial statement for periods commencing on or after 15 December 2022.

Area of change	Impact of changes
Risk assessment	<p>The nature, timing and extent of audit procedures performed in support of the audit opinion may change due to clarification of:</p> <ul style="list-style-type: none"> the risk assessment process, which provides the basis for the assessment of the risks of material misstatement and the design of audit procedures the identification and extent of work effort needed for indirect and direct controls in the system of internal control the controls for which design and implementation needs to be assess and how that impacts sampling the considerations for using automated tools and techniques.
Direction, supervision and review of the engagement	<p>Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.</p>
Professional scepticism	<p>The design, nature, timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> increased emphasis on the exercise of professional judgement and professional scepticism an equal focus on both corroborative and contradictory information obtained and used in generating audit evidence increased guidance on management and auditor bias additional focus on the authenticity of information used as audit evidence a focus on response to inquiries that appear implausible
Definition of engagement team	<p>The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor.</p> <ul style="list-style-type: none"> Consideration is also being given to the potential impacts on confidentiality and independence.
Fraud	<p>The design, nature timing and extent of audit procedures performed in support of the audit opinion may change due to:</p> <ul style="list-style-type: none"> clarification of the requirements relating to understanding fraud risk factors additional communications with management or those charged with governance
Documentation	<p>The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.</p>

G. Audit opinion

Our audit opinion is included below.

We anticipate we will provide the Council with an unmodified audit report

Independent auditor's report to the members of West Oxfordshire District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of West Oxfordshire District Council (the 'Authority') for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, the Collection Fund and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, [as required by the Code of Audit Practice \(2020\) \("the Code of Audit Practice"\) approved by the Comptroller and Auditor General](#). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

G. Audit opinion

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance and S151 Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Director of Finance and S151 Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Director of Finance and S151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Director of Finance and S151 Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and S151 Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

G. Audit opinion

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Director of Finance and S151 Officer

As explained more fully in the Statement of Responsibilities set out on page 7, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and S151 Officer. The Director of Finance and S151 Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and S151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

G. Audit opinion

In preparing the financial statements, the Director of Finance and S151 Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks ([the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23](#), [the Local Audit and Accountability Act 2014](#), [the Accounts and Audit Regulations 2015](#) and [the Local Government Act 2003](#)).

We enquired of management and the Audit and Governance Committee concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to high risk and unusual journal entries and significant accounting estimates. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on high risk and unusual journals
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment, investment properties and the defined benefit pensions liability valuations; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

G. Audit opinion

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

G. Audit opinion

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of West Oxfordshire District Council for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature to be added

Peter Barber, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol

Date: XXX





WEST OXFORDSHIRE
DISTRICT COUNCIL

STATEMENT OF ACCOUNTS 2022/23

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West Oxfordshire District Council

In the last decade the population of West Oxfordshire has increased by 9% to 114,200, the fastest rise in the South East but it is still the least densely populated. The rural nature of the district makes it more difficult and more costly to provide services and the recent rises in inflation and interest rates have impacted the Council's finances in the same way as individual households have been affected.

The increase in population puts pressure on housing stocks and with 18% of households in the Private Rented sector, both the availability of homes for rent and affordability are key long term concerns.

During 2022/23, 309 new affordable homes have been completed in the District, higher than the target of 276 in the Local Plan, this has been achieved by working in partnership with both housing associations and developers.

The population is ageing, with 21.7% of residents over the age of 65, of which 10% are over 75, many of whom live alone. This brings to the fore concerns over accessibility to services, social isolation and the effect of the cost of living crisis on some of the most vulnerable residents in the District.

The Council has been running an active Cost of Living support programme which provided assistance for residents and local charities supporting residents through the winter months and beyond as the situation continues.

Our Vision and Priorities

The Council Plan 2023-2027 was adopted in January 2023. The Plan sets out the Council's key priorities and shows how the Council intends to achieve its ambitions for supporting local communities and the delivery of local services as follows.

1. Putting residents first
2. Enabling a good quality of life for all
3. Creating a better environment for people and wildlife
4. Responding to the climate and ecological emergency
5. Working together for West Oxfordshire

An Action Plan will be developed in 2023/24 with the specific actions to be taken, including detail on the role of the Council, required partner inputs, resources required and anticipated outputs with defined 'measures of success' to enable the Council to demonstrate that the Plan priorities are being delivered.

Progress on the delivery of the Council Plan priorities will be communicated via quarterly performance management reports and an Annual Statement that will provide a detailed overview of progress to date and actions required to further progress delivery of the Plan priorities for the following twelve months.

Shared Prosperity Fund

Announced in April 2022, West Oxfordshire will receive £1m of government funding over the next three years to improve our town centres, support community groups, help to grow the local economy and build skills and business growth in the area. A working group has been established to develop suitable programmes and includes members from Abingdon & Witney College, OXLEP, Thames Valley Chamber of Commerce and North East Cotswold Farmer Cluster.

Rural England Prosperity Fund

Announced in September 2022, the government has allocated £716,216 for capital projects to provide new and improved community infrastructure and help small businesses to develop new facilities and products that will benefit the local economy.

Homes for Ukraine

The Council is continuing to support the Homes for Ukraine scheme in which people in the UK are sponsoring/hosting a Ukrainian family or individual. As at 31 March 2023 there were 124 guests in 49 households.

Cost of Living Crisis

The rise in energy prices and inflationary increases in living costs have impacted residents of the District, particularly those on low incomes. The Council paid £5.225m to 33,989 households for the Council Tax £150 rebate scheme in the year but has still seen an increase in applications for reductions in Council Tax in special circumstances (S13 1A). The Council Tax support scheme for 23/24 has been revised in line with inflation.

Collection rates for both Council Tax and Business Rates have not yet returned to pre pandemic levels with Council Tax 1.64% below target and Business Rates at 2.8% below target, in spite of a 4% improvement on 21/22.

NARRATIVE REPORT

Publica Group (Support) Limited

Publica Group (Support) Limited ['Publica'] is wholly owned by West Oxfordshire District Council, Cotswold District Council, Forest of Dean District Council and Cheltenham Borough Council. It is a not-for-profit company limited by guarantee with no share capital and operates with Mutual Trading Status to deliver services under contract on behalf of the Member Councils.

Publica is a Teckal company fulfilling the conditions set out in Regulation 12(4) of the Public Contracts Regulations 2015. The Company is subject to management supervision by the Members. As such, the Company is a body governed by public law as defined in the Public Contracts Regulations 2015.

While Publica works closely with the Council, the company has its own board of Directors, its own Management team, and operates independently from the Council.

Ubico Ltd

Ubico Ltd was established in 2011/12 by Cheltenham Borough Council and Cotswold District Council to deliver integrated environmental services including household and commercial refuse collection.

During 2015/16 West Oxfordshire District Council became a shareholder of Ubico Ltd. The Council holds an equal 1/8th shareholding in the Company.

Medium Term Financial Strategy (MTFS)

The financial impact of the new Council priorities is reflected in the updated Medium Term Financial Strategy 2022/23. The Council operates a rolling 10 year MTFS which was approved by the Executive as part of the budget papers on 8 February 2023 and published to all members as part of the Council papers a week later. That update reflected:

- The expected loss of £2m of funding through the Business Rates Reset delayed until 2025/26
- Significant inflationary pressures in both contract costs and wages growth
- The erosion of General Fund balances to fill the funding gap.
- The re-profiling of our Investment Strategy to recognise the difficulty in bringing suitable projects to fruition exacerbated by the increased PWLB restrictions on Public Sector borrowing and the significant rise in interest rates.
- A provision of £4.096m for appeals against both the 2010 and 2017 Business Rate rating list.
- Changes in assumptions on tax base growth and inflation

The Medium Term Financial Strategy has since been revised for the Executive and the revisions shared with wider members as part of member training. It will continue to be updated regularly to forecast the current position and evaluate the impact, both negative and positive of decisions made.

The version of the Medium Term Financial Strategy published with the budget papers can be found on the Council's website within the documents of the Executive meeting of 8th February 2023.

Financial Performance

The Council's 2022/23 budget strategy assumed a contribution to General Fund balances of £1.6m. The outturn position (after transfers to earmarked reserves) was a deficit for the year of £573,004.

The full Q4 outturn report can be viewed by visiting the Council website and reading the Executive papers of 12th July 2023.

Retained Business Rates

There is a £1.273m deficit in our retained Business Rate income for 2022/23 due to the extension of government reliefs to the Retail, Leisure and Hospitality Sectors. The corresponding Section 31 compensation grant received in the year from Central Government has been moved to Earmarked Reserves to fund the repayment of the deficit on the Collection Fund in 2023/24. This deficit has been taken into account when setting the 2023/24 budget.

Capital Programme

The Council maintains a capital programme to support investment and manage its assets. The approved budget for the year was £30.5m.

In 2022/23 the Council spent £15.006m on:

Capital Investment in the year	£000
Purchase of Marriotts Walk Shopping Centre	9,542
Affordable Housing	1,819
Disabled Facilities Grants (DFGs)	888
S106 Funded Projects	517
Community Grants	171
IT Equipment and Infrastructure	67
High Speed Broadband	1,187
Agile Working Programme	191
Ubico Fleet Replacement	446
Purchase of Land at Cogges	76
Other Minor Schemes	102
	15,006

NARRATIVE REPORT

The most significant of these was the purchase of Marriotts Walk Shopping Centre. This acquisition allows the Council to regenerate the central Witney shopping area, protect the long term sustainability of Witney Town Centre through proactively seeking tenants who compliment traders on the High Street and ultimately increase footfall and employment in the whole of Witney due to the nature of our Marriotts offering.

Financial Position

Net Assets increased in the year by approximately £19.875m. The Council continues to maintain a strong Balance Sheet despite financial challenges.



Net Assets 21/22

£129.754m

Net Assets 22/23

£150.406.m

Movement

£20.652.m

The major contributing factors were a decrease in the pension fund obligation of £23.142m and a decrease in temporary cash held at the year end compared to the previous year and the acquisition of Marriotts Walk in Witney.

Pension Liability

West Oxfordshire District Council is a member of the Oxfordshire County Council Pension Fund, for which Oxfordshire County Council is the administering authority. The scheme is a defined benefit statutory scheme that is administered in accordance with the Local Government Pension Scheme Regulations 1997 (as amended).

At the balance sheet date the actuarial valuation had the pension fund in deficit (liabilities exceed assets). The valuation is represented as follows:

Pension assets and liabilities	£000
Fair value of employer assets	71,215
Present value of obligations	(73,004)
Surplus / (deficit) on the pension fund	(1,789)

The Council's overall pension liability fell in the year by £23.142m. The future value of pension liabilities is based on the discount rate, which is based on the yield on investment grade corporate bonds. There has been a significant rise in yield over the period which has led

to an increase in the discount rate, which in turn has had a positive effect on pension scheme liabilities.

The 31st March 2023 position [£1,789,000 deficit] is compared to a restated deficit at 31st March 2022 of £24,931,000. Whilst the scheme is in deficit it represents the net value of what the Council owes across all future years. The Council makes contributions to cover liabilities accruing for employees that are current members.

Operational Performance and Efficiency

The Council has three Overview and Scrutiny Committees – Finance and Management; Economic and Social; and Climate & Environment – to monitor the Council's progress towards achieving its aims and priorities as set out in the Corporate Strategy and Plan.

Service Performance is reported to Members quarterly through a set of Service Dashboards which measure a range of metrics such as the recycling rate achieved, the average caseload per Planner and planning decisions made within the target of 8 weeks of receipt, the Council Tax & Business Rates collection rates, the level of Aged Debt, the on call time and response time in Customer Services and the number of households in temporary emergency accommodation.

For more details on the year's performance please refer to the Council website and the 'Service Performance Report 2022/2023 Year End' from the Executive meeting of 12 July 2023.

Risk Management

A new Risk Management Group was set up in 2021/22. The Group comprises both Council Statutory Officers and Publica Senior Managers. Any risk scoring above a defined threshold are considered a 'primary' risk.

Work has also been undertaken to improve the recognition, reporting and mitigation of risk. While significant progress has been made to improve the quality of information captured on the risk registers, this is recognised as an ongoing project with the need to embed the agreed criteria and documented processes in the service areas and to encourage the culture shift needed to acknowledge and flag risks early, allowing both management and members to factor them into decision making and to affording the greatest amount of time possible to develop and implement mitigations

Explanation of the Accounting Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March. It comprises core and supplementary statements, together with supporting notes. The format and content of the financial

NARRATIVE REPORT

statements is prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, which in turn is underpinned by International Financial Reporting Standards. A glossary of key terms and abbreviations can be found at the end of this publication.

The **Core Statements** are:

The **Comprehensive Income and Expenditure Statement** – this records all the Council's income and expenditure for the year. The top half of the statement provides an analysis by service area / directorate. The bottom half of the statement deals with corporate transactions and funding.

The **Movement in Reserves Statement** is a summary of the changes that have taken place in the bottom-half of the Balance Sheet over the financial year.

Reserves are divided into "usable", which can be invested in service improvements or capital investment, and "unusable" which must be set aside for specific purposes.

The **Balance Sheet** is a 'snapshot' of the Council's assets, liabilities, cash balances and reserves as at the year-end, 31 March 2022.

The **Cash Flow Statement** shows the reason for changes in the Council's cash balances during the year, and whether that change is due to operating activities, new investment or financing activities (such as borrowing or other long term liabilities).

The **Supplementary Statements** are:

The **Collection Fund** summarises the transactions relating to council tax and business rates collection, and the redistribution of that money.

Business Rates are distributed to Central Government, Oxfordshire County Council and West Oxfordshire District Council. Council Tax is distributed between Oxfordshire County Council, the Police & Crime Commissioner for Thames Valley, West Oxfordshire District Council and the Town & Parish Councils within the West Oxfordshire district.

The **Annual Governance Statement** which sets out the governance structures of the Council and its key internal controls.

Facing the Challenges Ahead

2022/23 was financially a very difficult one for the Council, driven by unexpectedly high inflation affecting all aspects of spend generally, salary costs, utility bills and fuel in particular. These economic shocks and sudden increases in costs were felt everywhere, creating a Cost of Living crisis for our residents and the wider population. During the pandemic the Council had a pivotal role to play in supporting our residents and was instrumental in providing support and administering grants, much of which was funded by Central Govt. Now, the Authority is facing a situation where it is no longer receiving discretionary support to fund additional activities, the needs of its residents have changed but not reduced and it is suffering its own challenges with rising costs and reduced income.

While West Oxfordshire District Council is in no way unique, as every Local Authority at every tier is experiencing the same issues, that does not lessen the fact that it has had a significant impact on our long term financial stability.

The impact of the unprecedented cost increases is perfectly demonstrated in the closing position of 22/23. The Council set a realistic budget in February 2022 which anticipated returning a £1.6m surplus to the general fund. By March 2023 that had swung to a deficit of £573k. While this position was clearly significantly worse than budgeted, it is relatively in line with reporting through the year and also with our budget for 2023/24. While this provides some confirmation that our projections of a deficit budget position and deteriorating financial position are not overstated, it also reconfirms the need to address it.

Our largest controllable risks continue to be the Leisure contract, which is experiencing the same rise in costs, especially around utilities, combined with a footfall which has still not recovered and for those reasons is struggling to deliver the contractual levels of management fee income. The Ubico waste contract whose costs continue to rise rapidly is another concern, and an emerging risk around homelessness prevention. This was an area which saw elevated costs through Covid but the level of these has not reduced to pre pandemic levels.

Income from investment properties has seen some recovery, partly due to the good work done by officers liaising with tenants through the pandemic to assist with payment plans on rents owed but has still not completely recovered and local businesses hoping to emerge from the pandemic into a better

economic situation also find themselves suffering from the same inflationary increases and economic pressures.

In October of 2020, the Council adopted an ambitious investment strategy which it hoped would help to close the forecast budget gap in our Medium Term Financial Strategy (MTFS) which was primarily being caused by the anticipated reset of business rates income which has been deferred for several years and the discontinuation of New Homes Bonus. West Oxfordshire has benefitted disproportionately from both and therefore is expected to suffer a disproportionate impact in funding levels when they are removed.

The investment strategy has proven difficult to realise with compliant projects, which support Council priorities and deliver the necessary financial returns, very scarce indeed. West Oxfordshire has been fortunate this year to be able to invest in a large scale regeneration project in Witney, improving a shopping area which it hopes will bring increased trade and economic benefit to the whole high street and town beyond. With costs rising though, business cases that may have previously delivered returns are being hard pressed to do so and with interest rates more than twice the level they were when the investment strategy was created, most proposals investigated would result in detriment to the Council's Finances, not improvement. While the simple result of this is that we have avoided making what would now be bad investments, it does mean that some income we had previously hoped to generate will no longer happen and this is coupled with rising costs which have significantly widened the gap we are trying to close.

The positive aspect of this situation is that West Oxfordshire District Council has a healthy level of reserves. This means that we have been able to, in the short term, absorb these rapid changes in fortune. We have continued to provide services at the same level as before and have done our best to support our residents with a funded Cost of Living response which has given both direct support to those in need and indirect support through local charities and volunteer groups.

In the short to medium term however, this level of budget deficit will erode our reserves quickly and therefore cannot be sustained. We still anticipate the loss of New Homes Bonus in 2025/26 and the business rates reset which has been deferred for several years now is unlikely to be continued to be delayed indefinitely.

NARRATIVE REPORT

The Council is working with its teckal partners, Publica and Ubico, to examine each service area in order to identify potential savings, activities that could be deprioritised and opportunities to generate higher levels of income.

Council staff have continued the hybrid approach to working that was started through the pandemic. This has allowed the Authority to reorganise its office space, reducing its footprint and creating new revenue streams by leasing the space that has been freed up to local businesses.

The Council chamber is being modified to make it a more flexible space which will then be able to be rented out for business meetings and events. The same technology which is being installed to allow residents to view meetings and officers to interact remotely will allow people to participate in meetings and celebrations even if they are unable to attend in person.

While the difficulties highlighted above present a clear challenge, our relationship with partners such as GLL who are our leisure operator, partner Councils both to the west towards Gloucestershire and to the east across Oxfordshire and other local organisations remain strong and effective which is crucial in our delivery of services and support to our residents.

While our reserves are adequate, they are not infinite. Many of our current sources of income and funding have either reduced or have at best remained static while costs have risen to unanticipated levels. Savings, viable investments and new revenue streams are being sought but while so much uncertainty exists in our financial future, the financial stability of the Council must be a high priority in the coming year as it is the essential enabler for all other activities and objectives.

Further information

For further information on the accounts please contact:

Madhu Richards, Director of Finance,
West Oxfordshire District Council,
Woodgreen, Witney, Oxfordshire OX28 1NB;

or via email at madhu.richards@westoxon.gov.uk

The Authority's responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Chief Finance Officer's responsibility

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this statement of accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATE

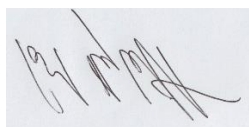
I certify that the Statement of Accounts presented here gives a true and fair view of the financial position of the authority at the accounting date and of its income and expenditure for the year ended 31st March 2023.



Madhu Richards
Director of Finance and S151 Officer

Date: 19/08/2024

In accordance with regulation 10(3) Accounts and Audit Regulations 2016, the statement of accounts is approved by the Chair of the Audit and Governance Committee, on behalf of West Oxfordshire District Council.



Cllr Carl Rylett
Chairman of the Audit and Governance Committee

Date: 19/08/2024

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2021/2022				Note	2022/2023		
Gross Expenditure £	Gross Income £	Net Expenditure £			Gross Expenditure £	Gross Income £	Net Expenditure £
1,480,674	(788,253)	692,421	Environmental and Regulatory Services		1,416,516	(638,259)	778,257
1,231,442	(177,785)	1,053,657	Finance, Human Resources & Procurement		1,323,577	(207,870)	1,115,707
2,829,514	(734,386)	2,095,128	ICT, Change and Customer Services		2,855,798	(719,139)	2,136,659
1,724,771	(872,930)	851,841	Land, Legal and Property Services		2,131,525	(969,549)	1,161,976
18,995,895	(18,172,092)	823,803	Revenues and Housing Support Services		23,399,253	(22,101,685)	1,297,568
1,223,593	(210,733)	1,012,860	Democratic Services		1,250,980	(40,371)	1,210,609
10,580,393	(3,476,932)	7,103,461	Environmental Services		11,628,622	(3,557,560)	8,071,062
2,821,069	(301,042)	2,520,027	Leisure and Communities Services		5,210,386	(2,887,505)	2,322,881
2,518,408	(1,389,576)	1,128,832	Planning and Strategic Housing Services		4,876,613	(3,315,384)	1,561,229
1,654,761	(495,452)	1,159,309	Other Retained Services		1,808,015	(465,323)	1,342,692
4,216,639	(2,716,576)	1,500,063	Covid-19 Income & Expenditure	B2A	522,941	(91,067)	431,874
49,277,159	(29,335,757)	19,941,402	Cost of Services	B1	56,424,226	(34,993,712)	21,430,514
4,092,790	(312,771)	3,780,019	Other Operating Expenditure	B3	4,424,653	(996,494)	3,428,159
1,013,018	(5,963,906)	(4,950,888)	Financing and Investment Income and Expenditure	B4	2,718,795	(5,136,030)	(2,417,235)
0	(22,078,060)	(22,078,060)	Taxation and Non-Specific Grant Income	B5	0	(21,453,812)	(21,453,812)
54,382,967	(57,690,494)	(3,307,527)	(Surplus) / Deficit on Provision of Services	B1 / B2	63,567,674	(62,580,048)	987,626
	(1,485,531)		(Surplus) / deficit on revaluation of non current assets				1,607,582
	(12,038,000)		(Gains) / Losses on Financial Instruments at FV through Remeasurement of the net defined benefit liability				1,299,757
							(24,547,000)
	(13,523,531)		Other Comprehensive Income and Expenditure				(21,639,661)
	(16,831,058)		Total Comprehensive Income and Expenditure				(20,652,035)

THE MOVEMENT IN RESERVES STATEMENT

	Note	Usable Reserves					Unusable Reserves £	TOTAL RESERVES £
		General Fund - Unallocated £	General Fund - Earmarked £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £		
Balance at 1st April 2021		(12,808,751)	(19,095,758)	(6,255,744)	(7,940,560)	(46,100,813)	(66,822,333)	(112,923,146)
Movements in reserves 2021/22		(1,294,755)	1,294,755	0	0	0	0	0
Total Comprehensive Income and Expenditure		(3,307,527)	0	0	0	(3,307,527)	(13,523,531)	(16,831,058)
Adjustments between accounting basis & funding basis under regulations	C1	4,597,687	0	(418,720)	(3,577,948)	601,019	(601,019)	0
(Increase) / Decrease in Reserves 2021/22		(4,594)	1,294,755	(418,720)	(3,577,948)	(2,706,508)	(14,124,550)	(16,831,058)
Balance at 31 March 2022		(12,813,345)	(17,801,003)	(6,674,464)	(11,518,508)	(48,807,321)	(80,946,883)	(129,754,204)
Movements in reserves 2022/23		(1,702,630)	1,702,630	0	0	0	0	0
Total Comprehensive Income and Expenditure		987,626		0	0	987,626	(21,639,661)	(20,652,035)
Adjustments between accounting basis & funding basis under regulations	C1	1,288,001	1,378,738	5,200,671	(1,684,802)	6,182,607	(6,182,607)	0
(Increase) / Decrease in Reserves 2022/23		572,997	3,081,367	5,200,671	(1,684,802)	7,170,233	(27,822,268)	(20,652,035)
Balance at 31 March 2023		(12,240,348)	(14,719,636)	(1,473,793)	(13,203,310)	(41,637,088)	(108,769,151)	(150,406,239)

THE MOVEMENT IN RESERVES STATEMENT

	Note	Usable Reserves					Unusable Reserves £	TOTAL RESERVES £
		General Fund - Unallocated £	General Fund - Earmarked £	Capital Receipts Reserve £	Capital Grants Unapplied £	Total Usable Reserves £		
Balance at 1st April 2020		(12,759,997)	(11,060,046)	(5,980,927)	(8,946,460)	(38,747,430)	(79,699,497)	(118,446,927)
Movements in reserves 2020/21		8,648,754	(8,648,754)	0	0	0	0	0
Total Comprehensive Income and Expenditure		(2,768,463)	0	0	0	(2,768,463)	8,292,244	5,523,781
Adjustments between accounting basis & funding basis under regulations	C1	(5,929,045)	613,042	(274,817)	1,005,900	(4,584,920)	4,584,920	0
(Increase) / Decrease in Reserves 2020/21		(48,754)	(8,035,712)	(274,817)	1,005,900	(7,353,383)	12,877,164	5,523,781
Balance at 31 March 2021		(12,808,751)	(19,095,758)	(6,255,744)	(7,940,560)	(46,100,813)	(66,822,333)	(112,923,146)
Movements in reserves 2021/22		(1,294,755)	1,294,755	0	0	0	0	0
Total Comprehensive Income and Expenditure		(3,307,527)		0	0	(3,307,527)	(13,523,531)	(16,831,058)
Adjustments between accounting basis & funding basis under regulations	C1	4,597,687	0	(418,720)	(3,577,948)	601,019	(601,019)	0
(Increase) / Decrease in Reserves 2021/22		(4,594)	1,294,755	(418,720)	(3,577,948)	(2,706,508)	(14,124,550)	(16,831,058)
Balance at 31 March 2022		(12,813,345)	(17,801,003)	(6,674,464)	(11,518,508)	(48,807,321)	(80,946,883)	(129,754,204)

BALANCE SHEET

31st March 2022 £		Note	31st March 2023 £
68,840,789	Property, Plant & Equipment	D1	78,000,580
91,084	Heritage Assets		91,084
55,207,462	Investment Property	D2	51,305,000
16,529	Intangible Assets	D3	(0)
12,681,774	Non-Current Investments	F2	13,375,411
12,392,719	Non-Current Debtors	D7	11,882,089
149,230,358	Non-Current Assets		154,654,163
2,639,238	Investments	F2	64,433
20,517	Inventories		20,925
18,778,517	Debtors	D4	13,202,483
20,712,184	Cash and Cash Equivalents		7,686,021
42,150,456	Current Assets		20,973,862
(33,108,684)	Creditors	D5	(14,991,598)
0	Short Term Borrowing		(5,013,041)
(1,687,433)	Creditors - s.106 balances	D5	(1,314,063)
(1,448,846)	Provisions	D6	(1,743,670)
(36,244,963)	Current Liabilities		(23,062,372)
(24,931,000)	Defined Benefit Pension Liability	F1	(1,789,000)
(450,644)	Capital Grants Receipts in Advance	B9	(370,413)
(25,381,644)	Non-Current Liabilities		(2,159,413)
129,754,206	Net Assets		150,406,240
(48,807,320)	Usable reserves		(41,637,088)
(80,946,883)	Unusable Reserves	C3	(108,769,151)
(129,754,203)	Total Reserves		(150,406,239)

These financial statements replace the unaudited financial statements confirmed by the Chief Finance Officer on 31st July 2023.



Madhu Richards
Director of Finance, West Oxfordshire District Council.

CASH FLOW STATEMENT

	Note	2021/22 £	2022/23 £
Net surplus or (deficit) on provision of services		3,307,525	(987,626)
Adjustments to net surplus or (deficit) on the provision of services to exclude non-cash movements	<i>E1a</i>	11,037,884	(10,572,052)
Adjustments for items included in the net surplus or (deficit) on the provision of services that are investing or financing activities	<i>E1b</i>	(5,238,733)	(3,034,335)
Net cash flows from Operating Activities		9,106,678	(14,594,013)
Investing Activities	<i>E1c</i>	2,211,819	(3,446,453)
Financing Activities	<i>E1d</i>	0	5,000,000
Net increase or (decrease) in cash and cash equivalents		11,318,494	(13,040,466)
Cash and cash equivalents at 1 April		9,389,432	20,707,926
Cash and cash equivalents at 31 March		20,707,926	7,667,461
Comprising:			
Cash and bank current accounts		6,907,778	(472,539)
Short term investments		13,800,148	8,140,000
		20,707,926	7,667,461

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B1. Expenditure and Funding Analysis

	2022/2023					
	Net Expenditure in CI&ES £	Adjs. between accounting and funding basis £	Transfers to /(from) GF Earmarked Reserves £	Net Exp. Chargeable to the General Fund £	Management Reporting Adjs. £	Outturn Reported to Management £
Environmental and Regulatory Services	778,257	(193,694)	0	584,563	(14,034)	570,529
GO Shared Services	1,115,707	(135,619)	0	980,088	1,197	981,285
ICT, Change and Customer Services	2,136,659	(381,589)	0	1,755,070	138,577	1,893,647
Land, Legal and Property Services	1,161,976	(229,195)	0	932,781	156,257	1,089,038
Revenues and Housing Support Services	1,297,568	(312,398)	0	985,170	55,882	1,041,052
Democratic Services	1,210,609	(58,825)	0	1,151,784	0	1,151,784
Environmental Services	8,071,062	(489,491)	0	7,581,571	449,803	8,031,374
Leisure and Communities Services	2,322,881	(2,984,518)	0	(661,637)	1,426,647	765,010
Planning and Strategic Housing Services	1,561,229	(644,415)	0	916,814	1,040	917,854
Other Retained Services	1,342,692	377,985	0	1,720,677	275,721	1,996,398
Covid-19 Income & Expenditure	431,874	0	0	431,874	0	431,874
Cost of Services	21,430,514	(5,051,759)	0	16,378,755	2,491,091	18,869,846
Other Income and Expenditure	(20,442,888)	6,339,760	(1,702,630)	(15,805,758)	(2,491,091)	(18,296,848)
(Surplus) / Deficit on Provision of Services	987,626	1,288,001	(1,702,630)	572,997	0	572,997
Opening General Fund Balance (Unallocated) at 1 April				(12,813,346)		
(Surplus) / Deficit for the year				572,997		
Closing General Fund Balance (Unallocated) at 31 March				(12,240,349)		

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2021/2022					
	Net Expenditure in CI&ES £	Adjs. between accounting and funding basis £	Transfers to /(from) GF Earmarked Reserves £	Net Exp. Chargeable to the General Fund £	Management Reporting Adjs. £	Outturn Reported to Management £
Environmental and Regulatory Services	692,421	(255,531)	0	436,890	(6,567)	430,323
GO Shared Services	1,053,657	(159,096)	0	894,561	1,197	895,758
ICT, Change and Customer Services	2,095,128	(490,387)	0	1,604,741	167,448	1,772,189
Land, Legal and Property Services	851,841	(198,071)	0	653,770	122,624	776,394
Revenues and Housing Support Services	823,803	91,726	0	915,529	(125,050)	790,479
Democratic Services	1,012,860	(51,405)	0	961,455	0	961,455
Environmental Services	7,103,461	(545,917)	0	6,557,544	337,863	6,895,407
Leisure and Communities Services	2,520,027	(1,488,977)	0	1,031,050	963,394	1,994,444
Planning and Strategic Housing Services	1,128,832	(415,965)	0	712,867	5,459	718,326
Other Retained Services	1,159,309	562,251	0	1,721,560	0	1,721,560
Covid-19 Income & Expenditure	1,500,063	0	0	1,500,063	0	1,500,063
Cost of Services	19,941,402	(2,951,372)	0	16,990,030	1,466,368	18,456,398
Other Income and Expenditure	(23,248,929)	7,549,057	(1,294,755)	(16,994,627)	(1,466,368)	(18,460,995)
(Surplus) / Deficit on Provision of Services	(3,307,527)	4,597,685	(1,294,755)	(4,596)	0	(4,596)
Opening General Fund Balance (Unallocated) at 1 April				(12,808,750)		
(Surplus) / Deficit for the year				(4,596)		
Budgeted contribution to GF				0		
Closing General Fund Balance (Unallocated) at 31 March				(12,813,346)		

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Adjustments between accounting basis and funding basis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded compared with the resources consumed or earned by the Council in accordance with generally accepted accounting practices as shown in the Comprehensive Income and Expenditure Account. It also shows how these amounts are allocated for decision making purposes across the Council's Directorates and Services. The adjustments between these amounts are detailed below:

	2022/2023						
	Adjustments between funding and accounting basis (see MiRS Note C1)			Adjustments between amounts chargeable to the General Fund and Management Reporting			Total Management Reporting Adjustments £
	Capital Adjs £	Pension Adjs £	Other Adjs £	Total adjs between funding and accounting £	Depreciation £	Other Segment Adjs. £	
Environmental and Regulatory Services	0	193,694		193,694		(14,034)	(14,034)
Finance, Human Resources & Procurement	1,197	134,422		135,619	1,197		1,197
ICT, Change and Customer Services	138,577	243,012		381,589	138,577		138,577
Land, Legal and Property Services	185,713	43,482		229,195	141,032	15,225	156,257
Revenues and Housing Support Services	67,430	244,968		312,398	46,566	9,316	55,882
Democratic Services	0	58,825		58,825			0
Environmental Services	480,115	9,376		489,491	480,115	(30,312)	449,803
Leisure and Communities Services	2,801,972	182,546		2,984,518	915,651	510,996	1,426,647
Planning and Strategic Housing Services	279,915	364,500		644,415	1,040		1,040
Other Retained Services	(308,160)	(69,825)		(377,985)		275,721	275,721
Cost of Services	3,646,759	1,405,000	0	5,051,759	1,724,178	766,913	2,491,091
Other Income and Expenditure	(2,645,229)	0	(3,694,531)	(6,339,760)	(1,724,178)	(766,913)	(2,491,091)
(Surplus) / Deficit on Provision of Services	1,001,530	1,405,000	(3,694,531)	(1,288,001)	0	0	0

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2021/2022						
	Adjustments between funding and accounting basis (see MiRS Note C1)			Adjustments between amounts chargeable to the General Fund and Management Reporting			Total Management Reporting Adjustments £
	Capital Adjs £	Pension Adjs £	Other Adjs £	Total adjs between funding and accounting £	Depreciation £	Other Segment Adjs. £	
- Environmental and Regulatory Services	0	255,531	0	255,531	0	(6,567)	(6,567)
Finance, Human Resources & Procurement	1,197	157,899	0	159,096	1,197		1,197
ICT, Change and Customer Services	167,448	322,939	0	490,387	167,448		167,448
Land, Legal and Property Services	133,965	64,106	0	198,071	133,965	(11,341)	122,624
Revenues and Housing Support Services	(403,119)	311,393	0	(91,726)	15,941	(140,991)	(125,050)
- Democratic Services	0	51,405	0	51,405	0		0
Environmental Services	456,257	89,660	0	545,917	456,257	(118,394)	337,863
Leisure and Communities Services	1,336,163	152,814	0	1,488,977	943,198	20,196	963,394
Planning and Strategic Housing Services	5,459	410,506	0	415,965	5,459		5,459
Other Retained Services	0	(562,251)		(562,251)	0		0
Cost of Services	1,697,370	1,254,002	0	2,951,372	1,723,465	(257,097)	1,466,368
Other Income and Expenditure	(5,842,538)	712,000	(2,418,519)	(7,549,057)	(1,723,465)	257,097	(1,466,368)
(Surplus) / Deficit on Provision of Services	(4,145,168)	1,966,002	(2,418,519)	(4,597,685)	0	0	0

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Capital Adjustments

This column adjusts for depreciation and impairment, revaluations gains and losses in service lines and for transfers of income / net value of assets written off on disposals in Other Operating Income and Expenditure. Taxation and Non Specific Grant Income is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Pension Adjustments

This column removes the impact of IAS19 Employee Benefits. For services, this removes current or past service costs and replaces them with the actual employer pension contributions payable. In Financing and Investment Income and Expenditure, the net interest on the net defined benefit liability is removed.

Other Adjustments

This adjustment represents the difference between the amounts chargeable under statutory regulations for Council Tax and Non Domestic Rates and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

B2. Expenditure and Income Analysed by Nature

	2021/22 £	2022/23 £
Expenditure		
Employee benefits expenses	2,690,621	2,323,225
Publica Contract Charges	9,833,998	10,945,341
Housing Benefit & Other Transfer Payments	15,381,453	14,541,926
Covid grant payments	4,216,640	522,941
Other service expenses	14,217,908	21,846,127
Depreciation, amortisation and impairment	1,723,465	1,724,178
Interest payments and similar expense	712,000	683,000
Precepts and Levies	4,092,790	4,424,653
Other expenditure	1,514,094	6,556,283
Total Expenditure	54,382,969	63,567,674
Income		
Fees, charges & other service income	(10,472,188)	(11,338,967)
Housing Benefit Subsidy	(15,434,231)	(14,615,574)
Government Grants (incl Covid)	(14,732,085)	(14,019,352)
Income from Council Tax	(9,275,264)	(9,866,659)
Income from Non Domestic Rates	438,274	(1,210,215)
Non Government Grants & Contributions	(6,259,371)	(9,214,416)
Investment Interest and similar income	(794,358)	(1,318,370)
Other income	(1,161,271)	(996,494)
Total Income	(57,690,494)	(62,580,047)
(Surplus) / Deficit on Provision of Services	(3,307,525)	987,627

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B2a COVID Grants

Expenditure	£
High Street Re-Opening	0
Compliance & Enforcement	327,910
Business Support Grants (ARG)	89,336
Contain Outbreak Management	105,694
	522,940
Income	£
High Street Re-Opening	(730)
Compliance & Enforcement	(1,000)
Business Support Grants (ARG)	(89,336)
	(91,066)

B3. Other Operating Income and Expenditure

	2021/22	2022/23
	£	£
(Gains) / losses on disposal of non current assets	(7,034)	(30,670)
Unattached capital receipts	(305,736)	(965,824)
Town and Parish Council support grant	0	0
Town and Parish Council precepts	4,092,790	4,424,653
	3,780,020	3,428,159

B4. Financing and Investment Income and Expenditure

	2021/22	2022/23
	£	£
Interest payable and similar charges	0	13,260
Interest receivable and similar income	(794,695)	(1,364,483)
Movement in the fair value of financial assets*	151,558	327,112
Movement in the creditor loss allowance	(460,783)	319,803
Movement in the fair value of investment property	(848,500)	1,002,462
Net investment property (income) / expenditure	(3,710,467)	(3,398,346)
Net interest on the net defined benefit pension liability	712,000	683,000
	(4,950,887)	(2,417,192)

*Movement in the fair value of financial assets largely reflects the increase in value at balance sheet date of pooled investment funds.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B5. Taxation and Non Specific Grant Income

	2021/22 £	2022/23 £
National Non Domestic Rates:		
- Redistribution	(4,723,527)	(2,545,704)
- Renewable Energy	(209,141)	(209,076)
- Business rates levy	1,684,456	1,700,607
- Surplus from the pool	(731,119)	(822,139)
- (Surplus) / Deficit	4,417,603	834,112
	438,272	(1,042,200)
Council Tax income (Council and Town/Parish Council shares)	(9,275,264)	(9,866,659)
Revenue Support Grant	(79,268)	(82,008)
New Homes Bonus	(2,284,075)	(2,378,105)
S31 NDR Compensation Grant	(5,583,412)	(4,432,596)
Capital grants and contributions	(3,803,487)	(2,588,665)
Other non-ringfenced government grants	(1,154,221)	(1,063,579)
LG Compensation scheme for lost sales, fees and charges	(336,606)	0
	(22,078,061)	(21,453,812)

B6. Members' Allowances

	2021/22 £	2022/23 £
Basic and Special Responsibility Allowances	378,034	427,711
Expenses	1,480	1,090
	379,514	428,801

B7. External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections, and to non-audit services provided by the Council's external auditors (Grant Thornton UK LLP):

	2021/22 £	2022/23 £
External audit services carried out by the appointed auditor	63,628	62,878
Certification of grant claims and returns carried out by KPMG	14,600	39,930
	78,228	102,808

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

Most disclosures within the Statement of Accounts give additional details about the amounts receivable and payable included in the core statements. The amounts for External Audit Costs are disclosed in accordance with annually agreed audit fee schedules.

B8. Officer Remuneration

Senior Officer Remuneration

The Council's senior officers are those with statutory responsibility within the Council.

Post	2022/2023		
	Salary, allowances & other benefits £	Pension Contributions £	Total Remuneration £
Chief Executive	84,117	15,236	99,353
Chief Finance Officer/Deputy Chief Executive ²	80,281	14,129	94,410
Interim Monitoring Officer	70,608	0	70,608
	235,006	29,366	264,372

Post	2021/2022		
	Salary, allowances & other benefits £	Pension Contributions £	Total Remuneration £
Chief Executive	82,192	14,466	96,657
Chief Finance Officer/Deputy Chief Executive ²	78,356	13,791	92,146
Monitoring Officer	48,054	7,934	55,988
	208,601	36,191	244,792

Other Officer Remuneration

The majority of the Council's staff TUPE-transferred to Publica Group (Support) Limited on 1 November 2017, only a small number of staff are now employed directly by the Council and none of the Authority's employees (excluding those identified above) received more than £50,000 remuneration of the year. (No employees received more than £50,000 in 2021/22).

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B9. Grant Income

The following significant grants and contributions were credited to the Comprehensive Income and Expenditure Statement during the year.

	2021/22 £	2022/23 £
<u>Revenue grants credited to Cost of Services</u>		
Housing Benefit Subsidy	(14,944,518)	(14,322,427)
Housing Benefit Administration Subsidy	(184,987)	(186,895)
Council Tax Rebate Scheme	0	(4,740,584)
	(15,129,505)	(19,249,906)
<u>Revenue grants credited to Taxation and Non Specific Grant Income</u>		
New homes bonus grant	(2,284,075)	(2,378,105)
Revenue Support Grant	(79,268)	(82,007)
S31 NDR compensation grant	(5,583,412)	(4,432,596)
Rural services delivery grant	(133,225)	(133,225)
Other specific government grants	(1,357,602)	(494,573)
	(9,437,582)	(7,520,506)
<u>Capital grants credited to the Comprehensive Income and Expenditure Statement</u>		
Better Care Funding	(766,880)	(807,750)
S.106 Receipts & other capital grants	(3,803,487)	(2,588,665)
	(4,570,367)	(3,396,415)

Where the Council has been given grants or contributions with conditions attached, which the Council has yet to meet, these grants are treated as receipts in advance until the conditions are met. The grants and contributions held at the balance sheet date are as follows:

	2021/22 £	2022/2023 £
Environment Agency Grant [for specific Land drainage works]	(174,265)	(174,265)
Better Care Grant Funding	(276,379)	(196,148)
Long Term Capital Receipt in advance	(450,644)	(370,413)
S106 Capital Contributions [due to third parties]	(142,147)	(29,493)
Short Term Capital Receipt in advance	(142,147)	(29,493)
Total Capital Receipt in Advance	(592,791)	(399,906)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

B10. Termination Benefits

Redundancy and Compensation

There is no redundancy and compensation cost in 2022/23.

Pension Strain

There is no pensions strain cost in 2022/23 (nil in 2021/22). Any additional contributions (strain contributions and augmentation contributions) that are due to be paid in the year by the Council, under any agreement with the pension fund, are recognised immediately as an expense.

Exit Packages

There is no exit package cost charged to the Council's Comprehensive Income and Expenditure Statement for the current year.

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

C1. Adjustments Between Accounting Basis and Funding Basis Under Regulations

	2022/23			
	General Fund - Unallocated	General Fund - Earmarked	Capital Receipts Reserve	Capital Grants Unapplied
	£	£	£	£
Capital Adjustments				
Reversal of entries included in the CI&ES relating to Capital Expenditure				
Charges for depreciation, amortisation and impairment	(1,724,178)			
Revaluation losses on Property, Plant and Equipment	(371,793)			
Movements in the fair value of Investment Properties	(1,002,462)			
Capital Grants and Contributions applied	2,479,256			
Revenue Expenditure funded from Capital Under Statute	(4,614,415)			
Non current assets written off on disposal or sale	(445,669)			
Adjustments between Capital & Revenue Resources				
Transfer of cash sale proceeds from disposal of non current assets	445,669			
Capital expenditure charged against General Fund Balance	308,160			
Statutory provision for the repayment of debt	420,313			
Capital grants and contributions credited to CI&ES	2,537,766			(2,537,766)
Unattached Capital Receipts	965,824		(965,824)	
Adjustments to Capital Resources				
Application of grants to capital financing trfd to CAA				852,964
Use of capital receipts reserve to finance new capital expenditure			7,055,961	
Capital loan repaid			(223,670)	
Transfer from Deferred Capital Receipts on receipt of cash			(665,796)	
Financial Instrument Adjustments				
Reversal of changes in fair value on Pooled Investment Funds				
Pension Adjustments				
Pension costs transferred to / (from) the Pensions Reserve	(1,405,000)			
Accumulated Absences Adjustments				
Movement in accumulated absences adjustment transferred to / (from) Accumulated Absences Adjustment Account	0			
Other Adjustments				
Council Tax and NDR transfers to / (from) the Collection Fund Adjustment Account	3,694,531			
Capital expenditure charged against General Fund Balance		1,378,738		
	1,288,001	1,378,738	5,200,671	(1,684,802)

NOTES TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2021/22			
	General Fund - Unallocated	General Fund - Earmarked	Capital Receipts Reserve	Capital Grants Unapplied
	£	£	£	£
Capital Adjustments				
Reversal of entries included in the CI&ES relating to Capital Expenditure				
Charges for depreciation, amortisation and impairment	(1,723,465)			
Revaluation losses on Property, Plant and Equipment	(202,690)			
Movements in the fair value of Investment Properties	848,500			
Capital Grants and Contributions applied	1,388,630			
Revenue Expenditure funded from Capital Under Statute	(1,159,846)			
Non current assets written off on disposal or sale	(507,760)			
Adjustments between Capital & Revenue Resources				
Transfer of cash sale proceeds from disposal of non current assets	507,760			
Capital expenditure charged against General Fund Balance	540,100			
Statutory provision for the repayment of debt	344,715			
Capital grants and contributions credited to CI&ES	3,803,487			(3,803,487)
Unattached Capital Receipts	305,736		(305,736)	
Adjustments to Capital Resources				
Application of grants to capital financing trfd to CAA				225,539
Use of capital receipts reserve to finance new capital expenditure			688,073	
Capital loan repaid			(207,798)	
Transfer from Deferred Capital Receipts on receipt of cash			(593,259)	
Financial Instrument Adjustments				
Reversal of changes in fair value on Pooled Investment Funds	(151,557)			
Pension Adjustments				
Pension costs transferred to / (from) the Pensions Reserve	(1,966,000)			
Accumulated Absences Adjustments				
Movement in accumulated absences adjustment transferred to / (from) Accumulated Absences Adjustment Account	0			
Other Adjustments				
Council Tax and NDR transfers to / (from) the Collection Fund Adjustment Account	2,570,076			
	4,597,687	0	(418,720)	(3,577,948)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

C2. Usable Reserves

Earmarked Reserves

The Council's General Fund comprises an unallocated element, used to meet day-to-day spending and 'Earmarked Reserves' – amounts set aside to provide financing for future specific expenditure or projects. Material transfers in 2022/23 are £2,060,045 to repay the Business Rates deficit in 2023/24 and £633,757 towards the Local Plan Review due for completion by 31st March 2024.

Movements in 'Earmarked Reserves' during the year are shown below:

Earmarked Reserves	Balance 1 April 2022 £	Transfers between reserves £	Transfers Out £	Transfers in £	Balance 31 March 2023 £
High Speed Broadband	(1,209,217)		1,187,041		(22,176)
Investment Property Improvement	(329,730)				(329,730)
Business Rate Movement	(514,937)				(514,937)
DCLG Community Housing Fund	(107,873)	48,074			(59,799)
Garden Village Grant	(635,436)		99,549		(535,887)
Benefits Subsidy Smoothing Reserve	(685,063)				(685,063)
Neighbourhood Planning	(19,426)		19,426		(0)
Flexible Homelessness Support Grant	(221,324)		70,000	(254,862)	(406,186)
Rev & Bens One-off Grant Funding	(224,824)			(32,000)	(256,824)
Delivery of Council Priorities	(943,699)	443,626			(500,073)
Pay Inflation	(300,000)				(300,000)
Non Pay Inflation	(500,000)				(500,000)
Local Plan Review	(100,000)			(633,757)	(733,757)
Covid Workstreams	(365,692)		154,175		(211,517)
New Initiatives	0	(614,600)	79,984		(534,616)
Contain Outbreak Management Grant	(1,002,235)		297,391		(704,844)
Business Rates Deficit	(5,385,326)		4,578,231	(2,060,405)	(2,867,500)
Covid Recovery	(1,000,000)				(1,000,000)
Publica Contract Growth	(1,427,567)		272,832		(1,154,735)
New Burdens	(428,548)	170,000	70,040	(197,590)	(386,098)
Project Contingency	(250,000)		19,550		(230,450)
Budget Deficit Reserve	0			(670,206)	(670,206)
Other earmarked reserves	(2,150,106)	(47,100)	469,675	(387,706)	(2,115,237)
	(17,801,003)	0	7,317,893	(4,236,526)	(14,719,636)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

C3. Unusable Reserves

Summary of Unusable Reserves

	2021/22 £	2022/23 £
Revaluation Reserve	(33,919,536)	(31,823,758)
Capital Adjustment Account	(74,568,946)	(79,170,345)
Pension Reserve	24,931,000	1,789,000
Deferred Capital Receipts Reserve	(2,515,069)	(2,294,942)
Collection Fund Adjustment Account	4,750,182	1,055,651
Accumulated Absences Account	15,587	15,587
Pooled Investment Fund Reserve	389,900	1,689,657
Financial Instruments Revaluation Reserve	(30,000)	(30,000)
	(80,946,883)	(108,769,150)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- re-valued downwards or impaired and the gains are lost.
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	2021/22 £	2022/23 £
Opening Balance - 1 April	(32,947,419)	(33,919,536)
Upward revaluation of assets	(3,383,085)	(894,621)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,897,554	2,502,202
<i>Surplus / deficit on revaluation of non current assets not posted to the Surplus/Deficit on the Provision of Services</i>	<i>(1,485,531)</i>	<i>1,607,582</i>
Difference between fair value and historic cost depreciation	513,414	488,196
Other balances written out to the Capital Adjustment Account	0	
<i>Amount written off to the Capital Adjustment Account</i>	<i>513,414</i>	<i>488,196</i>
Closing Balance - 31 March	(33,919,536)	(31,823,758)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement while depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007 [the date at which the Revaluation Reserve was created to hold such gains].

	2021/22 £	2022/23 £
Opening Balance - 1st April	(73,821,532)	(74,568,945)
<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</u>		
Charges for depreciation of non current assets	1,723,465	1,724,178
Revaluation losses on Property, Plant and Equipment	202,690	371,793
Revenue expenditure funded from capital under statute	1,159,846	4,614,415
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	507,760	445,669
	3,593,760	7,156,055
<u>Adjusting amounts written out of the Revaluation Reserve</u>		
Amounts written out on disposal or sale of non current assets	0	0
Historical cost depreciation adjustment	(513,414)	(488,196)
	(513,414)	(488,196)
Net written out amount of the cost of non current assets consumed in year	3,080,346	6,667,859
<u>Capital financing applied in year</u>		
Use of the Capital Receipts Reserve to finance new capital expenditure	(480,275)	(6,832,291)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(1,388,630)	(2,479,256)
Earmarked Reserves credited to Ci&ES to capital financing	0	(1,378,738)
Application of grants to capital financing from the Capital Grants Unapplied Account	(225,539)	(852,964)
Statutory provision for the repayment of debt	(344,715)	(420,313)
Capital expenditure charged against the General Fund Balance	(540,100)	(308,160)
	(2,979,259)	(12,271,721)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(848,500)	1,002,462
Transfer from Deferred Cap Reserves		
Closing Balance - 31 March	(74,568,945)	(79,170,345)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

Statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or pays any pensions for which it is directly responsible. The negative balance on the Pensions Reserve represents a shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2021/22 £	2022/23 £
Opening Balance - 1 April	35,003,000	24,931,000
Return on plan assets	(5,779,000)	4,757,000
Remeasurement of the net defined benefit liability	(6,259,000)	(29,304,000)
Reversal of items debited or credited to the Surplus or Deficit on Provision of Services in the Comprehensive Income and Expenditure Statement	3,524,000	3,055,000
Employers' pension contributions	(1,558,000)	(1,650,000)
2122 adjustment		
Closing Balance - 31 March	24,931,000	1,789,000

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

	2021/22 £	2022/23 £
Opening Balance - 1 April	(2,600,568)	(2,515,069)
New loans / new deferred receipt	(507,760)	(445,669)
Transfer to the Capital Receipts Reserve on receipt of cash	593,259	665,796
Closing Balance - 31 March	(2,515,069)	(2,294,942)

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	Balance 1 April 2022 £	Transfers in £	Balance 31 March 2023 £
Amounts by which income credited to the Comprehensive Income and Expenditure Statement is different from income calculated for the year in accordance with statutory requirements:			
Council Tax	(269,214)	49,588	(219,626)
NNDR	5,019,396	(3,744,119)	1,275,277
	4,750,182	(3,694,531)	1,055,651

Accumulated Absences Adjustment Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year [the cost of the annual leave entitlement still owed by the Council to its employees at 31st March.

	2021/22 £	2022/23 £
Opening Balance - 1 April	15,587	15,587
Movement in year	0	0
Closing Balance - 31 March	15,587	15,587

NOTES TO THE MOVEMENT IN RESERVES STATEMENT

Pooled Investment Fund Adjustment Account

The pooled investment fund adjustment account is used solely for recognising fair value gains and losses on the Council's pooled investment funds under statutory provisions.

	2021/22 £	2022/23 £
Opening Balance - 1 April	238,342	389,900
Changes in fair value of Pooled Investment Funds	151,558	1,299,757
Closing Balance - 31 March	389,900	1,689,657

Financial Instruments Revaluation Reserve

The financial instruments revaluation reserve contains the gains and losses arising from changes in the fair value of its investments that are measured at fair value through other comprehensive income.

	2021/22 £	2022/23 £
Opening Balance - 1 April	(30,000)	(30,000)
Changes in fair value of financial assets elected to FV through Other Comprehensive Income	0	0
Closing Balance - 31 March	(30,000)	(30,000)

NOTES TO THE BALANCE SHEET

D1. Property, Plant and Equipment

Property, Plant and Equipment

Movements in 2022/23	Land & Buildings £	Vehicles, Plant & Equipment £	Community Assets £	Surplus Assets £	TOTAL P&P&E £
- Asset Cost or Valuation					
Asset values at 1 April 2022	63,789,114	2,442,942	917,659	3,615,262	70,764,978
Additions	9,542,112	774,318	76,054		10,392,483
Revaluation increases / (decreases)	(2,651,273)			(206,263)	(2,857,536)
Revaluation decreases to I&E	(327,112)			(47,237)	(374,349)
Derecognition - disposals		(445,669)			(445,669)
Transfer	2,900,000				
Asset values at 31 March 2023	73,252,841	2,771,591	993,713	3,361,762	80,379,906
- Depreciation					
Accumulated depreciation at 1 April 2022	(415,270)	(1,508,918)	0	0	(1,924,188)
Depreciation charge for the year	(1,318,478)	(386,545)		(2,625)	(1,707,649)
Depreciation written out on revaluation	1,249,886			2,625	1,252,511
Derecognition - disposals					0
Derecognition - others					0
Accumulated depreciation at 31 March 2023	(483,863)	(1,895,463)	0	0	(2,379,326)
- Net Book Value of Assets					
1st April 2022	63,373,844	934,024	917,659	3,615,262	68,840,789
31st March 2023	72,768,978	876,127	993,713	3,361,762	78,000,580

NOTES TO THE BALANCE SHEET

The Code requires that assets are formally revalued at least every 5-years. Assets are formally revalued as part of a 5-year rolling programme, with assets revalued more frequently if there is evidence that asset values may have changed. The table below summarises valuations undertaken, by year:

Movements in 2021/22	Land & Buildings £	Vehicles, Plant & Equipment £	Community Assets £	Surplus Assets £	TOTAL P&P&E £
Asset Cost or Valuation					
Asset values at 1 April 2021	61,922,810	2,427,462	917,659	3,783,819	69,051,750
Additions	1,451,494	674,146			2,125,640
Revaluation increases / (decreases)	617,500			(168,557)	448,943
Reclassification	(202,690)				(202,690)
Derecognition - disposals	0	(658,666)			(658,666)
Asset values at 31 March 2022	63,789,114	2,442,942	917,659	3,615,262	70,764,978
Depreciation					
Accumulated depreciation at 1 April 2021	(140,878)	(1,268,289)	0	0	(1,409,167)
Depreciation charge for the year	(1,308,217)	(391,536)	0	(2,763)	(1,702,516)
Depreciation written out on revaluation	1,033,825		0	2,763	1,036,588
Derecognition - disposals		150,906	0	0	150,906
Other movements			0		
Accumulated depreciation at 31 March 2022	(415,270)	(1,508,918)	0	0	(1,924,188)
Net Book Value of Assets					
1st April 2021	61,781,932	1,159,173	917,659	3,783,819	67,642,584
31st March 2022	63,373,844	934,024	917,659	3,615,262	68,840,789

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Total PPE £000
Carried at (depreciated) historic cost	0	876	994	0	1,870
Valued at current value as at 31 March:					
2018/19	98	0	0	0	98
2019/20	36	0	0	35	71
2020/21	10,669	0	0	108	10,777
2021/22	1,194	0	0	163	1,357
2022/23	60,772	0	0	3,056	63,828
Total	72,769	876	994	3,362	78,001

Asset valuation, amortisation and depreciation

Service areas are charged depreciation to represent the real cost of holding and using non-current assets. The value of an asset (less any residual value) will be written down on a straight-line basis over the useful economic life of the asset. The following useful lives have been used in the calculation of depreciation and amortisation:

- Land assets are generally not depreciated.
- Operational buildings are typically depreciated over 30 to 60 year useful lives, depending upon the particular asset and an estimate of the asset life from the Council's valuer.
- Car Parks – over 20-years or a lifetime agreed with the Council's valuer.
- Vehicles, Plant and Equipment are depreciated over 5 to 7 years as appropriate.
- Surplus assets will have lives based upon the type of asset – e.g. Buildings 30 to 60 years, land indefinite lifespans. Useful economic lives will be agreed with the valuer.
- Heritage and Community Assets are not depreciated.

Effects of changes in estimates

The Council has amended its policy to depreciate Vehicles and Plant over 7 years rather than 5 years. The 7 year period is aligned with the existing vehicle leasing arrangement that the Council has with Ubico.

Revaluations

The 2022/23 PPE valuations and impairment review were undertaken by Carter Jonas. Valuations were undertaken in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors and the Code of Practice on Local Authority Accounting in the United Kingdom.

Assets are valued as part of a rolling programme of revaluations. All assets are valued on a 5-year rolling programme.

In estimating asset values it has been assumed that:

- The capacity of utility services [electricity, gas, water, mains drainage] are adequate for the future use of the properties.
- All assets have planning consent for their existing uses.
- Tenancies are not subject to any unusual or onerous restrictions.
- No contamination exists in relation to property assets [land and buildings] sufficient to affect value.

With the introduction and application of IFRS13 in 2015/16, the Council's surplus assets have been reviewed and measured at fair value based upon 'highest and best use'. The surplus assets that the Council owns are strips of land and therefore they are not depreciated. Within the fair-value hierarchy, the Council's Surplus Assets are deemed as 'level 2' category. Carter Jonas undertook the Surplus Assets valuation.

NOTES TO THE BALANCE SHEET

D2. Investment Properties

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

	2021/22 £	2022/23 £
Rental income	(4,063,614)	(4,149,434)
Direct operating expenses	149,460	684,674
Net (gains) / losses from fair value adjustments	(848,500)	1,002,462
	(4,762,654)	(2,462,298)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. There are contractual obligations on the Council to repair and maintain certain investment properties and these have been included in the relevant property valuations.

Carter Jonas undertook the 2022 /23 Investment Property valuations. The valuations were undertaken in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (as outlined in Note D1 above).

Under the CIPFA Code, the Council's Investment Properties are classified as 'level 2' within the fair-value hierarchy. The assets have been suitably valued, based upon current market conditions, sale prices for similar assets, or contractual income for the properties. These observable inputs have been used to classify the assets accordingly. There have been no movements between categories within the hierarchy during the year.

The following table summarises the movement in the fair value of investment properties over the year:

	2021/22 £	2022/23 £
Opening Balance - 1 April	51,958,500	55,207,462
Additions	2,400,462	0
Net gains / (losses) from fair value adjustments	848,500	(1,002,462)
Reclassification - transfer to Operational Buildings		(2,900,000)
Closing Balance - 31 March	55,207,462	51,305,000

Fair value hierarchy

International Financial Reporting Standard 13 (IFRS13) '*Fair Values*' requires all assets measured at fair value to be classified into one of three levels, depending upon the basis of valuation. The 'fair value' of an asset is the reasonable estimation of its market value if sold.

The Council's Investment Property assets are deemed to be categorised as Level 2 in the valuation hierarchy, as the fair value of the assets have been derived primarily from income streams. Authorities are required to maximise the use of level 1 inputs (available prices) and minimise the use of level 3 inputs (calculations based upon non-market data such as cash-flow forecasts and other non-market data).

NOTES TO THE BALANCE SHEET

D3. Intangible Assets

The Council accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and is accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased software only, as the Authority has no internally generated software.

All intangible assets are amortised on a straight-line basis over a 5 year period. This represents the period over which the software is expected to be of use to the Council.

Amortisation of intangible assets is charged to the Comprehensive Income & Expenditure Account. For service-specific systems, amortisation is charged direct to the service using the asset. For corporate systems amortisation is allocated across all services benefitting from the asset.

Movements in Intangible Assets

	2021/22 £	2022/23 £
-		
<u>Asset Cost or Valuation</u>		
Asset values at 1 April	232,769	232,769
Additions		
Derecognition		
Asset values at 31 March	232,769	232,769
-		
<u>Amortisation</u>		
Accumulated Amortisation at 1 April	(195,292)	(216,240)
Amortisation charge for the year	(20,948)	(16,529)
Derecognition		
Accumulated Amortisation at 31 March	(216,240)	(232,769)
-		
-		
Net carrying amount at 31 March	16,529	(0)

NOTES TO THE BALANCE SHEET

D4. Current Debtors

	2021/22 £	2022/23 £
Government Departments	6,978,511	933,369
Other Local Authorities [Statutory]	5,423,111	2,735,399
Other Local Authorities [Trading]	402,475	1,449,846
Collection Fund debtors (WODC Share)	2,335,987	2,019,829
Housing Benefit recovery	1,215,912	1,224,110
Sundry Debtors	3,329,588	4,038,122
Finance Leases - principal outstanding	665,796	726,683
Other Debtors	185,948	2,329,559
Prepayments	412,895	472,425
	20,950,223	15,929,341
Less provision for impairment of receivables:		
Collection Fund provisions (WODC share)	(378,028)	(552,728)
Housing Benefit recovery	(1,215,912)	(1,210,147)
Sundry Debtors	(577,766)	(963,983)
	18,778,517	13,202,483

D5. Current Creditors

	2021/22 £	2022/23 £
Government Departments	(17,306,490)	(3,566,527)
Business Grants Agency	(2,394,153)	(508,791)
Other Local Authorities [Statutory]	(2,526,349)	(2,553,955)
Other Local Authorities [Trading]	(1,622,377)	(491,992)
Collection Fund (WODC Share)	(478,688)	(1,249,835)
Sundry Creditors	(5,099,843)	(2,549,162)
Receipts in advance:		
Government Departments		(1,460,722)
Taxpayer Creditors	(2,123,636)	(266,393)
Sundry Creditors receipts in advance	(1,557,148)	(2,344,219)
	(33,108,684)	(14,991,598)
Capital Receipt in Advance	(1,687,433)	(1,314,063)
	(34,796,117)	(16,305,661)

NOTES TO THE BALANCE SHEET

D6. Provisions

	Opening Provision 1 April £	New provisions in-year £	Use of provisions £	Provisions returned to revenue £	Closing Provision 31 March £
Business Rates (NDR) Appeals	(1,418,846)	(376,464)	156,640	0	(1,638,670)
Provision - Subsidence Claims	(30,000)				(30,000)
Carterton Leisure Centre	0	(75,000)	0	0	(75,000)
	(1,448,846)	(451,464)	156,640	0	(1,743,670)

Business Rates (NNDR) appeals

The NNDR provision has been set aside to cover the potential cost to the Council of outstanding appeals against property revaluations.

D7. Non - Current Debtors

	31 March 2022 £	31 March 2023 £
Cottsway Housing Association loan	7,739,135	7,655,816
Equity Loans Scheme	232,114	232,114
Parish/Town Council Loans	133,036	119,884
Charge on former Unicorn Public House - Great Rollright	20,498	20,498
GLL - COVID supporting Loans	304,301	304,301
Vehicles Leases	1,551,225	1,270,212
Southill Solar Loan	2,412,410	2,279,264
	12,392,719	11,882,089

NOTES TO THE BALANCE SHEET

D8. Capital Expenditure and Financing

The total amount of capital expenditure incurred in the year is shown in the table below, including the value of assets acquired under finance leases, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred that has yet to be financed.

The net movement in the Capital Financing Requirement illustrates the change in the underlying need for the Council to borrow during the year to fund capital investment, which has not been funded from resources such as grants, capital receipts and direct funding from revenue.

	2021/22 £	2022/23 £
Opening Capital Financing Requirement	23,368,628	25,867,518
Capital Investment in Year		
Property, Plant & Equipment	4,526,100	10,392,483
Intangible Assets	0	0
Capital Expenditure transfer Long term loans	0	0
Revenue Expenditure Funded from Capital under Statute	1,159,846	4,614,415
	<u>5,685,946</u>	<u>15,006,898</u>
Sources of Finance		
Capital Receipts	688,073	7,055,961
Government grants & other contributions	1,614,168	3,332,220
MRP / Statutory repayment of loans advance	344,715	420,313
Earmarked reserves	0	1,378,738
Direct Revenue Contributions	540,100	308,160
	<u>3,187,056</u>	<u>12,495,391</u>
Net Increase / (Decrease) in Capital Financing Requirement	2,498,890	2,511,507
Closing Capital Financing Requirement	25,867,518	28,379,025

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

E1. Notes to the Cash Flow Statement

a. Adjustments to the net surplus / (deficit) on the provision of services for non-cash movements

	2021/22 £	2022/23 £
Depreciation, amortisation and impairment	1,926,155	1,724,178
Increase / (decrease) in creditors	2,040,977	(13,438,940)
(Increase) / decrease in debtors	6,704,804	337,071
Increase / (decrease) in provision for bad debts	(463,072)	380,452
(Increase) / decrease in inventories	14,865	(407)
Pensions' liability	1,966,000	1,405,000
Carrying amount of non current assets sold	507,760	445,669
Increase / (decrease) in provisions	189,679	294,824
Movements in the fair value of investment properties	(848,500)	1,002,462
Other non cash items charged to Surplus/Deficit on the Provision of Services	(441,701)	(2,722,361)
Movement in Reserves - for other non cash items charged to Surplus/deficit on Provision of Services	(559,082)	0
	11,037,884	(10,572,052)

b. Adjustments for items included in the net surplus / (deficit) on the provision of services that are investing or financing activities.

	2021/22 £	2022/23 £
Capital grants and contributions	(4,425,237)	(2,588,666)
Proceeds from the sale of non current assets	(813,496)	(445,669)
	(5,238,733)	(3,034,335)

c. Investing Activities

	2021/22 £	2022/23 £
Purchase of property, plant & equipment and other capital investment	(4,579,470)	(9,958,958)
Purchase of short term and long term investments	(31,000,000)	(132,300,000)
Proceeds from the sale of non current assets	1,259,055	1,392,479
Proceeds from disposal of short term and long term investments	31,000,000	132,856,606
Other (receipts) / payments from investing activities	5,226,498	4,563,420
	2,211,819	(3,446,453)

F. Events after the Balance Sheet Date

The Chief Finance Officer authorised the Statement of Accounts on 31st July 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

A review of Publica was announced in September 2023 which is expected to return a number of services back to the partnership Councils. At present due diligence is being undertaken and a provisional structure and costing model is due to be ready in June 2024. At this time, there are no available details about the financial or operational impact of the TUPE of people back to West Oxfordshire District Council

F1. Defined Benefit Pension Scheme

Participation in pension schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to fund (for those benefits) and to disclose them at the time that the employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme (LGPS) is administered locally by Oxfordshire County Council. It is a defined benefit scheme, based upon final salary scheme and length of service upon retirement. The Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments if they are deemed due.

Changes to the LGPS came into effect from 1st April 2014. Benefits accrued from this date are based on a career average revalued salary. Various protections will be in place for those members and benefits accrued in the scheme before the changes take effect.

The scheme is a defined benefit statutory scheme that is administered in accordance with the Local Government Pension Scheme Regulations 1997 (as amended). It is contracted out of the State Second Pension.

Publica Group (Support) Limited

During 2017/18 the Council transferred the majority of its staff under TUPE legislation to Publica Group (Support) Limited, a wholly owned local authority company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council. The pension fund disclosure notes on the following pages include the staff transferred to Publica. All staff are pooled (counted as one scheme by the pension fund) as the Council continues to underwrite the pension liabilities on the whole scheme.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the Cost of Services when they are earned by employees, rather than when the benefits are actually paid as pensions. However, the charge the Council makes to council tax is based upon the actual cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement (MiRS).

The following transactions have been charged to the Comprehensive Income & Expenditure account and General Fund Balance during the year:

	2021/22 £	2022/23 £
Comprehensive Income & Expenditure Statement		
<i>Cost of Services:</i>		
Current Service Cost	2,812,000	2,372,000
Past Service Cost		
(Gains)/loss from settlements		
<i>Financing and Investment Income & Expenditure:</i>		
Net Interest Expense	712,000	683,000
Net Charge to Surplus or Deficit on Provision of Services	3,524,000	3,055,000
<i>Other post employment benefit charged to Comprehensive Income & Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
Return on Plan Assets	(5,779,000)	4,757,000
Actuarial (gains) / losses arising on changes in financial assumptions	(6,020,000)	(34,096,000)
Actuarial gains and losses - demographic assumptions	(1,323,000)	(584,000)
Experience (gains) / losses on defined benefit obligation	1,084,000	5,376,000
Other actuarial (gains) / losses		
	(12,038,000)	(24,547,000)
Total post employment benefits charged to the Comprehensive Income & Expenditure Statement	(8,514,000)	(21,492,000)
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on Provision of Services for post employment benefits in accordance with the Code	3,524,000	3,055,000
Actual amount charged against the General Fund Balance for pensions in the year		
Employers' contributions payable to the scheme	1,558,000	1,650,000

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Pension Assets and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is as follows:

	2021/22 £	2022/23 £
Present value of the defined benefit obligation - funded	(98,932,000)	(72,555,000)
Present value of unfunded obligations	(518,000)	(449,000)
Fair Value of Plan Assets	74,519,000	71,215,000
Net liability arising from defined benefit obligation	(24,931,000)	(1,789,000)

Reconciliation of Movements in the Fair Value of Scheme (Plan) Assets

	2021/22 £	2022/23 £
Opening Fair Value of Scheme Assets	68,916,000	74,519,000
Interest Income	1,372,000	2,003,000
Administration Expense		
Remeasurement Gains / (Losses)	5,779,000	(4,757,000)
Other Actuarial gains/losses	(998,000)	
Employers' Contributions [including Unfunded]	1,558,000	1,650,000
Employee Contributions	372,000	378,000
Benefits Paid [including Unfunded]	(2,480,000)	(2,578,000)
Settlement prices received /paid		
Closing Balance 31 March	74,519,000	71,215,000

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

	2021/22 £	2022/23 £
Opening Balance 1 April	(103,919,000)	(99,450,000)
Current Service Cost	(2,812,000)	(2,372,000)
Interest Cost	(2,084,000)	(2,686,000)
Contributions from Scheme Participants	(372,000)	(378,000)
Past Service Cost		
Remeasurement Gains / (Losses)	5,934,000	28,720,000
Change in demographic assumptions	1,237,000	584,000
Liabilities assumed/extinguished on settlements	0	
Benefits Paid	2,440,000	2,537,000
Unfunded Benefits Paid	40,000	41,000
Closing Balance 31 March	(98,932,000)	(73,004,000)
Funded	(99,155,000)	(72,476,000)
Unfunded	(518,000)	(449,000)

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Composition of Scheme Assets

	Period ended 31 March 2023			
	Quoted	Unquoted	Total	Percentage of total assets
	£000	£000	£000	%
Equity Securities:				
Consumer	0.0	0.0	0.0	0%
Manufacturing	0.0	0.0	0.0	0%
Energy and Utilities	0.0	0.0	0.0	0%
Financial Institutions	0.0	0.0	0.0	0%
Health and Care	0.0	0.0	0.0	0%
Information technology	0.0	0.0	0.0	0%
Other	0.0	0.0	0.0	0%
Debt Securities:				
Corporate Bonds (investment grade)	0.0	0.0	0.0	0%
Corporate Bonds (non-investment grade)	0.0	0.0	0.0	0%
UK Government	917.7	0.0	917.7	1%
Other	374.8	0.0	374.8	1%
Private Equity:				
All	3,342.1	0.8	3,342.9	5%
Real Estate:				
UK Property	0.0	0.0	0.0	0%
Overseas Property	0.0	0.0	0.0	0%
Investment funds and unit trusts:				
Equities	0.0	39,748.8	39,748.8	56%
Bonds	0.0	4,556.7	4,556.7	6%
Hedge Funds	0.0	0.0	0.0	0%
Commodities	0.0	0.0	0.0	0%
Infrastructure	0.0	2,455.1	2,455.1	3%
Other	0.0	18,739.9	18,739.9	26%
Derivatives:				
Inflation	0.0	0.0	0.0	0%
Interest rate	0.0	0.0	0.0	0%
Foreign exchange	3.2	0.0	3.2	0%
Other	0.0	0.0	0.0	0%
Cash and cash equivalents				
All	1,075.9	0.0	1,075.9	2%
Total	5,714	65,501	71,215	100%

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, as an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels. The financial assumptions are summarised below:

Mortality Assumptions	Males	Females
Current Pensioners	21.9	24.6
Future Pensioners	23.2	26.1
Financial Assumptions	2021/22	2022/23
Rate of increase in pensions	3.20%	3.00%
Rate of increase in salaries	3.20%	3.00%
Discount Rate	2.70%	4.75%

Sensitivity Analysis

IAS 19 requires disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumption at 31 March 2023:	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	1,189
1 year increase in member life expectancy	4%	2,920
0.1% increase in the Salary increased Rate	0%	143
0.1% increase in the Pension increase Rate (CPI)	1%	1,064

The estimated employer's contributions for the year to 31st March 2023 will be approximately £1,609,000.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

F2. Financial Instruments

Categories of Financial Instruments

The following categories of financial instrument are carried in the Balance Sheet.

2021/2022			2022/2023	
Non-Current £	Current £		Non-Current £	Current £
0	2,603,682	Financial Assets at Amortised Cost	0	0
10,455,846	3,340,245	Investments	10,239,382	7,815,609
1,551,225	665,796	Debtors	1,270,212	726,683
12,007,071	6,609,723	Finance Leases	11,509,593	8,542,292
		Fair Value through Profit or Loss		
11,651,774	35,556	Investments	12,375,411	64,433
	20,711,279	Cash and cash equivalents		7,686,021
11,651,774	20,746,835		12,375,411	7,750,454
		Fair Value through OCI		
1,030,000	0	Equity Instruments	1,000,000	0
1,030,000	0		1,000,000	0
24,688,845	27,356,558	Total Financial Assets	24,885,004	16,292,746
		Financial Liabilities at Amortised Cost		
0	(9,116,373)	Borrowing		(5,013,260)
		Creditors	0	(4,554,405)
0	(9,116,373)	Total Financial Liabilities	0	(9,567,665)

Not all short term debtors and creditors fall within the definition of financial instruments. The difference between the totals shown on the Balance Sheet and the values above is as follows:

	Non Current Debtors	Current Debtors £	Current Creditors £
Total on Balance Sheet	11,882,089	13,202,483	(14,991,598)
Statutory & Government Debtors / Creditors	(372,496)	(4,187,766)	6,365,858
Prepayments / Receipts in Advance	0	(472,425)	4,071,335
Finance Lease Principal / Liabilities	(1,270,212)	(726,683)	0
Total Financial Instruments	10,239,382	7,815,609	(4,554,405)

Income, Expense, Gains and Losses

2021/2022			2022/2023		
Financial Assets			Financial Assets		
Loans & Receivable s £	Available for Sale £	Fair Value through OCI £	Amortised Cost £	fair value through Profit or Loss £	Fair Value through OCI £
(418,339)	(353,269)	(22,750)			
0	151,558	0			
0	0	0			
(418,339)	(201,711)	(22,750)			

The fair values have been calculated as follows:

	Input level	As at 31/03/2023 £
<u>Fair Value through Profit or Loss</u>		
Money Market Funds	Level 1	4,315,504
Pooled Investment Funds	Level 1	12,439,844
Call Accounts	Level 1	3,843,276
		20,598,624

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Except for the financial assets carried at fair value (as shown above), all other financial liabilities and financial assets are carried in the Balance Sheet at amortised cost. The carrying value and fair values are shown below for comparison purposes. Fair values are not required for current debtors and creditors (trade payables and receivables) since the carrying amount is deemed a reasonable approximation of fair value.

	2021/22		2022/23	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£	£	£	£
-				
Financial Assets at Amortised Cost				
Investments	2,603,682	2,603,682	0	0
Non-Current Debtors	10,455,846	10,455,846	10,239,382	10,239,382
Non-Current Finance Leases	1,551,225	1,551,225	1,270,212	1,270,212
	14,610,753	14,610,753	11,509,593	11,509,593
Financial Liabilities at Amortised Cost				
Borrowing			(5,013,260)	(5,013,260)
	0	0	(5,013,260)	(5,013,260)

Soft Loans

Where loans are advanced at preferential or below market rates, they are classed as 'Soft Loans'. The Code of Practice sets out specific accounting and disclosure requirements for soft loans.

Prior to transferring the majority staff to Publica, the Council offered loans at less than market rates to its employees for car purchases. No further loans are being issued to those staff transferred. The outstanding balance of loans was paid off in 22/23 (balance 2021/22 £433).

No adjustment has been made to account for the suggested treatment for soft loans (to represent interest lost at granting the loans at below market rate) as the amounts are not material to these accounts.

F3. Nature and extent of risks arising from Financial Instruments

The Council's activities expose it to a variety of financial risks. The Council has not yet required debt financing and currently does not have any external borrowing. As such, the key risks are in relation to its financial assets. These are as follows:

- Credit risk – the possibility that other parties may fail to pay amounts due to the Council.
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- Re-financing risk – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk – the possibility that financial loss might arise for the Council because of changes in such measures as interest rate movements.

Overall procedures for managing risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework set out in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

- By formally adopting the requirements of the CIPFA code of Practice for Treasury Management Services
- By approving annually in advance prudential indicators for the following three years limiting:
 - * Limits on the Council's overall debt [external borrowing]
 - * The Council's maturity structure of its external borrowing [currently £0]
 - * The Council's upper limit for exposure to fixed and variable rate investments
 - * The maximum exposure to investments maturing beyond a year.
- By annually approving a Treasury Management Investment Strategy for the forthcoming year, setting out criteria for investments and specifying the minimum requirements for all counterparties.

These are required to be reported and approved at or before the Authority's annual Council Tax setting budget. These items are reported with the annual treasury management strategy, which outlines the detailed approach to managing risk in relation to the Council's financial instrument exposure. Actual performance is reported annually to Members.

The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Authorities.

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the DLUHC's Investment Guidance for local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

A central treasury team implements these policies. The Council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Credit Risk

The Council manages credit risk by ensuring that investments are placed with the Debt Management Office, other local authorities, AAA-rated money market funds and Banks and Building Societies of sufficiently high credit quality as set out in the Treasury Management Strategy. A limit of £5m of the total portfolio is placed on the amount of money that can be invested with a single counterparty. The Council also sets a total group investment limit for institutions that are part of the same banking group. No more than £25m in total can be invested for a period longer than one year.

It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. All investments have been made in line with the Council's Treasury Management Strategy Statement for 2022/23, approved by Full Council in February 2022.

The ratings of the financial institutions holding Council investments (and investments classified as cash equivalents) at the Balance Sheet date is as follows:

	Investment Balance (£)
<u>Call accounts and other 'cash equivalent' investments</u>	
Money Market Funds	4,315,504
Call Accounts	3,843,276
<u>UK Equities</u>	
Real Estate Investment Trust (REIT)	1,000,000
<u>Pooled funds</u>	
Non-rating agency rated pooled fund <i>separately approved by the Council's Treasury Management advisors</i>	12,439,844

The table below summaries the nominal value of the Council's investment portfolio at 31st March 2023 and confirms that all investments were made in line with the Council's approved credit rating criteria at the time of placing the investment:

	Investment values - maturing within:			
	0-3 mths	3-6 mths	6-12 mths	1 year +
	£	£	£	£
<u>Internally managed funds</u>				
Money Market Funds	4,315,504			
Call Accounts	3,843,276			
UK Equities				1,000,000
<u>Externally managed funds</u>				
Pooled Funds	64,433			12,375,411

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

	Investment values - maturing within:			
	0-3 mths	3-6 mths	6-12 mths	1 year +
	£	£	£	£
<u>Internally managed funds</u>				
Call Accounts	1,800,390	0	0	0
UK Banks	50,000	0	0	0
Money Market Funds	12,004,016	0	0	0
UK Building Societies	0	0	0	0
REIT	1,030,000	0	0	0
Bonds	2,500,000	0	0	0
<u>Externally managed funds</u>				
Pooled Funds	11,687,330	0	0	0

The credit quality of debtors is reflected in the level of impairment allowance for trade debtors shown in note D4.

Liquidity Risk

The Council has a cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Authority has access to borrowing facilities via the Public Works Loan Board, commercial banks, bond issues, medium term notes, tax increment financing, the European Investment Bank, and other local authorities. There is no perceived risk that the Authority will be unable to raise finance to meet its commitments.

The Council also has to manage the risk so that it will not be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The Authority would only borrow in advance of the forecast spend in the capital programme where the spend can be reliably committed and the cost of borrowing, such as rising interest rates, make a clear business case for doing so. Although there is currently no external borrowing, there is significant internal borrowing so even if loans were drawn down ahead of a planned capital spend, the Authority would still not be deemed to be borrowing ahead of need. There is no intention to borrow outside of funding spend in the capital programme or to finance future debt maturities.

Market Risk – interest rate risk

The Council is exposed to risks arising from movements in interest rates but in a time of large movements in interest rates, the decision on whether to borrow at a fixed rate or a variable rate is taken on a case by case basis and this is reflected in the Treasury Management Strategy which does not preclude borrowing under either option.

Price Risk

The Council holds some financial instruments, of which the capital value may fluctuate because of market conditions. However, these instruments are all purchased on a hold to maturity or long term basis and therefore any temporary fluctuations in the market value of such products have no immediate impact on the Council's finances. The losses that have been incurred in these funds would need to be recognised if the investment was withdrawn or at the end of March 2025 when the statutory override on recognising losses in financial instruments is expected to end.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

F4. Leases

The Council as Lessee [obtaining assets under a leasing arrangement]

Operating Leases

The Council has entered into a number of operating leases in the local area. The minimum lease payments due under non-cancellable leases in future years are as below:

	31 March 2022 £	31 March 2023 £
Not later than one year	238,087	224,556
Later than one year & not later than five years	518,766	354,060
Later than five years	322,343	266,199
	1,079,196	844,816

Furthermore, the figures presented for 31 March 2022, have been amended to correct an error in the profile of operating lease income disclosed in the 2021/22 Statement of Accounts. The correction results in an overall increase of £262,788 when compared to the equivalent figures disclosed in the previous year's accounts.

The Council as Lessor [leasing assets out]

Finance Leases

The Council leases a number of waste and recycling vehicles to Ubico Limited.

The minimum lease payments comprise settlement of the long-term debtor for the interest in the asset and finance income that will be earned by the Council for the period while the debt remains outstanding.

	31 March 2022 £	31 March 2023 £
Present value of principal payments outstanding on non current assets	1,709,263	1,996,896
Unearned finance income	123,972	166,280
	1,833,235	2,163,176

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Payments (excl. int)	
	31 March 2022	31 March 2023	31 March 2022	31 March 2023
	£	£	£	£
- Not later than one year	711,909	781,833	665,796	726,683
Later than one year & not later than five years	1,467,181	1,170,032	1,395,348	1,070,342
Later than five years	161,904	211,311	155,878	199,871
	2,340,994	2,163,176	2,217,022	1,996,896

The Council has not included any allowance for uncollectable debts in the table above. Any outstanding debts would be considered within the Sundry Debtors bad-debt provision calculation.

Operating Leases

The Council leases out a number of premises within the local area. The future minimum lease payments receivable under non – cancellable leases in future years are:

	31 March 2022	31 March 2023
	£	£
Not later than one year	3,766,655	4,577,499
Later than one year & not later than five years	9,459,014	12,547,073
Later than five years	47,579,640	29,014,775
	60,805,309	46,139,347

The minimum lease payments receivable does not include rents that are contingent on events taking place after the balance sheet date.

F5. Accounting Policies

i) General principles

The Statement of Accounts summarises the Council's transactions for the financial year and its position at the 31st March year-end. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, those regulations which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom* supported by International Financial Reporting Standards (IFRS) and statutory guidance.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

These accounts have been prepared on the basis that the Council is a going concern.

ii) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption they are carried as inventories (stock) on the Balance Sheet, where the value is material.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to the Comprehensive Income and Expenditure Statement for the income that might not be collected (doubtful debts).
- The council has set a de-minimis level for accruals of creditors and debtors that are calculated manually in order to avoid additional time and cost in estimating and recording accruals. This level is set at £500 with the exception of any grant where applying the de-minimis level would affect a grant claim and any accruals included therein.

iii) Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and deposits with financial institutions repayable, without penalty, on notice of not more than 24 hours. This includes bank call-accounts, Money Market Funds (MMF) and any other 'overnight-type' investments.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iv) Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

v) Charges to revenue for non-current assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the relevant service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- amortisation of intangible assets attributable to the service

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance - Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

vi) Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for council tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii) Employee benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual for the cost of holiday entitlement (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end is not provided for in the accounts. This is because the Council TUPE-transferred the majority of its staff to Publica Group (Support) Limited in 2017/18. Due to the vastly reduced number of staff employed by the Council, a balance is no longer maintained for the cost of untaken annual leave, as the amount involved is not material to the accounts.

Termination benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, in exchange for those benefits and are charged on an accruals basis to the appropriate service segment, or where

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

applicable, to a corporate service segment within the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or the employee in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pension reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

viii) Post-employment benefits

Employees of the Council are permitted to join the Local Government Pension Scheme, administered by Oxfordshire County Council. This scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Council.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Oxfordshire County Council Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the gross redemption yield on the Iboxx Sterling Corporate Index, AA over 15 years, at the IAS19 valuation date. This is a high quality corporate bond of equivalent term and currency to the liability.
- The assets of the Oxfordshire County Council Pension Fund attributable to the Council are included in the balance sheet at their fair value.
 - quoted securities – current bid price
 - unquoted securities – professional estimate
 - unitised securities – current bid price
 - property – market value

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
 - past service cost- the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
 - net interest on the net defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the pensions reserve as other comprehensive income and expenditure
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure
- contributions paid to the Oxfordshire County Council Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

ix) Events after the reporting period

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the statement of accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where such a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

x) Financial instruments

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Any borrowing that the Council may undertake would be presented in the Balance Sheet at the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid, where material. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance

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is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets (i.e. why we are holding the asset) and their cash flow characteristics. There are three main classifications:

- Amortised cost
- Fair value through other comprehensive income (FVOCI), and
- Fair value through profit or loss (FVPL)

The Council primarily holds investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Any gains and losses that arise on the de-recognition of a financial asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

Expected credit loss model

The Council recognises material expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis except for those where the counterparty is central government or another local authority, where relevant statutory provisions prevent default. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors).

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets that are measured at fair value through other comprehensive income are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

Financial assets measured at fair value through profit or loss (FVPL)

Financial assets that are measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement.

The Council has chosen to apply statutory provisions for mitigating the impact of fair value movements on Pooled Investment Funds as directed in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2018 (SI 2018/1207) subsequently amended by SI 2023/241. This allows (where relevant criteria are met) for fair value gains and losses on Pooled Investment Funds to be reversed to an account established solely for the purpose of recognising fair value gains and losses – the Pooled Investment Funds Adjustment Account.

This statutory provision ceases on 31 March 2025.

Fair value measurements of financial assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

xi) Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community infrastructure levy

The Council does not currently charge a Community Infrastructure Levy (CIL) but may do so in future. When in place, the levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council will be responsible for charges and collecting the levy, which is a planning charge. Future income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

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When charged, the CIL is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement as a contribution without outstanding conditions. CIL charges, once introduced, will be largely used to fund capital expenditure. However a proportion of the charges may be used to fund revenue expenditure. A share of the charges which are due to be payable to the County, Town or Parish Councils will remain in creditors (receipts in advance) until due.

xii) Heritage assets

Heritage assets are those assets that are held and maintained principally for their contribution to knowledge and culture.

The Council owns several public artworks. These items meet the classification of Heritage Assets adopted by the Code (FRS102).

Where assets have been purchased or recently obtained, information on their cost or value will be available. The Code allows that where this information is not available or cannot be obtained at a value which is commensurate with the benefits to users of the financial statements, that the assets need not be recognised in the Balance Sheet.

When purchased or where a value is available, heritage assets are recognised on the balance sheet at historic cost. Assets within the Council's ownership are deemed to have indeterminate lives; hence the Council does not consider it appropriate to charge depreciation on those heritage assets on the Council's balance sheet. Due to the nature of the type of assets held, the Council's heritage assets are not subject to revaluation and will only be impaired if there is clear reason to suspect the assets have become impaired.

xiii) Intangible assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) are capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council. Intangible assets are measured initially at cost.

The depreciable amount of an intangible asset is amortised over its useful life (usually 5 years) to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. The Council carries no internally generated intangible assets on its balance sheet.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account or (for any sale proceeds greater than £10,000) the capital receipts reserve.

xiv) Inventories and long-term contracts

Inventories (stocks) are included in the Balance Sheet at cost.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

xv) Investment property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end. Gains and losses on

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account or (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

xvi) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The council as lessee

Finance leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value, measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, plant and equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Operating leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense to the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

The council as lessor

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Finance leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the "Other Operating Expenditure" line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset (if material) and charged as an expense over the lease term on the same basis as rental income.

xvii) Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred.

The Council's capitalisation de minimis is £10,000, except for where the sum of a group of assets is significant, such as waste collection bins and boxes or ICT equipment.

Measurement

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Assets are then carried in the Balance sheet using the following measurement bases:

- infrastructure, community assets and assets under construction – depreciated historical cost
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non-property assets have short useful lives or low values (or both) depreciated historical cost basis is used as an approximation of current value.

Assets included in the balance sheet at current value are revalued to ensure that their carrying amount is not materially different from their value at year-end. All land and buildings are revalued at least every 5-years as part of a rolling programme. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the surplus or deficit on the provision of services within the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where items or property plant and equipment are revalued, and the valuer identifies an asset which has component parts that have significantly different useful lives, where one or more parts represent a significant proportion of the overall asset, then the asset may be componentised. With componentisation, one or more constituent parts may be identified, and the component parts separately valued for the accounts and depreciated over different useful lives to the main asset. Useful economic lives (and therefore depreciation calculations) will be based upon the asset lives recommended by the Council's valuer.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for as follows:

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Operational buildings and surplus property – depreciated on a straight-line basis, over a 30 to 60 year period, depending upon the particular asset and an estimate of the asset life from the Council's valuer
- Car Park depreciable components (surface) – 20 years
- Land is not depreciated
- Vehicles and plant - depreciated on a straight-line basis, over a 7-year period
- Furniture and equipment – depreciated on a straight-line basis, over a 5-year period
- Investment property is not depreciated

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the capital receipts reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

xviii) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are made where an event has taken place on or before the balance sheet date:

- that gives the Council a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xix) Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

xx) Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xxi) Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). VAT receivable is excluded from income.

xxii) Fair value measurement of non-financial assets

The Council's accounting policy for fair value measurement of financial assets is set out in the 'Financial Instruments' section (above). The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings (other financial instruments as applicable) at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- in the principal market for the asset, or
- in the absence of a principal market, in the most advantageous market for the asset.

The Council measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 – unobservable inputs for the asset.

F6. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note F5 above, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council has a one-eighth share in Ubico Limited. The company provides a range of integrated environmental services including, commercial refuse collection and grounds maintenance services on behalf of the Council. The separate operating practices, management structure and the application of majority voting on the Ubico Limited board do not constitute the Council having joint-control or significant influence over the company. The Council's interest has therefore been classified as an investment in Ubico and group accounts have not been prepared.
- The Council jointly owns (with Cotswold District Council, the Forest of Dean District Council and Cheltenham Borough Council) Publica Group (Support) Limited, a wholly owned company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council and services to other members Councils under contract. Publica can be considered to be an employment vehicle (in accounting terms only a 'holding account'), employing and paying staff and then recharging these costs to the Councils, via a contract sum. It does not trade and does not make a 'profit' as substantially all surpluses are redistributed back to the councils. While the Council has an interest in the Company, the Council's share of any surplus for the year and net assets at the balance sheet date have not been consolidated into the Council's single entity accounts. It is the view of management that the figures involved are not material and the production of group accounts will not enhance disclosure or provide any additional benefit to the reader of the accounts, and on that basis, Group Accounts have not been prepared.
- No allowance has been made in the Councils' accounts for the transfer out of any Local Government Pension Scheme (LGPS) pension liability to Publica Group (Support) Limited. The service contract and tripartite agreement between the Council, Oxfordshire Pension Fund and Publica Group (Support) Limited mean that the pension liability and risk relating to the pension fund remains with the Council, following the TUPE transfer of the majority of the Council's staff to Publica on 1st November 2017. Therefore, the Council is reporting the pension liability for both staff transferred to Publica, and the Councils retained staff, in the accounts. Although Publica, as the employer of many of the current staff may be initially responsible for paying any exit contributions (for example), for any of its staff that are members of the LGPS, such cost will be reimbursed by the relevant Council. The accounts have been prepared on the basis that the full pension fund liability for the LGPS sits in the Council's accounts. There are no separate disclosures for Publica as they are not responsible for any LGPS liability.
- Under International Financial Reporting Standards (IFRS), assessments have been made as to the correct accounting treatment for a number of lease agreements, which the Council has entered into. Categorising leases as either operating or finance leases results in different accounting treatment depending upon the categorisation of the lease. In each case, a lease is classified based upon criteria contained within the Code and an assessment of the nature of the leasing arrangement in place.

The Council has entered into a lease-type agreement whereby it provides environmental services vehicles to Ubico Limited. Ubico pay a market-rate for the use of the vehicles and are responsible for insuring and maintaining the vehicles and determining their deployment (including use across other Ubico contracts where necessary). Ubico pay for the vehicles over a period of 7-years for new vehicles, which is deemed to be the useful economic life of the assets. The transaction has been accounted for on the basis that the agreement is a finance lease, because: i) the sum of the lease payments equal the cost of purchasing the asset; ii) the length of the term represents 'substantially all' of the useful life of the asset; and iii) the rights and responsibilities of ownership (maintenance, insurance, deployment) in relation to the vehicle assets sit primarily with Ubico Limited. This agreement has been formalised in a lease agreement between Ubico and the Council.

- The Council leases-in a small number of operational assets on 'peppercorn' or non-commercial terms. For such assets, the assets are not accounted for purely on the financial agreement (lease) in place, but include an assessment of the substance of the transaction or underlying arrangement to take account of the view that the purpose of the lease is to provide services or benefit within the district. The terms of the lease and the desire to provide beneficial services are often represented in non-commercial lease-terms being agreed.
- A significant level of risk remains due to the volume of outstanding business rates appeals, which are being processed by the Valuation Office. Where appeals are successful, refunds of business rates are generally repayable back to the latest valuation date, which reduces the business rates yield in the year in which the

refund is made. This set of accounts includes a provision for appeal losses. The value has been assessed using information of outstanding appeals supplied by the valuation office, as at 31st March 2023, and using experience of previous appeals rates. The Council's share of the liability stands at £1,638,670.

- Grants are only recognised as income in the CIES, where the Council is acting as a principal. If the Council is acting as an intermediary (agent), then the net balance of monies to either be repaid or due to the council, will be shown on the balance sheet. It is deemed the Council is acting as a principal if they have control of a grant i.e. the ability to direct the use of and obtain substantially all of the remaining benefits from the grant. Following the receipt of a grant the Council had to determine whether in administering the grant it was acting as an agent or principal.

Where the Council was acting as agent, the following conditions applied:

- It was acting as an intermediary between the recipient and the Government Department
- It did not have "control" of the grant conditions and there was no flexibility in determining the level of grant payable.

Where the Council acted as principal, it was able to use its own discretion when allocating the amount of grant payable. The narrative report (page 5) highlights the business grants where the Council is acting as either the principal or agent.

F7. Accounting standards not yet adopted

The Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. There is also the requirement for an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The following standards and amendments are not expected to be introduced until 1 April 2024:

IFRS 16 Leases

IFRS 16 is not anticipated to have a material effect on the financial statements or balances of the council since the changes mainly affect the recognition of leases by lessees. Although the authority does have lease liabilities as lessee the level is below the materiality limit for the Statement of Accounts set by the External Auditors. The Council are calculating the impact of the new IFRS 16 accounting standard for the 2023/24 Statement of Accounts.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

F8. Assumptions and Other Major Sources of Estimation

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Significant assumptions affecting the statement of accounts include:

Item	Uncertainties	Effect if actual result differs from assumption
Property, Plant & Equipment – Operational Property	<p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets.</p> <p>The Valuer has stated that valuations have been prepared in accordance with RICS Valuation standards and recommendations contained within the RICS Red Book.</p> <p>In context of the Council's Property Portfolio, the Valuer has assessed the impairment risk by sector and individual asset.</p> <p>The remainder of the portfolio has been assessed and it has been confirmed that there has been no further material changes to the portfolio that is considered sufficient to affect the unvalued portion.</p> <p>Operational assets are depreciated over the best estimate of an assets useful economic life. These asset lives are based upon assumed repairs and maintenance being carried out to maintain an asset. Asset lives are based upon information provided by the Council's valuer.</p> <p>With regards to Depreciated Replacement Cost (DRC) method valuations of operational properties and the residual valuations of the surplus properties, the valuers have conducted a high level sensitivity analysis looking at the build cost growth over a period, 12 months prior to valuation and at the current levels. The valuers consider that of all the valuation elements in a DRC the build costings are the most volatile assumption and most susceptible to change through inflation and rising material/labour costings, among other things.</p>	<p>A reduction in the estimated valuations would result in reductions to the Revaluation Reserve /and or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties were to reduce by 10%, this would be unlikely to result in a significant charge to the Comprehensive Income and Expenditure Statement due to the level of revaluation reserve balance held of approximately £31.8m.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and/or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement and/or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement.</p> <p>If the useful economic life of an asset is reduced, depreciation increases and the carrying value of an asset will fall. Depreciation charges for operational buildings will change in direct relation to changes in estimated current value. The net book value of non-current assets subject to potential revaluation is £78m.</p>
Fair Value measurement of Investment Property	<p>The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case, the valuers use the best information available.</p> <p>The Council's external valuers use valuation techniques to determine the fair value of investment property. This includes developing estimates and assumptions consistent with how market participants would price the property. The</p>	<p>Estimates for fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date.</p> <p>It is not possible to quantify the level of variance that may</p>

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

	<p>investment properties' main assumptions for change are yield and rent. When valuing the investment properties, the valuers have run a number of valuations adjusting yields typically by 25 basis points each time to encapsulate and understand how current and future risk within the yield affects values. Whether this is further potential for rental growth, unknown covenant strength or letting void.</p> <p>During this accounting period Investment properties have been valued against assumptions of the national economic picture and local conditions that impact rental values.</p>	<p>arise if assumptions used differ from actual asset values. The Council is confident, however, that the risk of any variance will not affect the Council's financial strategy. A fall of 5% in the overall revaluation would result in a fall in value of £2,565,250 against a current NBV of £51.305m and a revaluation reserve balance of £31.8m.</p>
Pension Liability	<p>The estimation of the pension liability is based upon a number of factors and judgements applied by the scheme's actuary including discount rate used, rate of salary increases, changes in retirement ages, mortality rates and expected return on Pension Fund investments. Estimates are made upon judgements and conditions as seen by the actuary at a point in time.</p> <p>The Council has engaged Hymans Robertson as its consulting actuary to provide expert advice about the assumptions to be applied.</p>	<p>The effect of changing assumptions will result in changes in the valuation of the pension funds' assets and liabilities.</p> <p>For further details of the impact of variations in key assumptions, see note F1.</p>

Where other assumptions have been made these will be disclosed in the appropriate note to the accounts.

F9. Contingent Liabilities and Contingent Assets

The Council has no significant contingent assets or liabilities to report.

F10. Related Parties

The Council is required to disclose material transactions with related parties – i.e. bodies or individuals that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government

Central government has effective control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides a significant element of the Council's funding in the form of grants and prescribes the terms of many transactions that the Authority has with other parties (e.g. council tax bills and housing benefits). Details of any significant grants received in the year are listed under Note B9, *Grant Income*.

Members of the Council

Members of the council have direct control over the council's financial and operating policies. The total of Members' allowances paid in 2022/23 is disclosed in Note B6, *Members' Allowances*.

All elected Members are required to complete a questionnaire detailing any areas where potential conflicts of interest may occur between their private interests and their position as the elected representatives of the Council.

ADDITIONAL DISCLOSURES – UNDERSTANDING THE ACCOUNTS

Details are recorded in the register of members' interest, open to public inspection at the Council Offices during office hours.

- Fourteen Members declared an interest as a Town, Parish or County Councillor where precepts were awarded during 2022/23.

Officers

By virtue of the Officer Code of Conduct, employees of the Council are required to declare any relationship with individuals, organisations or companies that might prejudice, or could be viewed as influencing, their professional judgement. On an annual basis, senior officers and officers within positions of influence within the Council are required to complete a related party declaration to highlight any potential conflicts of interest.

Declarations are sought even where no conflicts of interest have been reported. There were no declarations that required further disclosure in this statement of accounts.

Cotswold District Council

Up until November 2017 the Council shared a number of senior staff with Cotswold District Council. On the 1st November the majority of the Council's staff TUPE-transferred to Publica Group (Support) Limited. Following the transfer, the Council now only share the legal function and the counter fraud unit.

Publica Group (Support) Limited

Publica Group (Support) Limited (the Company), is a not-for-profit company limited by guarantee with no share capital.

West Oxfordshire District Council, along with Cotswold, and Forest of Dean District Councils and Cheltenham Borough Council have jointly set up Publica Group (Support) Limited, a wholly owned company, limited by guarantee, operating with Mutual Trading Status to deliver services on behalf of the Council and services to other members Councils under contract.

Publica Group (Support) Limited is a Teckal company fulfilling the conditions set out in Regulation 12(4) of the Public Contracts Regulations 2015. The Company is subject to management supervision by the Members. As such, the Company is a body governed by public law as defined in the Public Contracts Regulations 2015.

While Publica Group (Support) Limited works closely with the Council, the company has its own board of Directors, its own Management team, and operates independently from the Council.

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Ubico Limited

Ubico Limited was established in 2011/12 by Cheltenham Borough Council and Cotswold District Council to deliver a range of integrated environmental services including household and commercial refuse collection, recycling, street cleansing and grounds maintenance. It commenced operations on 1 April 2012.

During 2015/16 West Oxfordshire District Council became a shareholder of Ubico Limited. The Council holds an equal 1/8th shareholding in the Company.

The company provides services to the shareholder councils on a not-for-profit basis and therefore qualifies for the teckal exemption (named after the EU case that established the principle). As a teckal company, Ubico Limited must ensure that the percentage of work undertaken outside of the shareholder contracts is less than 20% of its total activity.

While the Council has a 1/8th shareholding in Ubico Limited, the Council is not deemed to have significant influence over the company. The separate operating practices, management structure and majority voting on the Ubico board do not constitute any means of joint control over the company. The Council's interest is therefore classed as an investment in Ubico.

Other Public Bodies

The Council collects precepts on behalf of Oxfordshire County Council, Thames Valley Police & Crime Commissioner and the Town and Parish Councils within the Council area. Precepts for the County Council and Police Authority are shown in the Collection Fund. Town and Parish precepts are shown in the Comprehensive Income and Expenditure Account.

The Local Government Pension Scheme (of which West Oxfordshire is a member) is administered by Oxfordshire County Council (see note F1).

The Wychwood Project

The Wychwood Project is a registered charity that aims to inspire people to restore and conserve habitats and landscapes within the Wychwood area, which covers 120 sq miles, mostly in the West Oxfordshire District. The Council provided a Community Revenue Grant of £30,000 to the Wychwood Project in 2022/23 and a West Oxfordshire District Council Councillor is a trustee.

NOTES TO THE COLLECTION FUND

This "Agent's" statement shows the transactions of the Council as a billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and National Non Domestic Rates (Business Rates).

2021/2022				Note	2022/2023		
Business Rates £	Council Tax £	Total £			Business Rates £	Council Tax £	Total £
	(92,828,806)	(92,828,806)	Council Tax receivable	G1		(99,702,337)	(99,702,337)
(30,909,812)		(30,909,812)	Business Rates Receivable	G2	(36,000,794)		(36,000,794)
(88,790)		(88,790)	Transitional Protection Payments		46,291		46,291
(17,193,291)		(17,193,291)	Contribution to previous year's deficit / (Surplus)		(11,445,577)		(11,445,577)
(48,191,893)	(92,828,806)	(141,020,699)	Total Income		(47,400,080)	(99,702,337)	(147,102,417)
			<u>Apportionment of previous year's surplus</u>				
		0	Central Government				0
	149,810	149,810	West Oxfordshire District Council			210,394	210,394
	1,184,898	1,184,898	Oxfordshire County Council			1,650,734	1,650,734
	167,777	167,777	Thames Valley Police & Crime Commissioner			242,692	242,692
0	1,502,485	1,502,485			0	2,103,820	2,103,820
			<u>Precepts, Demands and Shares</u>				
20,317,804		20,317,804	Central Government		18,225,958		18,225,958
16,254,244	9,006,050	25,260,294	West Oxfordshire District Council		14,580,766	9,705,853	24,286,619
4,063,561	70,660,892	74,724,453	Oxfordshire County Council		3,645,192	76,258,830	79,904,022
0	10,388,626	10,388,626	Thames Valley Police & Crime Commissioner			11,140,491	11,140,491
40,635,609	90,055,568	130,691,177			36,451,916	97,105,174	133,557,090
			<u>Charges on the Collection Fund</u>				
9,857	106,780	116,637	Write-offs of uncollectable amounts		74,186	21,800	95,986
1,019,775	64,978	1,084,753	Increase / (decrease) in Bad Debt / Appeals Provisions	G3	1,136,600	966,368	2,102,968
168,233		168,233	Cost of Collection		168,007		168,007
209,141		209,141	Disregarded Amounts - Renewable Energy Schemes	G4	209,076		209,076
1,407,006	171,758	1,578,764			1,587,869	988,168	2,576,037
42,042,615	91,729,811	133,772,426	Total Expenditure		38,039,785	100,197,162	138,236,947
(6,149,278)	(1,098,995)	(7,248,273)	(Surplus) / Deficit for the Year		(9,360,295)	494,825	(8,865,470)
18,692,126	(1,593,153)	17,098,973	(Surplus) / Deficit brought forward		12,542,848	(2,692,148)	9,850,700
12,542,848	(2,692,148)	9,850,700	(Surplus) / Deficit carried forward	G5	3,182,553	(2,197,323)	985,230

G1. Council Tax System

Under the council tax system, West Oxfordshire District Council must collect enough money each year from local residents to cover the cost of the services we provide, which are not funded by other sources such as government grants and fees and charges.

Council Tax was introduced on 1 April 1993, and is a property based tax. The District Valuer valued all domestic property in the area and placed them into one of nine bands. In order to set the Council Tax, the Council estimates the number of dwellings in each of the nine valuation bands and convert these estimates into an "equivalent number of Band D dwellings". The table below shows the calculation for 2022/23.

Band	Total Chargeable Dwellings	Band 'D' Conversion	Band 'D' Equivalent Chargeable Dwellings	New Regulation Adjustments	New Band D Equivalent Chargeable Dwellings
A*	2.00	5/9	1.11	0.00	1.11
A	1,223.40	6/9	815.60	0.00	815.60
B	4,262.52	7/9	3,315.30	0.00	3,315.30
C	15,354.45	8/9	13,648.40	0.00	13,648.40
D	10,378.60	1	10,378.60	-2,016.80	8,361.80
E	7,023.51	11/9	8,584.30	0.00	8,584.30
F	4,093.47	13/9	5,912.80	0.00	5,912.80
G	2,717.76	15/9	4,529.60	0.00	4,529.60
H	354.00	2	708.00	0.00	708.00
Total	45,409.71		47,893.71	-2,016.80	45,876.91
Collection rate %					98.50%
Plus MOD contribution					983.66
TAXBASE					46,172.42

The total number of "equivalent Band D dwellings" is divided into net budget requirement to arrive at an "average Band D Tax" per dwelling. Dwellings in bands below "Band D" will pay proportionately less than this average and dwellings in bands above "Band D" will pay proportionately more than this average.

The above calculations resulted in an "average Band D Tax" of £2,103.10 per dwelling for 2022/23 (2021/22 £1,913.77) This included precepts payable to Oxfordshire County Council, the Police & Crime Commissioner for Thames Valley and West Oxfordshire District Council (but excludes amounts payable to the Town & Parish Councils within the district).

G2. National Non Domestic Rates

Under the Business Rates Retention Scheme the Council acts as both principal and agent, in that it is able to retain 40% of the net standard business rates collected within the local area as income within its own budget (net of tariff to central government), as well as 100% of net rates from properties relating to renewable energy schemes (Disregarded Amounts). The Council distributes the remaining net balance of standard business rate income to Central Government, who are allocated 50%, with the final 10% to Oxfordshire County Council

	2021/22	2022/23
Total Non Domestic Rateable Value at 31 March (£)	102,066,872	102,444,182
National Non-domestic Rate Multiplier - Higher	51.2p	51.2p
National Non-domestic Rate Multiplier - Lower [Small Business]	49.9p	49.9p

The Business Rates receivable amount on the face of the Collection Fund Account is lower than the total of Non-domestic Rateable Value multiplied by the Non-domestic Rate Multiplier due to the award of various reliefs including Small Business Rate Relief and other mandatory and discretionary rate reliefs.

G3. Tax Payers' Arrears & Provisions for Uncollectable Amounts

Provision has been made for uncollectable tax payers' debts. At 31 March the provisions on the Collection Fund were as follows:

	2021/22 £	2022/23 £
Council Tax	(1,390,124)	(2,356,492)
National Non Domestic Rates	(4,144,659)	(4,889,659)
	(5,534,783)	(7,246,151)

G4. Business Rates – Disregarded Amounts

From April 2013 the Council was allowed to retain 100% of the growth from the business rates associated with renewable energy sites. All such growth is transferred to the Council's General Fund.

G5. Collection Fund Balance Sheet Apportionment

The apportionment of the balances on the Collection Fund as at 31 March is as follows:

2022/2023	West Oxon. District Council £	Oxfordshire County Council £	Central Govt. £	Thames Valley P&CC £
Council Tax	10.0%	78.5%	0%	11.5%
Debtors	820,660	6,447,923		941,963
Bad Debt Provision	(235,536)	(1,850,605)		(270,351)
Prepayments and Overpayments	(152,829)	(1,201,329)		(175,500)
(Surplus) / Deficit at 31 March	(219,626)	(1,725,603)		(252,089)
Business Rates	40.0%	10.0%	50.0%	0.0%
Debtors	1,020,138	255,034	1,275,172	
Bad Debt / Appeals Provision	(1,955,863)	(488,966)	(2,444,830)	
Prepayments and Overpayments	(141,867)	(113,494)	(28,374)	
(Surplus) / Deficit at 31 March	1,273,021	318,257	1,591,274	

NOTES TO THE COLLECTION FUND

2021/2022	West Oxon. District Council £	Oxfordshire County Council £	Central Govt. £	Thames Valley P&CC £
Council Tax	10.0%	78.5%	0.0%	11.5%
Debtors	734,742	5,764,791		847,893
Bad Debt Provision	(139,012)	(1,090,691)		(160,420)
Prepayments and Overpayments	(125,589)	(985,374)		(144,930)
(Surplus) / Deficit at 31 March	(269,214)	(2,122,256)		(310,673)
Business Rates	40%	10%	50%	0.0%
Debtors	1,325,615	331,404	1,657,019	
Bad Debt / Appeals Provision	(1,657,864)	(414,466)	(2,072,329)	
Prepayments and Overpayments	(353,099)	(88,275)	(441,473)	
(Surplus) / Deficit at 31 March	5,017,140	1,254,287	6,271,422	

ANNUAL GOVERNANCE STATEMENT 2022/2023

I. SCOPE OF RESPONSIBILITY

West Oxfordshire District Council ('the Council') is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards.
- Public money is safeguarded and properly accounted for.
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The Council has a Best Value duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The Council has developed and approved a Local Code of Corporate Governance ('the Code'), which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)" ('the Framework'). This statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the Council to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its 'Statement on the Role of the Chief Finance Officer in Local Government (2015)'. The Annual Governance Statement ('the AGS') reflects compliance with this statement for reporting purposes.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled including activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to:

- Identify and prioritise the risks to the achievement of the Council's policies, aims and objectives.
- Evaluate the likelihood of those risks occurring.
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

ANNUAL GOVERNANCE STATEMENT

The governance framework has been in place at the Council for the year ended 31st March 2023 and up to the date of approval of the Annual Statement of Accounts.

While Financial savings have been delivered over the last few years, we have identified some areas where more resources are required, so additional support has been given and further reviews are being undertaken, particularly in areas such as the Finance Team which has been identified as being significantly under-resourced.

Since March 2020, the Council has been managing the impact of Covid-19 which has had a significant impact on the Council, its residents and businesses. The Council changed the way it delivered existing services and was innovative in the creation of new services in order to meet the needs of businesses and residents. During 2022-23 this challenge has been extended by the cost of living crisis that has also impacted many of our communities, requiring us to change the way we deliver services and driving the creation of new services in order to meet the needs of our residents.

3. THE GOVERNANCE ENVIRONMENT

The key elements of the Council's governance arrangements are outlined in the Code. The governance framework includes arrangements for:

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users.
- Reviewing the Council's vision and its implications for the Council's governance arrangements.
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the Council's objectives and ensuring that they represent the best use of resources.
- Defining and documenting the roles and responsibilities of the Executive (Cabinet), Non-Executive, Scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication.
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff.
- Establishment of a Constitution Working Group to review and update Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.
- Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.
- Ensuring the Council's financial management arrangements conform with the governance requirements of the *CIPFA* Statement on the Role of the Chief Financial Officer in Local Government (2015).
- Undertaking the core functions of an Audit Committee, as identified in *CIPFA's* Audit Committees: Practical Guidance for Local Authorities.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- Whistleblowing and for receiving and investigating complaints.
- Risk based Internal Audit Strategy and Annual Plan.
- Identifying the development needs of Members and Senior Officers in relation to their strategic roles, supported by the appropriate training.

ANNUAL GOVERNANCE STATEMENT

- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the Council's overall governance arrangements.
- Reports from external bodies such as the Local Government & Social Care Ombudsman, HM Revenue & Customs, Information Commissioner, Investigatory Powers Commissioner and Planning Inspectorate.
- Overview & Scrutiny Committees represent public forums through which Councillors can monitor the implementation of the Council's policies and the quality of its services; make recommendations on the discharge of the Council's functions and/or matters affecting the District and hold the Executive (Cabinet) to account for their decisions and actions.

The main areas of the Council's governance framework, and the key evidence of delivery, are set out below, under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- Behaving with Integrity
- Demonstrating strong commitment to ethical values
- Respecting the rule of the law

- The roles and responsibilities of Members generally and all office holders are set out in the Council's Constitution, along with the way in which the various elements of the Council interact and complement each other. The Constitution is supported and underpinned by a separate Code of Conduct for Members and a joint Member / Officer Protocol, which sets out guidelines as to behaviour and practical issues. This is further supported by Publica's¹ Business Conduct rules which set out guidelines for staff on behavioural issues.
- Declarations are made at meetings by Members and Officers, where appropriate, and are recorded in the minutes of the meeting. The Members' Code of Conduct requires Members to make declarations of interest, when necessary, these are also recorded.
- Registers of interest are completed annually by Members and published on the Council's website. A register of gifts and hospitality received by Members is maintained by the Monitoring Officer.
- An employee declaration is completed annually by all staff. A register of gifts and hospitality is maintained by Corporate Responsibility and addressed by the Governance Group every quarter.
- The Monitoring Officer and Section 151 Officer report directly to the Head of Paid Service and are members of the Corporate Leadership Team.
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures / statutory legislation. Where non-compliance is identified,

¹ Publica Group (Support) Limited is a local authority owned company, jointly owned by Cheltenham Borough Council and Cotswold, Forest of Dean and West Oxfordshire District Councils. Over 95% of staff formerly employed by West Oxfordshire District Council are now employed by Publica which delivers services on behalf of the Council.

this is reported to Management and to Members via the Council's Audit & Governance Committee.

- The Whistleblowing Policy was last updated in January 2022 and was agreed by the Audit and Governance Committee in April 2022. A counter-fraud unit working across Gloucestershire and West Oxfordshire helps prevent and detect fraud and corrupt practices, including misuse of power. The service reports to the Audit and Governance Committee and the Publica Board's Audit and Risk Assurance Committee twice a year.
- Training is compulsory for regulatory committees, that is, Development Control and Licensing.
- There are safeguards in the Constitution for handling planning and licensing applications from Members and Officers.
- During 2020/21 the Council put in place a robust set of emergency measures to monitor and respond to the Covid-19 pandemic, which had an extraordinary impact across the Council, our services, residents and communities. These measures were in line with national Emergency Management protocols. Whilst the World Health Organisation has declared the pandemic is over, we have good preparedness for any future pandemics.
- Meetings are minuted, with decisions and key actions recorded appropriately. The Council continues to publish key decisions, in line with legal best practice. The Council has continued providing regular updates to and conversations with Members and across the organisation. Although all Member decision making meetings have reverted to being face-to-face in line with legislation, we have maintained the option for people to join remotely where possible and appropriate. This facility will be extended soon with the planned alterations in the Council Chamber which will enable participants in meetings or events to join remotely where appropriate to do so.
- The Communications Service remains fully mobilised to ensure communications through all our channels to support public health advice / information / messaging and Council service and support information to reach audiences externally and internally. A bespoke Communications Strategy has been put in place to help all stakeholders feel 'informed, reassured, safe and inspired' through the current cost-of-living crisis.

B. Ensuring openness and comprehensive stakeholder engagement

- Openness
 - Engaging comprehensively with institutional stakeholders
 - Engaging with individual citizens and service users effectively
-
- Annual accounts are published in a timely manner to help communicate the Council's financial position and performance.
 - The Council's Corporate Plan 2023 - 2027 was reviewed and adopted in January 2023. This is available on the Council website.
 - All Committee, Executive (Cabinet) and Council reports clearly outline their purpose, so the community can understand what is trying to be achieved. Reports also address financial, legal, equalities, risk and climate change implications to aid understanding of the potential impact of their recommendations.
 - The roles and responsibilities of the Executive (Cabinet), Non-Executive, Scrutiny and Officer functions are defined in the Council's Constitution.
 - A Scheme of Delegation of powers to Officers is included within the Constitution.
 - Communication channels for Publica staff include one-to-ones and team meetings, a weekly update email from Publica Directors (Keeping you connected) and an online portal (intranet).
 - A Customer Feedback form is available publicly for handling comments, complaints and compliments and the Council's website includes different ways for customers to give feedback or access services. A customer satisfaction survey was carried out on the telephone service provided, with the Council receiving high satisfaction scores.
 - Ensuring clear channels of communication with all sections of the community and other stakeholders
 - The ability for members of the public to ask questions at Executive (Cabinet) meetings, Overview and Scrutiny Committee meetings and meetings of the Full Council.
 - A report is produced quarterly regarding the performance of the Council's services and the achievement of its aims and objectives. The report is presented to the Executive (Cabinet), discussed at the relevant Overview & Scrutiny Committees and published on the Council's website.
 - The Council publishes transparency data on its website which includes supplier payments, senior management structure charts and the Annual Pay Policy Statement. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information requests and the procedure that will be followed to answer the requests.
 - Some Committee meetings are webcast live and the recordings are available to view on the Council's website. Council and Executive (Cabinet) meetings will follow when the facility to do so has been installed in the Council Chamber.
 - A Locality Leadership Team, comprising the Head of Paid Service, the S151 Officer, Monitoring Officer and Publica's Locality Lead Assistant Directors, meets monthly to discuss projects and reports.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Defining outcomes
- Sustainable economic, social and environmental benefits

- The Council's vision and corporate priorities are contained within the Council Plan 2023 - 2027 which was adopted by Council in January 2023. This sets out the high level areas of focus, and what the Council hopes to achieve on its own or in partnership with others. These priorities are supported by the Code of Corporate Governance as good governance should underpin all the work of the Council.
- An annual business planning process is also conducted by Publica, which is informed by the corporate priorities, legislation and government guidance. All the areas of focus (corporate priorities) are underpinned by the following principles:
 - Putting Residents First
 - Enabling a Good Quality of Life for All
 - Creating a Better Environment for People and Wildlife
 - Responding to the Climate and Ecological Emergency
 - Working together for West Oxfordshire
- Detailed proposals arising from the corporate priorities are individually assessed and are included within decision making reports.
- The financial implications of delivering against the Council's priorities are included within the Council's Medium Term Financial Strategy ('MTFS'), revenue budgets and capital programme. These key financial documents are updated annually in advance of the forthcoming financial year. Variance to budget is reported quarterly and the MTFS and the Capital Programme are updated at appropriate intervals throughout the year.
- As part of its MTFS the Council assesses its forecast financial position and updates its assumptions about the resources available to, and the investment needs of, the Council.
- The Council is facing financial pressure from unprecedented inflationary pressures. These are being incorporated into subsequent iterations of the MTFS and mitigations regarding costs are being developed.
- A Recovery and Regeneration Investment Strategy ('the Strategy') was approved by the Council in 2020 which sought to close the Council's forecast funding shortfall by generating additional revenue streams while addressing Council priorities. The Strategy contains guidance on the type of investment that the Council could pursue and appropriate yield thresholds. Due to the high cost of borrowing and a shortage of appropriate investments, the Council has not been able to achieve the level of investment that it would have liked to, and this is reflected in a lower expectation of investment, borrowing and yield in the MTFS with the factors limiting this explained in the Strategy papers.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

- Determining interventions
- Planning interventions
- Optimising achievement of intended outcomes

- The Council has, with three other councils, created a company, Publica Group (Support) Ltd, to deliver more efficient and improved services. Where appropriate, processes have been or are being aligned to ensure consistency across the partner councils, without compromising local priorities. In recognition that Publica is a significant contractor of the Council, the Council monitors its performance by:
 - Considering Publica's Annual Report at Council.
 - Considering Publica's draft Business Plan annually at the Overview and Scrutiny Committees and Executive (Cabinet) in February/March each year.
 - Requiring representatives from Publica to attend relevant Overview & Scrutiny Committee(s) to support discussion on quarterly performance and other reports.
 - Receiving monthly "Keeping You Connected" updates by email from Publica to all Members.
 - Inviting Publica senior Officers to attend monthly Informal Executive (Cabinet) meetings to discuss progress against the Business Plan and Corporate Plan
 - Creation of quarterly WoDC retained Officers/Publica Executives meetings where performance and progress against Corporate Plan priorities is a key agenda item.
 - Develop informal mechanisms to share best practice, learning and Councillor development.
- In addition to the creation of Publica, the Council continues to secure savings through improved use of its assets and investments.
- Given the creation of Publica is five years on, over the coming year all Shareholder Councils will jointly conduct a robust review of future options to make sure the solutions needed for the council to achieve financial stability can be achieved, given the MTFS shortfall over the years ahead. This review will examine the priorities for service delivery, options for reduction or transformation and how the Publica model fits into this.
- The Council is also a Shareholder in Ubico, who deliver the Council's environmental services including waste and recycling collection services. The Council is focusing on ensuring effective governance arrangements are in place for this jointly owned company.
- The Council has processes in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities. Corporate processes such as risk management, performance management processes, budget monitoring and other management processes are designed to capture and incorporate these external factors and to enable the Council to respond appropriately.
- The Strategic risk register is reviewed regularly by the Local Leadership Team and reported to the Audit & Governance Committee. This is under review to ensure all required risks are escalated and reported.
- Projects and services retain their own risk registers and should elevate any high or strategic risks to the Local Leadership Team and Publica as appropriate for consideration. A Risk

Group reviews risk registers each quarter and should escalate any emerging risks to the strategic register. Significant progress has been made this year in improving the identification and reporting of risks, but further work is planned to improve communication and processes as there is a recognition that not all risks are appropriately escalated to the strategic register and therefore visible to the Local Leadership Team.

- Key performance indicators are measured and reported quarterly.
- Budgets are prepared annually in accordance with objectives, strategies and the MTFS, following consultation with residents, Members and Officers.
- The MTFS is a live document and can be reviewed, updated and reported as necessary, to respond to the changing environment.
- As we move forward, we will continue to analyse the impact of the current cost of living crisis and understand how that has impacted our strategic priorities. We will need to understand and manage a variety of impacts, including financial, service delivery, health and wellbeing. The Council will continue to work with residents and local businesses to review and respond to their changing needs and to help them protect themselves and others, as well as recover from the health and economic costs arising from the cost-of-living crisis.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.

- Developing the entity's capacity

- Developing the capability of the entity's leadership and other individuals

- One of the reasons behind the creation of Publica was to increase service delivery capacity across the four partner councils by sharing common processes and procedures and eliminating (as far as possible) single points of failure. By working in partnership, the Councils are able to share the cost of commissioning bespoke and specialist advice. As part of the review cited at the third paragraph in section D above, the Council will consider how the Publica governance model and Executive arrangements support the Council's Retained Officers' capacity to lead the Council and develop ideas, strategies and political engagement.
- The move to provision of services via wholly owned companies provides the opportunity to engage with a number of Non-Executive Directors that bring a wealth of experience from a range of different economic sectors. Councillors also have a range of experience which is a valuable asset to the Council.
- There is a Scheme of Delegation at Member level covering the Council, Executive (Cabinet), individual Executive Members and other Committees. Similarly, there is a Scheme of Delegation for Officer decisions at Executive, Non-Executive and Regulatory meetings. These are reviewed and revised as structures change.
- Financial rules are in place and are reviewed and revised as required.
- An induction programme is available to new employees and Members. Training is also provided for both Members and Officers on an on-going basis as appropriate and necessary. Members on certain Committees (e.g., Planning and Licensing) are required to undertake training before attending the Committee meetings, and to attend further training to remain up to date and improve their knowledge. A new induction process is being introduced for staff in 2023/24.
- Officers undertake regular 121 meetings with their line manager. As part of these 121 meetings, Officers discuss work plans/tasks and any training requirements associated with the successful delivery of the work plan. Officers are encouraged to complete Continuing Professional Development as relevant to their professional qualifications and service areas hold budgets to ensure that training can be undertaken to maintain skills and knowledge.
- Training is also provided for Officers on an on-going basis as appropriate and necessary.
- The Head of Paid Service, the Section 151 Officer, the Monitoring Officer and the Leader of the Council have clear statutory responsibilities. Roles and responsibilities are contained within the Constitution along with the Member/Officer Protocol.
- A Leadership Development Programme has been run for senior managers within Publica and the Council and during 2023/24 will be further developed to ensure positive leadership.

F. Managing risks and performance through robust internal controls and strong public financial management

- Managing risk

- Managing performance
- Robust internal control
- Managing data
- Strong public financial management

- The Council explains and reports regularly on activities, performance and the Council's financial position through reports to its Executive (Cabinet) and Committees. Timely, objective and understandable information about the Council's activities, achievements, performance and financial position is provided. This includes publication of:
 - Quarterly Performance Reports, publicly reported to the Executive (Cabinet)
 - Externally audited accounts including an Annual Governance Statement.
- A Risk Management Group has been established to undertake quarterly reviews of risk registers, escalating any emerging risks to a strategic level. The Local Leadership Team reviews the Strategic Risk Register on a quarterly basis. The Strategic Risk Register is reported to the Audit & Governance Committee on a regular basis.
- Risks are identified when undertaking Internal Audit reviews and reported when necessary. The Council, through the S151 Officer, is able to flag any areas of concern to be added to the work of the Internal Audit team in the coming year.
- The work of the Internal Audit team is reviewed and challenged by both the S151 Officer and the Audit and Governance Committee.
- Performance Management measures the quality of service for users to ensure services are delivered in accordance with the Council's objectives and represent best use of resources.
- Performance is measured on a regular basis through the quarterly KPI dashboards and reported to Members and Executive (Cabinet).
- Minutes of meetings are published and highlight the challenge made by Members to Officers and to Executive (Cabinet) Members.
- The Internal Audit service is provided by South West Audit Partnership Internal Audit Services ('SWAP') and is run in partnership with other local authorities.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and the S151 Officer. The Audit Plan is approved at the Audit & Governance Committee prior to the financial year.
- Audit reports, once completed, are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to the Audit & Governance Committee, on a quarterly basis.
- Recommendations made in audit reports are followed up 6 months after the completion of the audit and priority 1 and 2 findings are reported to the Audit & Governance Committee. Recommendations not implemented within that time scale are reported to the S151 Officer and to the Audit and Governance Committee.
- The Audit & Governance Committee's Terms of Reference are contained within the Constitution. Training is provided where appropriate.
- A Counter Fraud Unit supports the Council and other third parties. Where investigations identify possible improvements to the internal control framework the Counter Fraud Unit

will liaise with the Internal Audit team to ensure the improvements are followed up and implemented by management.

- An ICT Audit and Compliance Manager has been appointed as the Council's Data Protection Officer and therefore has responsibility for Data Protection policies and ensuring that Officers and Members are informed and appropriately trained.
- The Council has invested in its cyber security capability to increase its resilience against a cyber-attack, by implementing additional security solutions, recruiting additional staff and resourcing an ongoing training programme to maintain the impact of this investment.
- Audit reviews ensure data is held securely whether electronically or hard copy.
- The MTFS is reviewed and updated on a regular basis by the Section 151 Officer to ensure that the Head of Paid Service, Monitoring Officer and Members are aware of the financial standing of the Council.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

- Implementing good practice in transparency
- Implementing good practices in reporting
- Assurance and effective accountability

- Data in respect of transparency is published on the Council's website.
- The Council's Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the Council has met its governance reporting obligations.
- External Audit recommendations are reported to Audit & Governance Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported.
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed-up and reported to the Audit & Governance Committee, further follow-up is planned if recommendations have not been actioned in full.
- The Council has a process for the receipt and processing of freedom of information requests made under the Freedom of Information Act and environmental information requests under Environmental Information Regulations.
- There is a presumption that all reports and the associated annexes to be considered in public meetings will be published. The Council's Legal Officer is consulted in circumstances where reports or annexes contain information which is considered to be exempt from publication.

4. REVIEW OF EFFECTIVENESS

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the Officer Corporate Governance Group and comments made by the External Auditors, other review agencies and inspectorates.

The Council's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

Statutory Officers, Executive Directors, Assistant Directors and Business Managers are required to complete an Annual Assurance Statement at the end of the financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.

The Local Leadership Team (including the Section 151 Officer, the Monitoring Officer and Locality Directors) review the Strategic Risk Register on a quarterly basis and Service/Project Risk Registers are maintained by each Group/Business Manager.

A Governance Group meets quarterly to discuss and action matters such as staff declarations of interests/gifts and hospitality, audit recommendations, cyber security and GDPR updates/breaches register and counter fraud updates.

The SWAP Assistant Director (Head of Internal Audit) provides the Audit & Governance Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the Council, which includes its governance arrangements.

Investigation of, and decisions on, allegations of failure to comply with the Members' Code of Conduct are considered and determined by the Monitoring Officer and/or an Independent Standards Panel taking into account the views of the Independent Person.

Induction processes are carried out for newly elected Members.

Training and awareness sessions are carried out for the Audit & Governance Committee periodically.

The External Auditors (Grant Thornton) present progress reports to the Audit & Governance Committee.

The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit & Governance Committee.

Quarterly performance reports, including the budget position, are presented to the appropriate Member panel and Executive (Cabinet), demonstrating performance management against agreed performance indicators and budgets.

The Audit & Governance Committee reviews the Annual Statement of Accounts, including the final AGS, the Treasury Management Strategy and quarterly progress reports from both Internal Audit (SWAP) and External Audit (Grant Thornton).

Full Council approves the annual budget and reviews and approves the Treasury Management Strategy, following recommendations from the Audit & Governance Committee.

Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the relevant Business Manager/Group Manager.

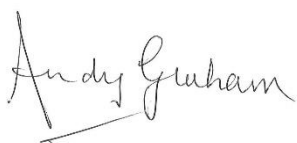
ANNUAL GOVERNANCE STATEMENT

The Annual Internal Audit Opinion for 2022/2023, in respect of the areas reviewed during the year, was one of low “Reasonable” Assurance, that there is a generally sound system of governance, risk management and control in place.

The Council’s Financial Rules and Contract Rules are kept under review and revised periodically.

Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government & Local Care Ombudsman and reports from SWAP or Grant Thornton are also reviewed.

Signed on behalf of West Oxfordshire District Council:



Cllr Andy Graham
Leader of the Council

Date: 19/0/2024



Giles Hughes
Chief Executive

Date: 19/08/2024

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of West Oxfordshire District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of West Oxfordshire District Council (the 'Authority') for the year ended 31 March 2023, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, the Collection Fund and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Director of Finance and S151 Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Director of Finance and S151 Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

INDEPENDENT AUDITOR'S REPORT

In auditing the financial statements, we have concluded that the Director of Finance and S151 Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Director of Finance and S151 Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Director of Finance and S151 Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with 'Delivering Good Governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;

INDEPENDENT AUDITOR'S REPORT

- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Director of Finance and S151 Officer

As explained more fully in the Statement of Responsibilities set out on page 7, the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Director of Finance and S151 Officer. The Director of Finance and S151 Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Director of Finance and S151 Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director of Finance and S151 Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the Local Government Act 2003).

We enquired of management and the Audit and Governance Committee concerning the Authority's policies and procedures relating to:

- the identification, evaluation and compliance with laws and regulations;
- the detection and response to the risks of fraud; and
- the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

We enquired of management, internal audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

INDEPENDENT AUDITOR'S REPORT

We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to high risk and unusual journal entries and significant accounting estimates. Our audit procedures involved:

- evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud,
- journal entry testing, with a focus on high risk and unusual journals
- challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment, investment properties and the defined benefit pensions liability valuations; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
 - the provisions of the applicable legislation
 - guidance issued by CIPFA/LASAAC and SOLACE
 - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

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

INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

We document our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

INDEPENDENT AUDITOR'S REPORT

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of West Oxfordshire District Council for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 [and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited]. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Barber

Peter Barber, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
Bristol

20 August 2024

A

Accounting Period

The period of time covered by the accounts, normally a period of 12 months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accounting Statements

The Council's Core Financial Statements and Supplementary Financial Statements.

Accruals

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which no payment has yet been made or received at the Balance Sheet date.

Actuarial Gains and Losses (Pension Schemes)

Changes in the net pensions liability that arise because events have not matched assumptions at the last actuarial valuation or because actuarial assumptions have changed.

Amortisation

A term used to refer to the charging of the value of a transaction or asset (usually related to intangible assets or deferred charges) to the Income and Expenditure Account over a period of time, reflecting the value to the authority, similar to the depreciation charge for non-current assets.

Appointed Auditors

The Local Audit and Accountability Act 2014 includes a statutory requirement that a local authority's annual Statement of Accounts be subject to external review by a duly appointed external auditor. From 2018/19, the responsibility for the appointment of said external auditor has been devolved to Public Sector Audit Appointments (PSSA) for Local Government Authorities that have opted into its national scheme. Grant Thornton UK LLP is the Council's appointed auditors for the period 2018/19 to 2022/23.

Approved Institutions

Funds that are not immediately required may be invested but only with third parties meeting the credit rating criteria approved annually as part of the Council's Treasury Management Policies and Practices.

Asset

An item having value in monetary terms. See also Current Assets, Non-Current Assets and Financial Asset.

Audit of Accounts

An independent examination of the Council's financial affairs.

B

Billing Authority

A local authority responsible for collecting Council Tax and National Non-Domestic Rates.

Budget

The forecast of net revenue and capital expenditure over an accounting period.

C

Capital Expenditure

Expenditure for the acquisition, provision or improvement of non-current assets, which will be of long-term value to the Council, providing services beyond the current accounting period.

Capital Programme

The capital schemes the Council intends to carry out over a specified time period.

Capital Receipts

Money received from the disposal of non-current assets or the repayment of grants and loans, which is available for financing future capital expenditure.

Collection Fund

A statutory fund maintained by a billing authority, which is used to record local taxes and Non-Domestic Rates collected by the authority, along with payments to precepting authorities, the national pool of Non-Domestic Rates and the billing authority's General Fund.

Community Assets

Assets which the Authority intends to hold in perpetuity, that have no determinable finite useful life and that may have restrictions on their disposal, e.g. parks, historical buildings. See also Non-Current Assets.

Consistency

The concept that the accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingency

Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income.

Contingent Asset

A possible asset that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control.

Contingent Liability

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control; or
- a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount cannot be measured with sufficient liability.

Council Tax

The main source of local taxation for local authorities. Council Tax is levied on households within its area by the billing authority and the proceeds are paid into the Collection Fund for distribution to precepting authorities and the Authority's General Fund.

Creditors

Amounts owed by the Authority for works completed, goods received, or services rendered before the end of the accounting period but for which payments have not been made.

Current Assets

Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities

Amounts which will become due or could be called upon during the next accounting period.

Current Service Cost (Pensions)

The increase in the present value of a defined benefit scheme's liabilities as a result of employee service earned in the current period.

Curtailment (Pensions)

An event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

D**Debtors**

Amounts due to the Authority for works completed, goods received, or services rendered before the end of the accounting period but for which payments have not been received.

Depreciation

The estimated benefit of an asset consumed during the accounting period, owing to age, wear and tear, deterioration or obsolescence.

GLOSSARY OF TERMS AND ABBREVIATIONS

Direct Revenue Financing (DRF)

Resources provided from an authority's revenue budget to finance the cost of capital projects.

E

Equity

The Authority's value of total assets less total liabilities.

Equity Instrument

A contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Events After the Reporting Period

Those (non-adjusting) events, both favourable and unfavourable, of such materiality that their disclosure is required for the fair presentation of the Statement of Accounts, which occur between the Balance Sheet date and the date on which the Accounts are signed by the responsible financial officer.

Exceptional Items

Events or transactions that fall within the ordinary activities of the Authority and need to be disclosed separately due to their size to give fair presentation of the accounts.

External Audit

The independent examination of the activities and accounts of local authorities in order to give an opinion as to whether the Statement of Accounts have been prepared in accordance with legislative requirements and proper practices, and to ensure the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

F

Fair Value (FV)

The price an asset could be exchanged for in an arm's length transaction less any grant.

Fees and Charges

Income raised by charging users of services for facilities, e.g. leisure centres, trade refuse, etc.

Finance Leases

A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee. Accounting guidance requires that it should be presumed that such transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment, amounts to substantially all (normally 90% or more) of the fair value of the leased asset. The present value is calculated using the interest rate implicit in the lease.

Financial Asset

A right to future economic benefits controlled by the Authority that is represented by:

- cash
- an equity instrument of another entity
- a contractual right to receive cash (or another financial asset) from another entity.
- a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the Authority.

Financial Instruments

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liability

An obligation to transfer economic benefits controlled by the Authority that is represented by:

- a contractual obligation to deliver cash (or another financial asset) to another entity.
- a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavourable to the Authority.

G

General Fund (GF)

The main revenue fund of a billing authority, used to meet day-to-day spending.

Government Grants

Grants made by the Government towards either revenue or capital expenditure to support the cost of providing the Authority's services. These grants may be specifically towards the cost of particular schemes or to support the revenue spend of the Authority.

Gross Expenditure

The total cost of providing the Authority's services before taking into account income from government grants and fees and charges for services.

Growth

Any increase in spending from one year to another which enables the Authority to pay for more services rather than to meet higher costs.

H

Housing Benefit (Rent Allowance)

An allowance to persons on low (or no) income to meet, in whole or part, their rent. Benefit is allowed or paid by local authorities but central government refunds part of the cost of the benefit provided and of the running costs of the service to local authorities.

I

Impairment

A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment)

Income

Amounts that the Authority receives or expects to receive from any source, including fees and charges, sales and grants.

Infrastructure Assets

Non-current assets belonging to the Authority which do not necessarily have a resale value e.g. highways, and for which a useful life span cannot be readily determined.

Intangible Assets

Non-financial assets which do not have physical substance but are identified and controlled by the Authority through legal rights e.g. IT Software.

Interest Receivable

The money earned from the investment of surplus cash.

Inventories

Items of raw materials and stores an authority has procured to use on a continuing basis and which it has not yet used.

Investment Property

Land and Buildings non-current assets held only for investment potential.

J

Joint Arrangement

An arrangement under which the participants engage in joint activities but do not create a legal entity because it would not carry on a trade or business of its own.

L

Liability

A liability is where the Authority owes payment to an individual or another organisation. See also Contingent Liability, Current Liabilities and Financial Liability

Local Council Tax Support Scheme

Assistance provided by billing authorities to adults on low incomes to help pay their Council Tax bill. The cost is borne by the Council.

Long-Term Assets

Non-current and other assets which can be expected to be of use or benefit the Authority in providing its service for more than one accounting period.

Long-Term Liabilities

Amounts which will become due or could be called upon beyond the next accounting period.

M

Materiality

The concept that the Statement of Accounts should include all amounts which, if omitted, or misstated, could be expected to lead to a distortion of the financial statements to a reader.

Minimum Revenue Provision (MRP)

The minimum amount which must be charged to an Authority's revenue account each year and set aside as provision for repayment of debt as required by the Local Government Act 2003.

N

National Non-Domestic Rates (NNDR)

A levy on businesses, based on a national rate in the pound set by the Government, multiplied by the rateable value of the premises they occupy.

Net Book Value (NBV)

The amount at which non-current assets are included in the balance sheet.

Net Debt

The Authority's total borrowings less cash investments.

Net Expenditure

Gross expenditure less specific service income.

Net Interest on the Net Defined Benefit Liability (Pensions)

The net interest expense - the change during the period in the net benefit liability that arises from the passage of time.

Non-Current Assets

Property, plant and equipment and other assets that bring longer term benefit or service potential to the Authority.

Non-Operational Assets

Assets held by the Authority but not directly occupied, used or consumed in the direct delivery of services, e.g. assets in the course of construction and surplus land.

O

Operating Leases

A lease other than a Finance Lease (see above). The future obligations relating to operating leases are disclosed to provide the reader with an estimate of the outstanding un-discharged obligations in relation to such leases.

Operational Assets

Non-current assets held and occupied, used or consumed by the Authority in the direct delivery of those services for which it has a statutory or discretionary responsibility.

Outturn

Actual income and expenditure in a financial year (accounting period).

P**Past Service Costs (Pensions)**

The increase in the present value of the defined benefit scheme liabilities, related to employee service in prior periods, arising as a result of, or improvement to, retirement benefits.

Pension Fund

An employees' pension fund maintained by an authority, or group of authorities, in order to make pension payments on the retirement of its participants; it is financed from contributions from the employing authority, the employee and investment income.

Precept

A levy made by one statutory body (Precepting Authority) on another to meet the net cost of its services.

Precepting Authorities

Those authorities that are not Billing Authorities, i.e. do not collect the Council Tax and National Non-Domestic Rates. Police authorities are 'major' precepting authorities and town and parish councils are 'local' precepting authorities.

Prior Period Adjustments

Material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Provisions

Amounts set aside for the purposes of providing for any liability or loss which is likely or certain to be incurred but is uncertain as to the amount or the date on which it will arise, e.g. bad debts.

Prudence

The concept that income should only be anticipated to the extent that it will be received, as cash or other assets, with reasonable certainty and full and proper allowance should be made for all known and foreseeable losses and liabilities.

Prudential Code

The CIPFA Prudential Code for Capital Finance in Local Authorities – the guidance applicable from April 2017 for the greater freedom for authorities to borrow to fund capital investment (under the Local Government Act 2003). This Code requires the Authority to set and monitor a suite of Prudential Indicators, including its Affordable Borrowing Limit, and produce a capital strategy to give weight to local circumstances and explain their approach to borrowing and investment.

R**Rateable Value**

The annual assumed rental value of a hereditament that is used for NNDR purposes.

Revenue Expenditure Funded by Capital Under Statute (REFCUS)

Expenditure of a capital nature but for which there is no tangible asset, e.g. renovation grants.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party; or
- The parties are subject to common control from the same source; or

GLOSSARY OF TERMS AND ABBREVIATIONS

- One party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interest.

Examples of related parties to an authority include Central Government, Local Authorities and other bodies precepting or levying demands on the Council Tax, its Members, its Chief Officers and its Pension Fund.

For individuals identified as related parties, it is also presumed that members of the close family, or the same household, or any partnerships, companies in which the individual or a member of their close family, or the same household has a controlling interest, are deemed to be related parties.

Related Party Transactions

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. The materiality of related party transactions is judged not only in terms of their significance to the Authority, but also in relation to its related party.

Reserves

Amounts set aside in the accounts for the purpose of meeting general, future expenditure. Reserves may also be used to smooth the cost of certain activities over a number of years. A distinction is drawn between reserves and provisions (see above), which are set up to meet known liabilities.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

Return on Plan Assets (Pensions)

Changes during the period in the net benefit liability that arises from the passage of time excluding amounts included in Net Interest on the Net Defined Benefit Liability.

Revenue Expenditure

Spending on day-to-day items including employees' pay, premises and transport costs and supplies and services.

Revenue Support Grant

A general grant paid by the Government to Council's contributing towards the costs of their services.

S

Specific Grants

The term used to describe all government grants, including supplementary and special grants, to local authorities other than Revenue Support Grant and capital grants.

T

Total Cost

The actual cost of services reflecting all of the direct, indirect and overhead costs that have been incurred in providing the service, even where the expenditure is not under the control of the service's chief officer.


W

Work In Progress

The cost of work carried out on an uncompleted project at the Balance Sheet date, which should be accounted for within the accounting period.

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 26th September</p>
<p>Subject</p>	<p>2024/25 TREASURY MANAGEMENT INDICATORS – QUARTER ONE</p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Cllr Alaric Smith Cabinet Member for Finance Email: alaric.smith@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk</p>
<p>Report author</p>	<p>Sian Hannam, Treasury Accountant Email: sian.hannam@publicagroup.uk</p>
<p>Summary/Purpose</p>	<p>To report to the Audit and Governance Committee the Quarter 1 Treasury Management Indicators as required by the CIPFA Treasury Management Code.</p>
<p>Annexes</p>	<p>A. Glossary of Treasury Management Terms</p>
<p>Recommendation(s)</p>	<p>That the Committee Resolves to: I. Note the contents of the report</p>
<p>Corporate priorities</p>	<p>Working Together for West Oxfordshire</p>
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/ Consultation</p>	<p>N/A</p>

1. BACKGROUND AND SUMMARY

- 1.1** The overall performance of investments in the 3 months to 30th June 2024 was positive, returning interest of £322,692 or 4.94% against a revenue budget of £289,058 for the period and also generating an unrealised capital gain of 4.66% or £182,841.
- 1.2** The capital value of pooled funds continues to be affected by prevailing economic conditions in the world markets. Pooled funds are intended to be long term investments where short term fluctuations in the capital value are expected. These funds are being monitored closely by the Council's Treasury Management adviser (Arlingclose) and they continue to forecast that the capital values will recover over the next 2-3 years as gilts and bond revenue rates start to decline again.
- 1.3** The Council has continued to benefit from higher revenue returns due to regular increases in the Bank of England Bank Rate to combat high levels of inflation. The Monetary Policy Committee made its first rate cut decision in July cutting the Bank base rate to 5%.
- 1.4** The Council complied with the Prudential Indicators for 2024/25 as set out in the budget approved by full Council in February 2024. Further details can be found in section 8 of this report.

2. ECONOMIC & FINANCIAL MARKETS BACKGROUND

- 2.1** UK headline consumer price inflation (CPI) continued to decline over the quarter, falling from an annual rate of 3.2% in March to 2.0% in May, in line with the Bank of England's target. The core measure of inflation, however, only declined from 4.2% to 3.5% over the same period, which, together with price inflation at 5.7% in May, helped contribute to the BoE maintaining the Bank Rate at 5.25% during the period, a level unchanged since August 2023.
- 2.2** Data released during the period showed that the UK economy had emerged from the technical recession at the end of 2023 to expand by 0.7% in the first quarter of the calendar year. Monthly GDP data showed zero growth in April following an expansion of 0.4% in the previous month.
- 2.3** Labour market data continued to provide mixed messages for policymakers, exacerbated by issues the Office for National Statistics is having compiling the labour force survey. In the three months between February and April 2024, unemployment was up, employment fell, while the decline in vacancies slowed and wage growth remained elevated. Unemployment rose to 4.4% while average regular earnings (excluding bonuses) was 6.0% and total earnings (including bonuses) was 5.9%. Adjusting for inflation, regular pay rose by 2.3% and total pay by 2.2%.
- 2.4** Having started the financial year at 5.25%, the Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at this level throughout the quarter. In line with expectations, at its June meeting, the Committee voted by a majority of 7-2 in favour of maintaining the status quo.

- 2.5** Earlier in May, in addition to an identical MPC rate decision and voting pattern, the Bank published the latest version of its Monetary Policy Report (MPR). Within the Report, the Committee noted that it expected four-quarter GDP growth to increase over the forecast period, reflecting the negative effects of past Bank Rate increases and the predicted downward path of interest rates which should provide support to economic activity. The trajectory of inflation was broadly similar to that in the previous Monetary Policy Report, albeit slightly lower towards the end of the forecast horizon due to the Committee's revised assessment of falling external inflationary pressures from past import price increases. This meant the Committee expected headline inflation to hit the 2% target two quarters sooner than in the February Monetary Policy Report. As was highlighted earlier, inflation data published in June showed that CPI inflation fell to the 2% target in May.
- 2.6** Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate and that interest rates will be cut later in 2024. The risks over the medium term are deemed to be to the upside as while inflation has fallen to target, it is expected to pick up again later in the year and as services price inflation and wage growth are still on the firmer side, the Monetary Policy Committee could well delay before delivering the first rate cut.
- 2.7 Financial markets:** Sentiment in financial markets showed signs of improvement over the quarter, but bond yields remained volatile. Early in the period yields climbed steadily, but mixed signals from economic data and investors' constant reassessment of when rate cuts might come caused some fairly pronounced but short lived dips in yields. Towards the end of the quarter yields rose once again and were higher than at the start of the period.
- 2.8 Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.
- 2.9** Financial market volatility is expected to remain a feature, at least in the short term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

3. LOCAL CONTEXT

- 3.1** On 31st March 2024, the Council had net investments of £25.629m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These items are summarised in Table I below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £m	31.3.25 Forecast £m
General Fund CFR	28.08	32.46
External borrowing	0.00	(2.00)
Internal borrowing	30.74	30.46
Less: Balance sheet resources	(32.03)	(27.88)
Net investments	(3.95)	2.57

- 3.2** The treasury management position at 30th June and the change over the 3 months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £m	Movement £m	30.06.24 Balance £m	30.06.24 Rate %
Short-term borrowing	0.000	0.000	0	N/A
Total borrowing	0.000	0.000	0	
Long-term investments	13.768	0.183	13.951	4.74
Short-term investments	0.077	3.003	3.080	5.24
Cash and cash equivalents	2.135	4.270	6.405	5.19
Total investments	15.980	7.456	23.436	4.94
Net investments	15.980	7.456	23.436	

4. BORROWING STRATEGY AND ACTIVITY

- 4.1** As outlined in the Treasury Management Strategy, the Council's chief objective when borrowing has been to strike a low-risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required. Flexibility to renegotiate loans, should the Council's long-term plans change, being a secondary objective. The Council's borrowing strategy thus far has maintained borrowing and investments below their underlying levels, known as internal borrowing.
- 4.2** CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decisions that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 4.3** At 30th June, the Council had no loans outstanding.

5. TREASURY INVESTMENT ACTIVITY

- 5.1 A counterparty list, recommended and reviewed by the Council's treasury management advisors Arlingclose, is received monthly and the treasury team use this to evaluate investment options. At the end of the period the majority of counterparties remained on a 100 day limit maintaining precautions bought about by uncertainty in the market. The treasury team continues to hold the majority of in-house balances in the liquid Money Market Funds and Call Accounts and making short term deposits with the UK Debt Management Office (DMO). This enables continued cash support for the services the Council provides to the public and provides funding for the Council's capital programme, without the need to borrow.
- 5.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

	31.3.24 Balance £m	Net Movement £m	30.06.24 Balance £m	30.06.24 Income Return %
Banks & building societies (unsecured)	0.000	2.500	2.500	5.22
Bank of England DMADF	0.000	1.080	1.080	5.19
Money Market Funds	2.135	3.770	5.905	5.22
Other Pooled Funds				
- <i>Equity & Multi Asset income funds</i>	9.201	0.113	9.314	4.74
- Bond income funds	3.692	(0.008)	3.684	4.74
- <i>Real Estate Investment Trusts</i>	0.953	0.000	0.953	2.85
Total investments	15.981	7.455	23.436	4.94

- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

5.5 Bank Rate remained at 5.25% through the quarter with short term interest rates being around this level. The rates on DMADF deposits ranged between 5.2% and 5.18% and money market rates between 5.25% and 5.18%.

5.6 The progression of risk and return metrics are shown in the Arlingclose quarterly investment benchmarking report; the results of which are summarised in Table 4 below.

Table 4: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate Return of %
30.06.2024	4.92	A+	89%	10	7.70
Similar LAs	4.76	A+	62%	52	5.54
All LAs	4.66	A+	62%	10	5.24

5.7 Externally Managed Pooled Funds: £14m of the Council's investments are invested in externally managed strategic pooled bond, equity, and multi-asset funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £144,153 which is used to support services in year, and £182,841 unrealised capital gain. The current Pooled Fund position can be seen in table 5 below.

Table 5: Current Pooled Funds

Fund Manager	Original Investment	Value 31st March 2024	Value 30th June	3 Month Dividend 2024/25	2024/25 Capital Gain/(Loss)	Capital Gain/(Loss) vs Original Investment
	£	£	£	£	£	£
UBS (B/E)	2,000,000	1,466,417	1,482,130	20,427	15,713	- 517,870
M&G Strategic (B)	2,000,000	1,827,489	1,826,827	21,888	- 662	- 173,173
Royal London (L)	2,000,000	1,842,579	1,857,453	21,646	14,874	- 142,547
Schroders (E)	1,000,000	890,477	948,661	24,935	58,184	- 51,339
Threadneedle UK (E)	1,000,000	1,093,543	1,188,897	11,038	95,354	188,897
CCLA Better World (B/E)	3,000,000	2,908,273	2,854,259	6,685	- 54,014	- 145,741
Aegon/Kames (L)	3,000,000	2,786,106	2,839,498	37,534	53,392	- 160,502
Total - Current funds	14,000,000	12,814,884	12,997,725	144,153	182,841	- 1,002,275

(L = Liquidity; B= Bond; E= Equity)

- 5.8** At the end of July, West Oxfordshire Council received notification from UBS Fund Managers that they would be closing their fund in September 2024. The Council will absorb an unavoidable capital loss with the withdrawal of this fund, the mitigation of which is being discussed regularly with Arlingclose.
- 5.9** Government bonds yields remained elevated and higher-for-longer interest rate expectations resulted in a drop in capital values of the Authority's bond funds, and, to a lesser extent, the multi-asset funds where there was some offset from better equity performance.
- 5.10** UK equities enjoyed a positive quarter. The FTSE All Share index was buoyed in April by data showing the economy had emerged from the short, shallow recession in 2023. Sterling's weakness against the dollar in April also provided a boost to UK stocks with overseas earnings. The energy, materials and mining sectors gained as the outlook for global manufacturing improved. Healthcare and financial stocks were also supported by good earnings data. The rally faded with the unexpected announcement in May of a general election in early July.
- 5.11** The change in the Authority's funds' capital values and income return over the 3-month period to 30th June is shown in Table 5 above.
- 5.12** In April 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for two years until 31st March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not. The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken. An earmarked reserve has been set up to mitigate against this risk.

6. TREASURY PERFORMANCE

- 6.1** The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Q1 Actual £m	2024_25 Q1 Budget £m	Over/ (under)	Actual %	LA's Average Benchmark %	Over/ under
Short-term investments	0.046	0	0.046	5.24	5.07	0.17
MMF & Call Accounts	0.133	0.0885	0.045	5.22	5.07	0.15
Strategic Funds	0.144	0.125	0.019	4.74	5.16	-0.42
Long Term Loans	0.007	0.068	(0.061)	2.84	N/A	N/A
REIT	0.008	0.007	0.001	2.85	N/A	N/A
Total treasury investments	0.338	0.289	0.049	4.94	5.06	-0.12

7. COMPLIANCE

- 7.1 The treasury management activities undertaken during the quarter complied with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	2024/25 Maximum £m	30.06.24 Actual £m	2024/25 Limit £m	Complied? Yes/No
Any single organisation, except the UK Government	3	0	5	YES
Any group of organisations under the same ownership	3	0	5	YES
Any group of pooled funds under the same management	0	0	5	YES
Limit per non-UK country	0	0	1	YES
Registered providers and registered social landlords	9.8	9.607	10	YES
Unsecured investments with banks	3	2.5	10	YES
Money Market Funds	15	6.905	25	YES
Strategic pooled funds	14	14	25	YES
Real Estate Investment Trusts	1	1	5	YES

- 7.2 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 8 below.

Table 8: Debt and the Authorised Limit and Operational Boundary

	Q1 2024/25 Maximum	30.06.24 Actual	2024/25 Operational Boundary	2024/25 Authorised Limit	Complied? Yes/No
	£m	£m	£m	£m	
Borrowing	0	0	55.06	50.06	YES
Total debt	0	0			

- 7.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

8. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 8.1 As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.
- 8.2 **Liability Benchmark** - This indicator compares the Council's existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £4m required to manage day-to-day cash flow.

	31.3.24 Actual	31.3.25 Forecast	31.3.26 Forecast
Loans CFR	28.08	32.46	39.38
Less: Usable Reserves	(32.03)	(27.88)	(23.95)
Working Capital	(12.50)	(17.42)	(23.20)
Net loans requirement	(16.45)	(12.84)	(7.77)
Plus: Liquidity allowance	15.00	15.00	15.00
Liability benchmark	(1.45)	2.16	7.23
External borrowing	0.00	2.00	7.00

- 8.3 Long-term Treasury Management Investments: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£25m	£25m	£25m	£25m
Actual principal invested beyond year end	0	n/a	n/a	£15m
Complied?	YES	YES	YES	YES

- 8.4** Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.
- 8.5 Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	2024/25 Target	30.06.2024	Complied?
Portfolio average credit rating	A-	A+	Yes

- 8.6 Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk.

Interest rate risk indicator	2024/25 Target	30.06.2024 Actual	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	-210,000	-58,902	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	210,000	58,902	Yes

9. NON TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 9.1** The Authority measures and manages its capital expenditure, borrowing and service investments with references to the following indicators.
- 9.2** It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.
- 9.3** Capital Expenditure: The Authority has undertaken and is planning capital expenditure as summarised below.

	2023/24 Actual	2024/25 Forecast	2025/26 Forecast
General Fund services	4.24	11.28	6.37

- 9.4** The main capital expenditure this quarter has been £606,000 on Waste Vehicle replacement and £635,000 of Local Authority Housing Fund grant for affordable housing. Significant capital expenditure timetabled for this financial year includes urgent repairs to some of the Council's

Investment Property portfolio, replacement Food Waste and ancillary vehicles and the decarbonisation of Witney Leisure Centre.

- 9.5 Capital Financing Requirement:** The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt.

	31.03.2024	31.03.2025	31.03.2026
	actual	forecast	forecast
General Fund services	28.08	32.46	39.38
TOTAL CFR	28.08	32.46	39.38

- 9.6 Gross Debt and the Capital Financing Requirement:** Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31.03.2024 actual £m	31.03.2025 forecast £m	31.03.2026 budget £m	Debt at 30.06.2024 £m
Debt (Incl.PFI & leases)	0	2.00	7.00	0
Capital Financing Requirement	28.08	32.46	39.38	

- 9.7 Debt and the Authorised Limit and Operational Boundary:** The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	Maximum debt Q1 2024/25	Debt at 30.06.24	2024/25 Authorised Limit	2024/25 Operational Boundary	Complied? Yes/No
Borrowing	0	0	55.06m	50.06m	Yes
Total Debt	0	0	0	0	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

- 9.8 Net Income from Commercial and Service Investments to Net Revenue Stream:** The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

	2023/24 actual	2024/25 budget	2025/26 budget
Total net income from service and commercial investments	2.93m	5.91m	5.91m
Net Revenue Stream per MTFS	14.17m	15.15m	15.23m
Proportion of net revenue stream	20.67%	39.00%	38.80%

- 9.9 Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loan repayments are charged to revenue.

- 9.10** The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

	2023/34 actual	2024/25 forecast	2025/26 budget
Financing costs (£m)	0.501m	1.611m	1.818m
Net Revenue Stream per MTFS	14.17m	15.15m	15.23m
Proportion of net revenue stream	3.53%	10.63%	11.93%

9.11 Conclusion

Overall performance of investments in the 3 months to 30th June 2024 was positive and the Council complied with the Prudential Indicators for 2024/25 as set out in the budget approved by full Council in February 2024.

10. Financial Implications

There are no financial implications arising from this report.

11. Legal Implications

There are no legal implication arising from this report.

12. Risk Assessment

None required as a result of this report.

13. Equalities Impact

No direct equalities impact with regards to the content of this report.

14. Climate and Ecological Emergencies Implications

None.

15. Background Papers

None.

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Glossary of Treasury Management Terms

Amortising A loan or bond where principal is repaid over its term, rather than only on maturity. See also annuity and EIP.

Annuity A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion of interest reduces and the proportion of principal repayment increases over time. Repayment mortgages and personal loans tend to be repaid by the annuity method.

Asset management The stewardship of capital assets, including decisions around on-going maintenance and eventual disposal.

Authorised limit The maximum amount of debt that a local authority may legally hold, set annually in advance by the authority itself. One of the Prudential Indicators.

BACS Bankers' automated payment system. UK bulk payments system allowing transfers between bank accounts with two days' notice, for a small charge.

Bail-in A method of rescuing a failing financial institution by cancelling some of its deposits and bonds. Investors may suffer a haircut but may be given shares in the bank as part compensation. See also bail-out.

Bail-out A method of rescuing a failing financial institution by the injection of public money. This protects investors at the expense of taxpayers. See also bail-in.

Bank Regulated firm that provides financial services to customers. But see also Bank of England.

Bank of England The central bank of the UK, based in London, sometimes just called "the Bank". See also Monetary Policy Committee and PRA.

Bank Rate The official interest rate set by the Monetary Policy Committee, and the rate of interest paid by the Bank of England on commercial bank deposits. Colloquially termed the "base rate".

Bid A bid to buy a security at a certain price (the bid price), or a bid to borrow money at a certain interest rate (the bid rate). See also offer.

Bill A certificate of short-term debt issued by a company, government, or other institution, which is tradable on financial markets.

Bond A certificate of long-term debt issued by a company, government, or other institution, which is tradable on financial markets.

Bond fund A collective investment scheme that invests mainly in bonds.

Borrowing Usually refers to the stock of outstanding loans owed and bonds issued.

Broker Regulated firm that matches either borrowers and lenders (a money broker) or buyers and sellers of securities (a stockbroker) with each other in order to facilitate transactions.

Brokerage Fee charged by a broker, normally paid by the borrower.

Building society A mutual organisation that performs similar functions to a retail bank but is owned by its customers.

Call account A deposit account that can be called back, normally on instant access.

Capital (1) Long-term, as in capital expenditure and capital receipt.

(2) Principal, as in capital gain and capital value.

(3) Investments in financial institutions that will absorb losses before senior unsecured creditors.

Capital expenditure Expenditure on the acquisition, creation or enhancement of fixed assets that are expected to provide value for longer than one year, such as property and equipment, plus expenditure defined as capital in legislation such as the purchase of certain investments.

Capital finance Arranging and managing the cash required to finance capital expenditure, and the associated accounting.

Capital finance regulations Legislation covering local authorities' activities in capital finance, treasury management and accounting. Separate regulations are published for the four nations of the UK.

Capital financing requirement (CFR) A local authority's underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with capital expenditure and decreases with capital finance and MRP.

Capital gain or loss An increase or decrease in the capital value of an investment, for example through movements in its market price.

Capital markets The markets for long-term finance, including bonds and shares. See also money markets.

Capital receipt Cash obtained from the sale of an item whose purchase would be capital expenditure. The law only allows local authorities to spend capital receipts on certain items, such as new capital expenditure. They are therefore held in a capital receipts reserve until spent.

Capital strategy An annual report required by the Prudential Code that sets out a local authorities' high-level plans for capital expenditure, debt and investments and its Prudential Indicators for the forthcoming financial year.

Cash plus fund A collective investment scheme similar to a money market fund but with a WAM up to around six months.

Central bank A government agency responsible for setting interest rates, regulating banks and maintaining financial stability.

Certainty rate Discount on PWLB rates for new loans borrowed, available to all local authorities that provide a forecast for their borrowing requirements.

Certificate of deposit (CD) A short-term debt instrument, similar to a deposit, but that is tradable on the money markets.

CHAPS Clearing House Automated Payment System. UK payments system for sameday transfer between bank accounts, commonly used for treasury management payments.

CIPFA The Chartered Institute of Public Finance and Accountancy - the professional body for accountants working in the public sector. CIPFA also sets various standards for local government – see Treasury Management Code and Prudential Code.

CNAV Constant net asset value - a money market fund where the net asset value is held at a constant £1 per share providing the value of the underlying investments is between 99.5p and 100.5p per share. Since 2019, this style of fund is restricted to those that only invest in government securities.

Commercial investment An investment whose main purpose is generating income, such as investment property.

Corporate bond Bond issued by a company. Sometimes the term excludes bonds issued by financial institutions.

Cost of carry When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.

Counterparty The other party to a loan, investment or other contract.

Counterparty limit The maximum amount an investor is willing to lend to a counterparty, in order to manage credit risk.

Coupon The contractual interest rate payable on a bond, as a percentage of the nominal amount. This normally reflects market conditions when the bond was originally issued.

Covered bond Bond issued by a financial institution that is secured on that institution's assets, usually residential mortgages, and is therefore lower risk than unsecured bonds. Covered bonds are exempt from bail-in.

CPI Consumer Price Index - the measure of inflation targeted by the Monetary Policy Committee, measured on a harmonised basis across the European Union. See also RPI.

Credit default swap (CDS) Derivative for swapping credit risk on a particular issuer, similar to an insurance policy where the buyer pays a premium against the risk of default. Also used as an indicator of credit risk: the higher the premium, the higher the perceived risk.

Credit rating Formal opinion by a credit rating agency of a counterparty's future ability to meet its financial obligations. As it is only an opinion, there is no guarantee that a highly rated organisation will not default.

Credit rating agency An organisation that publishes credit ratings. The three largest agencies are Fitch, Moody's and Standard & Poor's but there are many smaller ones.

Credit risk The risk that a counterparty will default on its financial obligations.

Credit watch Another term for rating watch.

Credit spread The increase in interest rate payable due to credit risk, usually measured relative to government bonds.

Custodian Regulated firm that provides custody.

Custody The safekeeping of securities that are dematerialised, i.e. no longer held in paper form, including the vast majority of bonds and shares traded on financial markets.

Debt (1) A contract where one party owes money to another party, such as a loan, deposit or bond. Contrast with equity.

(2) In the Prudential Code, the total outstanding borrowing plus other longterm liabilities.

Default Failure to meet an obligation under a debt contract, including the repayment of cash or compliance with a covenant, usually as a result of being in financial difficulty (rather than an administrative oversight).

Deflation Negative inflation, which central banks are keen to avoid since households tend to delay spending waiting for prices to fall further, leading to further deflation.

Deposit A regulated placing of cash with a financial institution. Deposits are not tradable on financial markets.

Derivative Financial instrument whose value is derived from an underlying instrument or index, such as a swap, option or future. Derivatives can be used to gain exposure to, or to help protect against, changes in the value of the underlying. See also embedded derivative and hedge.

Discount (1) The amount that the early repayment cost of a loan is below its principal, or the price of a bond is below its nominal value. See also premium.

(2) To calculate the present value of an investment taking account of the time value of money.

Discount rate The interest rate used in a present value calculation.

Diversification The spreading of risk across a variety of exposures in order to reduce the risk. For example, investing in a range of counterparties to limit credit risk or borrowing to a range of maturity dates to limit refinancing risk.

Diversified income fund A collective investment scheme that invests in a range of bonds, equity and property in order to minimise price risk, and also focuses on investments that pay income.

Dividend Income paid to investors in shares and collective investment schemes. Dividends are not contractual, and the amount is therefore not known in advance.

DMADF Debt Management Account Deposit Facility – a facility offered by the DMO enabling local authorities to deposit cash at very low credit risk. Not available in Northern Ireland.

DMO Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.

Dove Monetary policy maker with a preference for lower interest rates. See also hawk.

ECB European Central Bank – the central bank of the Eurozone, based in Frankfurt, Germany.

EIB European Investment Bank – a supranational bank owned by the member states of the European Union that mainly lends within the Union.

EIP Equal instalments of principal. A method of repaying a loan where the principal is repaid over the life of the loan, in equal instalments. Interest payments reduce over time as the principal is repaid.

EIR Effective interest rate - IFRS term for the average interest rate on a financial instrument, including the effect of premiums, discounts and fees. For a simple deposit or loan, the EIR is usually equal to the contractual interest rate; for a bond the EIR is usually equal to the yield.

ESG Environmental, social and governance considerations.

Equity (1) The residual value of an entity's assets after deducting its liabilities.

(2) An investment in the residual value of an entity, for example ordinary shares.

Equity fund A collective investment scheme that mainly invests in company shares.

Ex-dividend date The first date that a share or unit is traded without the right to receive the next dividend. The price therefore falls by the amount of the dividend.

Fair value IFRS term for the price that would be obtained by selling an investment, or paid to transfer debt, in a market transaction.

FCA Financial Conduct Authority – UK agency responsible for regulating financial markets and the conduct of financial institutions, brokers, custodians, fund managers and treasury management advisors.

Fiscal policy Measures taken by government to boost or slow the economy via taxation and spending decisions. Fiscal loosening or easing refers to cuts in taxes or increases in spending, while fiscal tightening refers to the opposite. See also monetary policy.

Financial institution A bank, building society or credit union. Sometimes the term also includes insurance companies.

Financial instrument IFRS term for investments, borrowing and other cash payable and receivable.

Financial strength rating A type of credit rating assigned by Arlingclose to UK local authorities. Only available via iDealTrade.

Financing costs In the Prudential Code, interest payable on debt less investment income plus premiums less discounts plus MRP.

Foreign exchange (FX) risk The risk that unexpected changes in foreign exchange rates cause a loss. Rarely an issue for local authorities since they are unable to borrow and tend not to invest in foreign currency.

Forward deal An arrangement where a loan or deposit is arranged in advance of the cash being transferred, with the advance period being longer than the standard period (if any) for such a transaction.

FSCS Financial Services Compensation Scheme – UK deposit guarantee scheme that will compensate most depositors up to £85,000 in the event of a bank failure. However, most public sector organisations, financial institutions and collective investment schemes are excluded from receiving compensation.

FSMA Financial Services and Markets Act 2000, the main piece of UK legislation regulating financial services.

FTSE Financial Times stock exchange – a series of indices on the London Stock Exchange. The FTSE 100 is the index of the largest 100 companies on the exchange, the FTSE 250 is the next largest 250 and the FTSE 350 combines the two.

Future A derivative whose payments depend on the future value of a variable.

Fund manager Regulated firm that manages collective investment schemes.

GDP Gross domestic product – the value of the national aggregate production of goods and services in the economy. Increasing GDP is known as economic growth.

General Fund A local authority reserve that holds the accumulated surplus or deficit on revenue income and expenditure, except on council housing. See also Housing Revenue Account.

Gilt Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.

Gilt yield Yield on gilts. Commonly used as a measure of risk-free long-term interest rates in the UK.

Guarantee An arrangement where a third party agrees to pay the contractual payments on a loan to the lender if the borrower defaults.

Haircut A reduction in the value of a bond or deposit as the result of a bail-in or other restructuring of the counterparty.

Hawk Monetary policy maker with a preference for higher interest rates. See also dove.

Hedge An arrangement where one instrument (typically a derivative) is used to offset the variability in another instrument. For example, an interest rate swap where interest is receivable at a variable rate can be an effective hedge for a variable rate loan.

Hedge accounting Optional IFRS accounting arrangements to ensure that the accounting impact of a hedge matches the economic impact.

IFRS International Financial Reporting Standards, the set of accounting rules in use by UK local authorities since 2010.

Impairment A reduction in the value of an investment caused by the counterparty being in financial difficulty.

Income return Return on investment from dividends, interest and rent but excluding capital gains and losses. See also total return.

Inflation risk The risk that unexpected changes in inflation rates cause an unplanned loss, for example by costs rising faster than income.

Interest Compensation for the use of cash paid by borrowers to lenders on debt instruments.

Interest rate risk The risk that unexpected changes in interest rates cause an unplanned loss, for example by increased payments on borrowing or lower income on investments.

Interest rate swap A derivative where the parties swap a fixed and a variable interest rate on an agreed nominal sum for an agreed period of time. Widely used to manage interest rate risk.

Internal borrowing A local government term for when actual “external” debt is below the capital financing requirement, indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing.

Inverted yield curve Yield curve where yields decrease over time, suggesting that short-term interest rates will fall in future. A possible indicator of a recession. See also normal yield curve.

Investment bank A bank that provides services including issuing new securities in the primary market and arranging company mergers and acquisitions. Investment banks may also undertake proprietary trading, i.e. investing the bank’s own money with a view to making a profit.

Investment grade Entities and securities with a credit rating of BBB- and above, and therefore relatively unlikely to default.

Investment guidance Statutory guidance issued by MHCLG and the devolved governments on local government investments. Local authorities are required by law to have regard to the relevant investment guidance.

Investment property Land and buildings that are held purely for rental income and/or capital growth. Investment properties are not owner-occupied and provide no direct service benefit.

Investment strategy A document required by investment guidance that sets out a local authority's investment plans and parameters for the coming year. Sometimes forms part of the authority's treasury management strategy.

ISIN International Securities Identification Number, a number that uniquely identifies a security such as a share or bond.

Lease A contract where one party permits another to make use of an asset in return for a series of payments. It is economically similar to buying the asset and borrowing a loan, and therefore leases are often counted as a type of debt.

Lessee Party to a lease contract that uses an asset owned by the lessor.

Lessor Party to a lease contract that own an asset but permits another (the lessee) to use it.

Leverage ratio A measure of financial strength of a financial institution, calculated as tier 1 capital divided by total assets plus lending commitments.

Liability benchmark Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level. Used to compare against the actual and forecast level of borrowing.

LIBID London interbank bid rate - the benchmark interest rate at which banks bid to borrow cash from other banks, traditionally 0.125% lower than LIBOR.

LIBOR London interbank offer rate - the benchmark interest rate at which banks offer to lend cash to other banks. Published every London working day at 11am for various currencies and terms. Due to be phased out by 2022.

Liquidity risk The risk that cash will not be available to meet financial obligations, for example when investments cannot be recalled and new loans cannot be borrowed.

Loan Contract where the lender provides a sum of money (the principal) to a borrower, who agrees to repay it in the future together with interest. Loans are not normally tradable on financial markets. There are specific definitions in government investment guidance.

Loans CFR The capital financing requirement less the amount met by other long-term liabilities, i.e. the amount to be met by borrowing.

LOBO Lender's option borrower's option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower's interest rate risk and the loan should therefore attract a lower rate of interest initially.

Local indicators Prudential indicators or treasury management indicators that are not required by the relevant code of practice but have been designed locally to meet similar purposes.

Local infrastructure rate Discount on PWLB rates for new loans borrowed, available to local authorities that have been successful in a bidding round.

Long-term Usually means longer than one year.

Long-term rating A credit rating, assessing of the risk of default over the long-term. Where an agency publishes a range of long-term ratings, Arlingclose reports the rating most relevant to wholesale depositors. See also short-term rating.

LVNAV Low volatility net asset value – the most common type of money market fund introduced in 2019 that can be bought and sold for £1 per share providing that the true net asset value is between 99.8p to 100.2p.

Mark to market A process by which investments are revalued to market prices, usually with the entity accounting for the capital gain or loss as income or expenditure.

Market risk The risk that movements in market variables will have an unexpected impact. Usually split into interest rate risk, price risk and foreign exchange risk.

Maturity (1) The date when an investment or borrowing is scheduled to be repaid.

(2) A type of loan where the principal is only repaid on the maturity date.

Maturity profile A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

MHCLG Ministry of Housing, Communities and Local Government – the central government department that oversees local authorities in England.

MiFID II The second Markets in Financial Instruments Directive - a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.

Monetary policy Measures taken by central banks to boost or slow the economy, usually via changes in interest rates. Monetary easing refers to cuts in interest rates, making it cheaper for households and businesses to borrow and hence spend more, boosting the economy, while monetary tightening refers to the opposite. See also fiscal policy and quantitative easing.

Monetary Policy Committee (MPC) Committee of the Bank of England responsible for implementing monetary policy in the UK by changing Bank Rate and quantitative easing with the aim of keeping CPI inflation at around 2%.

Money market fund (MMF) A collective investment scheme which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to CNAV and LVNAV funds with a WAM under 60 days which offer instant access, but the European Union definition extends to include cash plus funds.

Money markets The markets for short-term finance, including deposits and T-bills. See also capital markets.

Money Markets Code Code of practice issued by the Bank of England for the operation of the London money market, which is mostly unregulated by MiFID II.

MRP Minimum revenue provision - an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland but see Loans Fund.

Municipal bond Bond issued or guaranteed by local authorities.

Municipal bonds agency Company that issues bonds in the capital market and lends the proceeds back to local authorities. The bonds are guaranteed by the local authorities.

NDA Non-disclosure agreement. Contract where two organisations agree not to disclose each other's confidential information. Often required at the start of commercial loan negotiations.

Net asset value (NAV) The current value of a fund's assets, net of its liabilities, usually expressed as an amount per share or unit.

Net borrowing Borrowing minus treasury investments.

Net revenue stream In the Prudential Code, income from general government grants, Council Tax and rates.

Normal yield curve A yield curve where yields increase over time, which is the more common shape. See also inverted yield curve.

Nominal The face value of a bond or share, often quite different from the market value.

Note Another term for a bond.

Notice account A deposit account where the cash can be called back after a given notice period.

Non-specified investments Government term for investments not meeting the definition of a specified investment or a loan upon which limits must be set. Since 2018, the term does not apply to treasury investments in England. Not applicable in Scotland.

Non-treasury investment management practices (NTIMPs) Document required by the Treasury Management Code setting out a local authority's detailed processes and procedures for commercial investments and service investments.

OCF Ongoing charges figure – amounts charged to collective investment scheme that reduce the return for investors. Includes the AMC plus direct charges such as brokerage.

OEIC Open-ended investment company, a type of collective investment scheme that is structured as a company, where investors buy shares in the company.

Offer An offer to sell a security at a certain price (the offer price or ask price), or an offer to lend money at a certain interest rate (the offer rate). See also Bid.

OIS Overnight index swap – an interest rate swap where the variable rate is SONIA.

Other long-term liabilities Prudential Code term for credit arrangements.

Operational boundary A prudential indicator showing the most likely, prudent, estimated level of external debt, but not the worst-case scenario. Regular breaches of the operational boundary should prompt management action.

Operational risk The risk that fraud, error or system failure leads to an unexpected loss.

Option A derivative where the holder pays a premium to have the right, but not the obligation, to buy or sell a security or enter into a defined transaction.

Outlook A credit rating agency's expected direction of travel in the long-term rating over the next two years.

Paper Generic term covering commercial paper, bonds and bills.

Paper gain or loss Another term for an unrealised gain or loss.

Pension Fund Ringfenced account for the income, expenditure and investments of the local government pension scheme. Pension fund investments are not considered to be part of treasury management.

Pooled fund See collective investment scheme.

PRA Prudential Regulation Authority – the part of the Bank of England that regulates UK banks.

Present value The value today of a series of future cash flows, calculated using a discount rate.

Premium (1) The amount that the early repayment cost of a loan is above the principal, or the price of a bond is above its nominal value. See also discount.

(2) The initial payment made under a derivative.

Price risk The risk that unexpected changes in market prices lead to an unplanned loss. Managed by diversifying across a range of investments.

Primary market A financial market where securities are initially issued, and investors buy from issuers or their agents. See also secondary market.

Principal The amount of money originally lent on a debt instrument.

Private Finance Initiative (PFI) A government scheme where a private company designs, builds, finances and operates assets on behalf of the public sector, in exchange for a series of payments, typically over 30 years. Counts as a credit arrangement and debt.

Private placement A loan or bond that is not traded on a financial market.

Professional client MiFID II term for a client of a regulated firm that has a higher level of experience in financial markets than a retail client, and therefore needs a lower level of protection. Local authorities may “opt up” to be treated as professional clients if they meet certain requirements.

Property fund A collective investment scheme that mainly invests in property. Due to the costs of buying and selling property, including stamp duty land tax, there is usually a significant fee charged on initial investment, or a significant difference between the bid and offer price.

Prospectus Document explaining the features and risks of an investment security or a collective investment scheme.

Prudential borrowing Another term for unsupported borrowing.

Prudential Code Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code.

Prudential indicators Indicators required by the Prudential Code and determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable.

PWLB Public Works Loans Board - a statutory body operating within the DMO that lends money from the National Loans Fund to local authorities and other prescribed bodies and collects the repayments. Not available in Northern Ireland.

Quantitative easing (QE) Process by which central banks directly increase the quantity of money in the economy in order to promote GDP growth and prevent deflation. Normally achieved by the central bank buying government bonds in exchange for newly created money. Reversing QE by selling back bonds, or allowing them to mature without replacement, is sometimes called quantitative tightening.

Rating watch A term used by credit rating agencies to indicate that a credit rating is under review, and that a change is likely within three months. The direction of potential change is usually indicated.

Realised gain or loss Gain or loss that will not be reversed later, e.g. because the instrument has been sold. See also unrealised gain or loss.

Recession A period of economic slowdown. The technical definition is two consecutive quarters of negative GDP growth.

Redemption The process of withdrawing cash from a collective investment scheme and cancelling the units of shares. Redemptions can be suspended in certain circumstances detailed in the prospectus.

Refinancing risk The risk that maturing loans cannot, be refinanced, or only at higher than expected interest rates leading to an unplanned loss. Managed by maintaining a smooth maturity profile.

Rent Payment for the use of an investment property by the tenant, the main source of investment income for the landlord.

Registered Provider of Social Housing (RP) An organisation that is registered to provide social housing, such as a housing association. Also known as a registered social landlord or RSL.

Registrar Regulated firm that maintains the register of shareholders or unitholders for a company or collective investment scheme.

REIT Real estate investment trust – a company whose main activity is owning investment property and is therefore similar to a property fund in many ways.

Retail bank A bank that provides current accounts, savings accounts, loans and payment services to households and businesses.

Retail client MiFID II term for a client of a regulated firm that has the lowest level of experience in financial markets and therefore needs the highest level of protection. Local authorities are initially classed as retail clients but may “opt up” to be treated as professional clients.

Revenue expenditure Expenditure to meet the ongoing cost of delivering public services including salaries and the purchase of goods and services, as opposed to capital expenditure.

Revolving credit facility (RCF) A loan facility that can be drawn, repaid and (usually) re-drawn at the borrower’s discretion. Interest is payable on drawn amounts, and a commitment fee is often payable in undrawn amounts.

Ringfencing The process by which large UK banks have been split into retail banks and investment banks in order to promote financial stability.

Risk appetite An investor’s willingness to take additional risk in the expectation of achieving a higher return.

Risk weighted assets (RWAs) A measure that weights a bank’s loans and other assets from 0 to 200% according to their relative risks.

RPI Retail prices index - an older measure of inflation that tracks the prices of goods and services including mortgage interest and rent. Index-linked gilts are uprated using RPI. See also CPI.

Secondary market A financial market where securities are traded between investors, as opposed to the primary market.

Sector limit The maximum amount an investor is willing to lend to all counterparties in a particular industry sector, in order to manage credit risk.

Security

- (1) A financial instrument that can be traded on a secondary market.
- (2) The concept of low credit risk.
- (3) Collateral.

Secured investment An investment that is backed by collateral and is therefore normally lower credit risk and lower yielding than an equivalent unsecured investment.

Service investments Investments made to promote a local authority's public service objectives, for example a loan to a local charity or shares in a local company.

Share An equity investment, which usually also confers ownership and voting rights.

Share class A class of shares in a collective investment scheme with a set AMC and minimum investment size.

Short bond fund A bond fund with a duration of less than one year.

Short-term Usually means less than one year.

Short-term rating A credit rating, reflecting the risk of default within the next 13 months, usually linked directly to the long-term rating.

Soft loan A loan made at below market interest rates. See also state aid.

SONIA Sterling overnight interest average – a benchmark interest rate for overnight deposits.

SORP Statement of Recommended Practice – an old term for the Code of Practice on Local Authority Accounting in the United Kingdom.

Specified investments Term used in government investment guidance for investments that are denominated in sterling, mature in less than a year, are not defined as capital expenditure, and are made with the UK government, another UK local authority or a high credit quality body, as defined by the local authority. Since 2018, the term does not apply to treasury investments in England. Not applicable in Scotland. In Wales, loans to local authorities are specified investments even if they do not fully meet the criteria.

Speculative grade Investments with a credit rating of BB+ or below, and therefore more vulnerable to default than investment grade securities.

State aid Financial assistance provided by the public sector to the private sector, such as grants and soft loans, which has the potential to distort competition and is therefore often, but not always, legal.

Strategic bond fund Bond fund with a duration of longer than one year.

Strategic funds Collective investment schemes that are designed to be held for the longterm, comprising strategic bond funds, diversified income funds, equity funds and property funds.

Subordinated bonds Bonds that rank below other bonds in the event of an insolvency or bail-in. They are therefore higher risk, but also higher yielding.

Subscription The process of placing cash in a collective investment scheme and creating units or shares.

Support rating A credit rating agency's view on the likelihood and ability of parent companies or governments to provide external support to prevent a bank failure leading to losses for investors.

Supported borrowing Borrowing for which the repayment costs are supported by government grant.

Supranational bonds Bonds issued by supranational organisations created by governments through international treaties, such are those issued by the European Investment Bank and the International Bank for Reconstruction and Development.

Swap A derivative where the counterparties exchange cash flows, for example fixed rate interest and variable rate interest. See also interest rate swap.

Swap rate The fixed rate on an interest rate swap. Commonly used as a measure of riskfree long-term interest rates.

T-bill Treasury bill - a bill issued by a government.

Tap Process by which additional amounts of an existing bond are issued.

Temporary borrowing Borrowing with a term of less than one year.

Term deposit A deposit that is repayable after a fixed period of time.

TLAC Total loss absorbing capacity - a measure of all the equity and junior debt held by a financial institution that will absorb losses before senior unsecured creditors, expressed as a ratio to risk weighted assets.

TMS (1) Treasury management strategy.

(2) Treasury management system.

Total return The overall return on an investment, including interest, dividends, rent, fees and capital gains and losses. See also income return.

Transferred debt Debt contractually held by one local authority but whose costs are borne by another authority, usually following local government reorganisation.

Treasury bill See T-bill.

Treasury investments Investments made for treasury management purposes, as opposed to commercial investments and service investments.

Treasury management The management of an organisation's cash flows, investment and borrowing, with a particular focus on the identification, control and management of risk. Specifically excludes the management of pension fund investments.

Treasury management advisor Regulated firm providing advice on treasury management, capital finance and related issues.

Treasury Management Code (TM Code) CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.

Treasury management indicators Indicators required by the Treasury Management Code to assist in the management of credit risk, interest rate risk, refinancing risk and price risk.

Treasury management policy statement Document required by the Treasury Management Code setting out a local authority's definition of and objectives for treasury management.

Treasury management practices (TMPs) Document required by the Treasury Management Code setting out a local authority's detailed processes and procedures for treasury management.

Treasury management strategy Annual report required by the Treasury Management Code covering the local authority's treasury management plans for the forthcoming year.

Treasury management system Computer programme for recording investments, borrowing, cash flow forecasts and market data to assist with treasury management operations.

Unit The equivalent of a share in an authorised contractual scheme or unit trust.

Unit trust A type of collective investment scheme that is structured as a trust, where investors buy units in the trust.

Universal bank A bank that provides the services of both a retail bank and an investment bank.

Unrealised gain or loss Gain or loss that may be reversed later, e.g. from marking to market. Also called a paper gain or loss. See also realised gain or loss.

Unsupported borrowing Borrowing where the cost is self-financed by the local authority. Sometimes called prudential borrowing since it was not permitted until the introduction of the Prudential Code in 2004. See also supported borrowing.

Usable reserves Resources available to finance future revenue and/or capital expenditure. Some usable reserves are ringfenced by law for certain expenditure such as on schools or council housing.

Viability rating The same as BCA.

Volatility A measure of the variability of a price or index, usually expressed as the annualised standard deviation.

VNAV Variable net asset value – a collective investment scheme where the net asset value fully reflects the actual value of the underlying assets, in contrast to a CNAV or LVNAV scheme.

WAL Weighted average life – the average time to maturity of an investment portfolio, weighted by the size of the investment and normally expressed in days.


WAM Weighted average maturity – the average time to the next interest rate reset on an investment portfolio, weighted by the size of the investment and normally expressed in days. A portfolio of fixed rate investments will have a WAM identical to its WAL.

Working capital The cash surplus or deficit arising from the timing differences between income/expenditure in accounting terms and receipts/payments in cash terms.

Yield A measure of the return on an investment, especially a bond. The yield on a fixed rate bond moves inversely with its price.

Yield curve A chart of yields or interest rates for similar instruments over a range of maturity dates. See also inverted yield curve and normal yield curve.

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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 26th September 2024
Subject	EXTERNAL AUDIT PLAN FOR YEAR ENDED 31st MARCH 2024
Wards affected	ALL
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Summary/Purpose	To present Members with the draft Audit Plan for the year ended 31 st March 2024.
Annexes	Annex A – Audit Plan for Year Ended 31st March 2024
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the content of the report and the annex.
Corporate priorities	Internal Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees	Not Applicable

1. BACKGROUND

1.1 Each year the external auditors are required to provide the Audit and Governance Committee with an:

- i) Overview of the nature and scope of the audit and
- ii) Bring to their attention the key aspects of the audit.

2. MAIN POINTS

2.1 The annex to this report contains the Draft Audit Plan for the year end 31st March 2024.

2.2 Charlie Martin, from Bishop Fleming, will be joining the meeting to present the plan.

3. ALTERNATIVE OPTIONS

3.1 None.

4. CONCLUSIONS

4.1 The Audit and Governance Committee are requested to note the draft Audit Plan 2023-24.

5. FINANCIAL IMPLICATIONS

5.1 None.

6. LEGAL IMPLICATIONS

6.1 None.

7. RISK ASSESSMENT

7.1 None.

8. EQUALITIES IMPACT

8.1 None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

External Audit Plan

West Oxfordshire District Council

For the year ended 31 March 2024



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Appendices

1. Required communications with the Audit and Governance Committee

Welcome

The purpose of this report is to give you an overview of the nature and scope of our audit work and bring to your attention the key aspects of the audit. The document also ensures that there is good communication between us, as auditors, and you.

If you have any queries regarding the Audit Plan, including the arrangements noted below, then please do not hesitate to contact us.

This Audit Plan has been prepared for the sole use of the management and those charged with governance of West Oxfordshire District Council ('the Council'). Except where required by law or regulation, this report should not be made available to any other parties without our prior written consent. No responsibilities are accepted by Bishop Fleming towards any party acting or refraining from action as a result of this Audit Plan.

We are issuing our 2023/24 Audit Plan now to ensure that there is timely discussion of the key areas of focus. There may be some further changes to our approach, depending on the outcomes from ongoing consultations across the sector. We will communicate any changes with you as our audit progresses.

Alex Walling, Key Audit Partner
T: 0117 235 8838
E: AWalling@bishopfleming.co.uk

1. General Audit Information

1.1. Engagement objectives and scope

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice ('the Code') and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Throughout the audit we will also ensure that, in line with the latest Auditing Standards, we communicate on a regular basis with those charged with governance.

We are also required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The Code of Audit Practice requires us to report on the Council's arrangements under three specified reporting criteria:

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

The respective responsibilities of the audited body and the auditor are summarised in The Code. They are also set out in the PSAA Statement of Responsibilities of auditors and audited bodies issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as your external auditor.

1.2. Addressing the local government audit backlog

On 30 July 2024 the Ministry for Housing, Communities and Local Government (MHCLG) published a statement indicating the intent to lay before parliament updated legislation for a series of 'backstop' dates for audits of local authorities in England, over the next five years. Under this proposal the audits of the council accounts for the years ending 31 March 2023 and 31 March 2024 would be required to be completed by the 13 December 2024 and 28 February 2025 respectively. This effectively removes the September reporting deadline over the next five years.

If the backstop date is reached and the audit has not been completed, then the auditors would not have been able to gain sufficient assurance by these dates and they will have to issue a modified opinion.

MHCLG expect there to be a significant number of disclaimed audit opinions, as part of this reset of the audit system for local authorities. It is expected that it will take several years for affected councils to return to the unqualified opinions.

1.3. Audit reports

Financial statements

On completion of our audit work on the financial statements, we will issue our Audit Completion Report to the Audit and Governance Committee, which will set out our findings.

In our auditor's report we will report on the basis under which the financial statements have been prepared and whether they give a true and fair view. The audit report will also:

- report on whether other information presented with the audited financial statements (for example, the Narrative Report and Annual Governance Statement) is materially consistent with the financial statements or our knowledge obtained in the audit; and
- conclude on the appropriateness of management's use of the going concern basis of accounting.

The form and content of our auditor's report may need to be amended in light of our audit findings.

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with "Delivering Good Governance in Local Government: Framework 2016 Edition" published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

Where no matters are identified, this will also be confirmed.

Value for Money arrangements

On the completion of our work on whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, we will issue our Auditor's Annual Report to the Audit and Governance Committee. This will provide a commentary on the Council's arrangements under the three specified criteria. The report will also set out whether any significant weaknesses were identified and any relevant recommendations.

1.4. Audit materiality

In planning and performing our audit work we will consider whether the financial statements are free from 'material misstatement'.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements. Thus, different materiality levels may be appropriate when considering different aspects of the financial statements.

If there are any areas of specific concern in which you would like us to pay particular attention to then we will be pleased to discuss this with you, and whether our audit approach can be readily adapted to accommodate such a level in that area, or whether it will be more appropriate for a special exercise to be carried out on the area.

Our basis of materiality has been set as follows:

Entity	Basis of materiality	Overall materiality	Triviality
West Oxfordshire District Council	2% of gross expenditure on provision of services	£1,271k	£63k

Whilst the level of materiality is applied to the financial statements as a whole, we must also address the risk that any identified unadjusted audit differences are material when considered in aggregate. To reduce the risk of this being the case, we apply a lower level of materiality which we utilise within our work, known as Performance Materiality. This is set at a lower level than overall materiality and is determined by our assessment of the element of audit risk that pertains to the internal control environment of the Council.

1.5. Risk assessment and significant risks

Financial statements

When planning our audit work, we will seek to minimise the risk of material misstatements occurring in the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the Council operates. We then use this assessment to develop an effective approach to the audit.

This risk assessment directs our testing towards the balances and transactions at the greatest risk of material misstatement so as to minimise the risk of undetected material misstatements. However, we do not test every group of transactions or balances but carry out sample testing of balances and transactions.

Therefore, there is an inherent and unavoidable risk that some material misstatements may not be detected and therefore audit procedures should not be relied upon to detect all material misstatements, fraud, irregularities or instances of non-compliance.

Based on our knowledge of the Council, we have identified the following as significant risk areas to be addressed during the audit. This is our initial assessment of audit risk based upon our work completed to date. Our conclusions may change and additional risks may be identified as we complete additional planning procedures. We will provide the Audit and Governance Committee details of any changes in our risk assessments.

Risk	Audit Approach
Management override of controls (required under the ISAs)	<p>We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed. To address this risk, we will:</p> <ul style="list-style-type: none"> • Review the reasonableness of accounting estimates and critical judgements made by management; • Test material journals processed at the year-end; and • Test other journals with key risk attributes. <p>In testing journals, we will use data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.</p>
Fraud in revenue recognition (required under the ISAs)	<p>There is also a rebuttable presumption under auditing standards that revenue may be misstated due to improper recognition of revenue. This presumption may be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud in revenue.</p>

Risk	Audit Approach
	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the Council, we have concluded that the risk of fraud arising from revenue recognition can be rebutted because our initial assessment is that:</p> <ul style="list-style-type: none"> • There is little incentive to manipulate revenue recognition; • Opportunities to manipulate revenue recognition are very limited; and • The culture and ethical framework of local authorities, including West Oxfordshire District Council, mean that all forms of fraud are seen as unacceptable.
Fraud in expenditure recognition	<p>Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom sets out that the risk of fraud related to expenditure is also relevant. We therefore need to consider whether we have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit.</p> <p>Our initial assessment is that we do not consider this to be a significant risk for West Oxfordshire District Council because:</p> <ul style="list-style-type: none"> • Our work to date has suggested that expenditure is well controlled, and the Council has a strong control environment; and • The Council has clear and transparent reporting of its financial plans and financial position.
Valuation of land and buildings	<p>There is a risk over the valuation of these assets due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls; • Review the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert; • Write to the valuer to confirm the basis on which the valuation was carried out; • Confirm that the basis of valuation for assets valued in year is appropriate based on their usage; • Review the appropriateness of assumptions used in the valuation of land and buildings. For assets not formally revalued in the year we will assess how management has satisfied itself that these assets are not materially different from the current value at the year-end; • Review accuracy and completeness of information provided to the valuer, such as floor areas; • Test a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and • Form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.
Valuation of investment properties	<p>There is a risk over the valuation of these assets due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls;

Risk	Audit Approach
	<ul style="list-style-type: none"> • Review the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert; • Write to the valuer to confirm the basis on which the valuation was carried out; • Confirm that the basis of valuation for assets valued in year is appropriate based on their usage; • Review the appropriateness of assumptions used in the valuation; • Review accuracy and completeness of information provided to the valuer, such as floor areas; • Test a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and • Form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.
Valuation of the pension fund net liability	<p>There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls; • Review the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert; • Consider the accuracy and completeness of the information provided to the actuary; • Ensure that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary; • Carry out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • Obtain assurances from the auditor of Oxfordshire County Council Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

We will report back to you as part of our completion audit work, on the outcome of our work addressing these areas.

Value for money arrangements

As part of our planning work, we have also considered whether there are any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources that we need to perform further procedures on.

We have not identified any risks of significant weakness at this stage.

We will keep our risk assessment under continual review and any changes will be communicated to those charged with governance.

1.5. Control environment

Through our audit planning procedures, we will continue to develop our understanding of the control environment in which the Council operates.

At the time of issuing our Audit Plan we have concluded that the control environment in which the Council operates is effective and we will tailor our audit approach accordingly.

Although we consider that the Council operates effective and formalised controls, we will not incorporate controls-based testing into our audit approach. Therefore, our work will focus on substantive procedures.

1.6. Adjusted and unadjusted items

Of the potential audit adjustments that we identify during our audit work, some may require adjustment. The decision to make an adjustment to the financial statements is one that the Council will need to make.

At the conclusion of the audit, we shall provide you with a schedule of potential adjustments that we identified during our audit work.

We will require you to confirm that you have considered the items and whether you have decided to adjust them in the financial statements; this will be included in the letter of representation.

We shall also provide you with a schedule, detailing those items that we identified during our audit work, which have not been adjusted for in the financial statements. This summary will not include errors that are 'clearly trivial', defined by us as those errors which individually account for no more than 5% of our materiality level.

We will require you to confirm that you have duly considered these unadjusted errors and that you have decided not to adjust for them in the financial statements; this will also be included in the letter of representation.

1.7. Fraud

While the Council has the ultimate responsibility for the prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit, including making enquiries of management and those charged with governance.

1.8. Prior year recommendations

We will follow up on the progress made by the Council in addressing the recommendations made by the Council's previous auditor in respect of deficiencies reported in their ISA260 Audit Report.

2. The Audit Team

Responsible individual:
Email:

Alex Walling
AWalling@bishopfleming.co.uk

Manager:
Email:

Charlie Martin
CRMartin@bishopfleming.co.uk

3. Timetable

A high-level audit timetable has been included below:

West Oxfordshire District Council YEAR END: 31 March 2024	
Date	Requirement
February 2024	Initial planning meeting between Bishop Fleming and management
February to March 2024	Planning procedures, examining systems and controls in place.
May to June 2024	<ul style="list-style-type: none">Meetings with managementMeeting with Chair of Audit and Governance Committee
September 2024	Review of predecessor auditor's files, following their sign-off of the FY22/23 statement of accounts
October 2024	Audit fieldwork to be undertaken, completing work on significant risk areas and other material balances.
December 2024	Audit completion meeting Audit Completion Report
January 2025	Audit and Governance Committee
January 2025	Accounts to be approved

4. Audit Fees

West Oxfordshire District Council, in line with most other local government bodies, opted into the national scheme run by Public Sector Audit Appointments (PSAA) for the appointment of its external auditor for the five-year period with effect from 2023/24. PSAA set the scale fee for the audit of West Oxfordshire District Council under the contract. The audit scale fee (excl. VAT) set by PSAA for the Council and our proposed variations are set out below:

PSAA scale fee 2023/24	£139,375
Proposed fee variations:	
• ISA 315*	TBC

**ISA 315*

The proposed fee variation in relation to ISA 315 is in respect of a significant change to auditing standards that applied for the first time for your audit for the year ended 31 March 2023. Due to the timing of the tender process, the impact of this has not been built into the audit scale fees. In summary, the main changes were as follows:

- The introduction of five new inherent risk factors to aid in risk assessment; subjectivity, complexity, uncertainty, change, and susceptibility to misstatement due to management bias or fraud.*
- The introduction of a new spectrum of risk, at the higher end of which lie significant risks.*
- The requirement for “sufficient, appropriate” evidence to be obtained from risk assessment procedures as the basis for the risk assessment.*
- The introduction of more requirements in relation to gaining an understanding of the entity’s IT environment, including requirements to identify and assess risks of material misstatement arising from the use of IT related to the IT application and other aspects of the entity’s IT environment.*

The scale fees set by PSAA:

- are based on the expectation that complete and materially accurate financial statements, with supporting working papers, will be available within agreed timeframes (as set out in [PSAA’s Statement of Responsibilities document](#)); and
- reflect as far as possible the predecessor auditor’s previous assessment of audit risk and complexity.

Where work was substantially more or less than envisaged by the scale fee, we will propose that the fees should be varied. PSAA determine the outcome of any fee variations. Any proposed fee variations set out above reflect issues that were not reflected in the scale fee when it was set by PSAA.

As the individual responsible for the project management of the audit, Charlie Martin will monitor the position in relation to any issues that could potentially give rise to a fee variation and discuss them with the Director of Finance at the earliest opportunity.

There are no non-audit fees proposed at the planning stage.

5. Ethical Issues

In order to comply with professional and ethical standards we are required to communicate to you all significant facts and matters that, in our professional judgement, may affect the firm's independence. This is for reference only, and unless you wish to make any comments, there is no need to respond.

5.1. **Threats & safeguards**

The standards require us to consider the perceived potential threats to our objectivity and independence in carrying out the audit. We are not providing any other audit related or non-audit related services. We have not identified any threats to the firm's independence.

5.2. **Overall assessment**

We can confirm that we comply with the Financial Reporting Council's (FRC) Ethical Standard and are able to issue an objective opinion on the financial statements. There are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

5.3. **Maintaining objectivity & independence**

As a firm we have policies and procedures in place to monitor auditor objectivity and independence on a regular basis. If any additional threats are identified, we will of course advise you immediately.

We also perform an annual review of completed audit engagements for quality control purposes.

If you would like to discuss any of the above, please contact us.

Appendices

1. Required communications with the Audit and Governance Committee

Under the auditing standards, there are certain communications that we must provide to the Audit and Governance Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud. 	Audit Completion Report Discussions at audit and governance committees
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at audit and governance committees
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report




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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 26TH SEPTEMBER 2024
Subject	INTERNAL AUDIT PROGRESS REPORT
Wards affected	None
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Chief Finance Officer Email: Madhu.Richards@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present a summary of the audit work concluded since the last meeting of this Committee.
Annexes	Annex A – Report of Internal Audit Activity 2024/25 Annex B – Agreed Actions
Recommendation(s)	That the Audit and Governance Committee resolves to: I. Note the report
Corporate priorities	(Internal Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO

Consultees/ Consultation	Not Applicable
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1. BACKGROUND

The Internal Audit Service is provided to this Council by SWAP Internal Audit Services (SWAP). SWAP is a local authority-controlled company.

The report attached at Annex A sets out the work undertaken by SWAP for the Council. It follows the risk-based auditing principles and, therefore, this is an opportunity for the Committee to be aware of emerging issues which have resulted from SWAP involvement.

Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members' questions.

2. MAIN POINTS

The progress report (Annex A) enables the Audit and Governance Committee to monitor the work of the Internal Audit Service and ensure that it remains effective. It also provides the Committee with assurance opinions over areas reviewed within the reporting period, details of audit recommendations and the outcome of follow-up reviews conducted on previous audit recommendations.

And, our plan remains flexible to respond to requests for audits or ad hoc reviews.

We continue to follow up all agreed actions. A report (Annex B) showing all open agreed actions and those that have been actioned during 2024/25 has been included for Members information.

3. ALTERNATIVE OPTIONS

Not Applicable

4. FINANCIAL IMPLICATIONS

The Internal Audit Service is operating within the contract sum.

5. LEGAL IMPLICATIONS

None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

6. RISK ASSESSMENT

The weaknesses in the control framework, identified by the Internal Audit activity, continues to threaten organisational objectives if recommendations are not implemented.

7. EQUALITIES IMPACT

Not Applicable

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 Not Applicable

9. BACKGROUND PAPERS

9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Internal Audit Reports

9.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)

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West Oxfordshire District Council

Report of Internal Audit Activity

September 2024

Contents

The contacts at SWAP in connection with this report are:

Lucy Cater

Assistant Director

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Jaina Mistry

Principal Auditor

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- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**

Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Appointment of Consultants	Final Report	Mid Reasonable	2	-	1	1	Report Included
Operational	Accounts Payable – Qtly Review – 2023/24	Final Report	High Substantial	0	-	-	-	Report Included
Operational	Emergency Planning	Draft Report						
Governance	Data Protection / Breaches	Draft Report						
Operational	Section 106s	Draft Report						
Operational	Human Resources	Draft Report						
Operational	Members Allowances and Expenses	Draft Report						
Operational	Levelling Up Funding – UKSPF and RESF	In Progress						
Follow-Up	Procurement Cards	In Progress						
Follow-Up	Taxi Licensing Safeguarding	In Progress						
Operational	Planning Fee Obligations	In Progress						
Core Financial	Payroll	In Progress						
Key Financial Control	Revenues and Benefits – Council Tax and NNDR	Ready to Start						
Key Financial Control	Revenues and Benefits – Council Tax Benefit and Housing Benefits	Ready to Start						
Governance	Data Retention	Ready to Start						
ICT	3 rd Party ICT Outage	Ready to Start						
ICT	Disaster Recovery – Revenues and Benefits	Ready to Start						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Digital Exclusion	Ready to Start						
Operational	Leisure and Culture Facilities	Ready to Start						
Grant Certification	Carbon Data 2022/23							
Support	Business Grant Funding – Aged Debt	On-Going						Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Health and Safety Working Group	On-Going						
Advisory	Corporate Governance Group	On-Going						
Support	Co-Ordination Team / Emergency Planning	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

Appointment of Consultants – Final Report – July 2024

Audit Objective

To review and assess the authority's procurement and appointment of consultants ensuring compliance with policy and value for money is achieved.

Executive Summary



Assurance Opinion

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
Total	2

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions



There is insufficient oversight and proactive reporting of consultants employed by the Council and their costs, resulting in non-compliance with the Local Government Transparency Code 2015. Furthermore, the absence of a filter on the Contracts Register prevents effective scrutiny and reporting.



There is no induction or regular refresher training on Procurement processes for staff. Our samples evidenced that this has impacted officers on their ability to use self-service for procurement of consultants under £25,000 and they rely on the Procurement team for support and advice.



The sample of consultants reviewed demonstrated compliance with the Contract Rules as the procurement team were involved.

Audit Scope

Throughout this audit, we reviewed the following key areas:

- Guidance and Training available to staff members.
- Staff understanding of the Contract Rules.
- Scrutiny arrangements of consultant spend and Management Information.
- Business Case requirements.
- Contract information.
- The process of Post-Consultancy Reviews.
- Access to the IT Systems and Council property.

Interviews and walkthroughs were conducted with a sample of Appointing Officers who had undertaken a Consultancy Procurement exercise between April 2022 and February 2024. Evidence was sought throughout these meetings to support statements made.

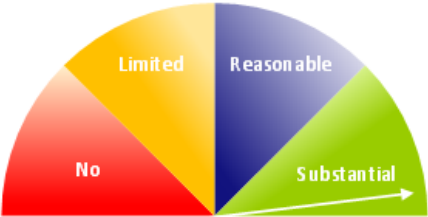
Additional Information


Our action plan that accompanies this report will focus on the issues identified above and will help to ensure that compliance is consistent and that value for money is identified. During the audit, we confirmed that Consultants are engaged with sufficient Contracts or Conditions of Employment in place. Additionally, through discussions we concluded that Employment Status was considered in the procurement process, although there were varying levels of understanding among staff members. IT and Physical Access of Council property is carefully considered when employing a consultant; no issues were identified with this.

The Accounts Payable report says: *We found 69% of 3807 transactions processed on G3 client were not supported with a purchase order. Ordering goods and services via purchase orders aids budget monitoring and mitigates against overspends.* This would also allow for further scrutiny and reporting of consultants from Finance to Procurement. Consideration should be given to the introduction of a 'No Purchase Order No Pay' which would support better financial monitoring.

Accounts Payable Continuous Analysis – Final Report – August 2024

Audit Objective To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

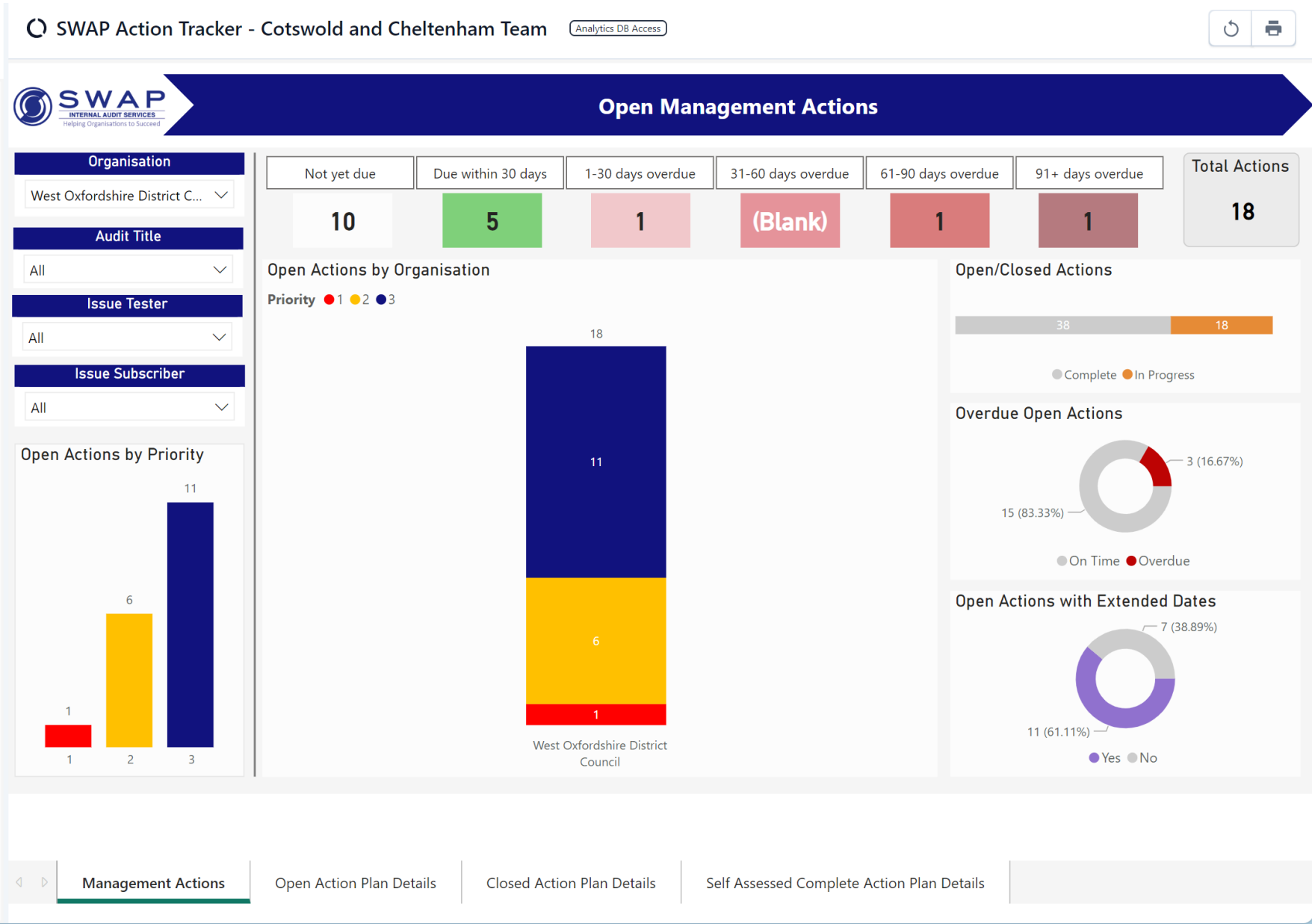
Executive Summary				
	Assurance Opinion		Management Actions	
	The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.		Organisational Risk Assessment	
			Low	
			Our audit work includes areas that we consider have a low organisational risk and potential impact.	
		Priority 1	0	
		Priority 2	0	
		Priority 3	0	
		Total	0	

Key Conclusions		Audit Scope
	Accounts Payable (AP) use Business World (BW) to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers for the full financial year starting 1st April 2023 until 31st March 2024.	Our review covers the full 2023/24 Financial Year, checking for potential duplicate payments at WODC, and between WODC and/or Publica, CBH or another Council. Findings have been summarised and reported to the Accounts Payable team for further review and remedial action where necessary. Findings have been followed-up during the subsequent review.
	A total of 111,655 lines of transaction data was analysed. We cleansed the data and applied conditional formatting to highlight duplicate transactions. We passed 15 duplicates with a total overpayment value of £20,439.71 to AP for further investigation. This represents 0.01% of total payments analysed.	
	AP demonstrated that all applicable payments requiring further investigation had been appropriately resolved by either refund or credit note.	


Next Steps
Our duplicate payment analysis will continue into the 2024/25 financial year.

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Open Agreed Actions – September 2024



AP ID	ID	Audit Title	Issue Title	Issue Status	Period	Priority Score	AP Status	Original Timescale	Timescale	Follow-Up Assessment
835	770	WODC - Climate Change Strategy - September 2022	Strategy and Plan Refresh	Pending Remediation	2022/23	3	In Progress	30/09/2024		27.2.24 Carbon Action Plan has been reviewed and updated as per the action. The Council's 2030 Carbon Neutral commitment was referenced instead of the council plan priority which expires in 2027. The other points have been adequately addressed. The Climate Change Manager advised on a delay with the strategy as consultants needed to be appointed to establish an accurate baseline. Outputs are not expected until June 2024 and it will likely be September 2024 before the updated strategy is approved (Current strategy expires 2025).
3164	2958	PUB - ICT Business Continuity/Disaster Recovery 2023/24	Documentation Updates	Pending Remediation	2023/24	3	In Progress	31/03/2024	31/10/2024	July 2024 - Action is nearly complete. Copies of the updated documentation will be provided to close this action.
3175	2968	PUB - ICT Business Continuity/Disaster Recovery 2023/24	ICT and Emergency Planning Formal Engagement and Alignment	Pending Remediation	2023/24	2	In Progress	31/03/2024	31/01/2025	July 2024 - Action has progressed but will not be completed until after the first phase of the Publica transition. The detailed Publica transition plan alludes to the fact that a long-term decision on managing emergency planning is required. Further alignment won't happen until this decision has been made. Timescale extended to January 2025 to check after the phase one transition has settled.
3852	3609	PUB - Risk Management 2023/24	Risk Management Training is inadequate.	Pending Remediation	2023/24	2	In Progress	31/05/2024	30/09/2024	
3853	3610	PUB - Risk Management 2023/24	Insurance and Risk Management do not proactively communicate.	Pending Remediation	2023/24	3	In Progress	31/05/2024	30/09/2024	
3854	3611	PUB - Risk Management 2023/24	Risk Maturity Self-Assessment has not been conducted.	Pending Remediation	2023/24	3	In Progress	31/03/2025		
3536	3313	PUB - Use of Waivers - 2023/24	Contract Waiver Report Templates	Pending Remediation	2023/24	3	In Progress	31/12/2024		
3537	3314	PUB - Use of Waivers - 2023/24	Use of Waivers Training	Pending Remediation	2023/24	3	In Progress	31/12/2024		
3102	2900	WODC - Bank Reconciliation - 2023/24	Repeat Suspense Account Entries	Pending Remediation	2023/24	3	In Progress	31/08/2024		Apr 2024 - Procedure has been developed with the Revenues Manager, but it has not been rolled out yet due to year end demands. Hope to be operational before the end of June 2024.
3514	3293	WODC - Bank Reconciliation - 2023/24	Review of Suspense Account	Pending Remediation	2023/24	3	In Progress	31/03/2024	31/05/2024	Review or w/o has not been confirmed for WODC, but is hoping to have this in time for 2023/24 y/e accounts.
2825	2634	WODC - Freedom of Information - 2023/24	Basic training/awareness on Freedom of Information requests for Service Areas is not in place.	Pending Remediation	2023/24	2	In Progress	30/11/2023	30/09/2024	Aug 2024 - Extended due to pressure on the service.
2983	2785	WODC - Property Services - Compliance and Health & Safety - March 2023	Standard Information	Pending Remediation	2023/24	2	In Progress	30/06/2024		The BM - Assets & Council Priorities advised that this action is in progress. An officer has been assigned to update the property management system with standard information. A standard template and/or procedure will be provided to allow us to close. Aug 2024 - Waiting for information from Service Area
2986	2788	WODC - Property Services - Compliance and Health & Safety - March 2023	Central Property Database Accuracy	Pending Remediation	2023/24	3	In Progress	30/09/2024		May 2024 - Action is in progress. An officer has been assigned to update the property management system with RAs for all properties. Timescale extended as a follow-up audit is planned for later in the year where all outstanding actions will be assessed.
2996	2798	WODC - Property Services - Compliance and Health & Safety - March 2023	Risk Assessment (RA) for All Council Owned Properties	Pending Remediation	2023/24	2	In Progress	30/06/2024	30/09/2024	May 2024 - Action is in progress. An officer has been assigned to update the property management system with RAs for all properties. Timescale extended as a follow-up audit is planned for later in the year where all outstanding actions will be assessed.
3005	2806	WODC - Property Services - Compliance and Health & Safety - March 2023	Asset Management Plan (AMP)	Pending Remediation	2023/24	1	In Progress	31/03/2024	31/12/2024	May 2024 - Funding approved for commissioning of the AMS. Timescale updated to reflect anticipated document approval.
3344	3126	WODC - Revenues and Benefits - Council Tax and NDR - July 2023	Council Tax and NDR: Procedure Notes Require Review to Ensure Consistency	Pending Remediation	2023/24	3	In Progress	31/03/2024	31/10/2024	Aug 2024 - The Business Manager - Environmental, Welfare & Revenue Service confirmed this is still ongoing but that more work has been done to see where changes are needed to align processes. Work has been stalled by the holiday period but will resume when they have the resource. Deadline amended to end of October.
4751	4441	WODC - Appointment of Consultants - 2023/24	There is no oversight or proactive reporting of consultants	Pending Remediation	2024/25	2	In Progress	31/10/2024		
4752	4442	WODC - Appointment of Consultants - 2023/24	There is no induction or regular refresher training on Procurement for staff.	Pending Remediation	2024/25	3	In Progress	31/10/2024	31/03/2025	

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 26 SEPTEMBER 2024
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT REPORT
Wards affected	All indirectly
Accountable member	Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.</p>
Annexes	None
Recommendation(s)	That Audit and Governance Committee: I. Considers and comments on the report.
Corporate priorities	<ul style="list-style-type: none"> Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Director of Finance.

	Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.
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I. BACKGROUND

- 1.1** In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.2** The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.
- 1.3** The Audit and Governance Committee oversees the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.4** Work plans have been agreed with the Director of Finance and the Council's Management. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.5** The work plan for 2024/25 includes a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas. This work will include both prevention and detection activities.

2. MAIN POINTS

- 2.1** The CFEU Head of Service forms part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud. The CFEU Head of Service has also joined the Thames Valley MAAF Group, representing West Oxfordshire District Council.
- 2.2** As previously reported, it has been agreed that the Gloucestershire MAAF will have a dedicated webpage. Funding of £5,000 was awarded by the Office of the Police and Crime Commissioner to support this. Tewkesbury Borough Council ICT team will be leading on this project however recent events related to the cyber incident mean this may be slightly delayed. West Oxfordshire residents will continue to benefit from any communications regarding prevention and awareness through the Counter Fraud and Enforcement Partnership.
- 2.3** In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). This work continues with an extended deadline of 31 December 2024.
- 2.4** In response to the severe flooding events between 2 and 8 January 2024 caused by Storm Henk, a number of grant schemes were activated. The CFEU worked with residents and businesses effected to allow claims for the following:
 - Community Recovery Grants – £500 per household – 2 grants were awarded,
 - Business Recovery Grants – £2,500 per business – 0 grants were awarded,

- Council Tax Discounts – 100% discount for a minimum of three months - £1,427 relief was awarded and the Council has been reimbursed by the Ministry of Housing, Communities and Local Government and
 - Business Rate Reliefs – 100% relief for a minimum of three months – no relief was awarded.
- 2.5** The team have assisted with the verification of the Small Business Grant applications, part of the Shared Prosperity Fund workstream overseen by the Economic Development Team. 57 applications were reviewed resulting in the award of 52 grants. Work is now commencing on the Carbon Action Fund.
- 2.6** All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- In relation to the 2022/23 data sets, the team received 1,208 matches, all have been reviewed and some results were previously reported.
 - 788 matches related to single person discount anomalies. 38 accounts were updated resulting in increased Council Tax revenue of £24,038 and 21 Civil Penalties, totalling £1,470, being applied.
 - 213 matches related to housing waiting list anomalies. 63 recommendations were issued to the Housing Team resulting in the removal of 54 applications and £231,282 in loss avoidance. Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.
 - In relation to the 2023/24 data sets, 1,075 Council Tax related matches have been received and are currently under review.
- 2.7** Criminal Enforcement, Regulation of Investigatory Powers Act and Investigatory Powers Act refresher training was delivered to the ERS staff. Sessions for all enforcement staff will be delivered during the autumn.
- 2.8** As part of the assurance activity relating to procurement fraud prevention, work has commenced on a review of small supplier payments. A data matching exercise has also commenced across the partnership in relation to awards of small business rates relief. Updates will be provided to in due course.
- 2.9** In addition to the work carried out under the annual work plan, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and

corruption, or tenancy and housing fraud investigation work. Since 1 April 2024 the team have received 53 referrals; 17 referrals were declined, and 8 matters were referred to the Department for Work and Pensions. The remaining referrals are being dealt with by the team.

2.10 Since 1 April 2024, the team have opened 13 cases and closed 18 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.

- Work undertaken with the ERS Team in relation to environmental crime resulted in a Fixed Penalty Notice being issued totalling £200 and a warning being issued to a member of the public in relation to animal welfare.
- Work undertaken with the Revenues Team resulted in the removal of 3 incorrect Council Tax discounts/exemptions and 1 property being brought into ratings. Increased Council Tax revenue totalling £2,419 and a Civil Penalty for £70 being applied.

2.11 The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for the Department for Work and Pensions (DWP) Housing Benefit investigations. In the same period 1 case was opened, and 4 cases were closed.

- Increased Council Tax revenue of £8,063 has been raised.
- 1 Civil Penalty totalling £70 has been issued and 1 Criminal Penalty totalling £1,000 was accepted.
- A Councillor was prosecuted. The individual pleaded guilty and received a Fine for £1,119 and was ordered to pay costs of £1,000.

2.12 The team received 1 grievance referral from HR and closed 1 disciplinary matter relating to the falsification of timesheets; the individual resigned during the investigation.

2.13 The team undertook an investigation relating to a member of staff undertaking full time employment for multiple Councils. The individual was dismissed last year however the individual is also the subject of a prosecution for fraud. The case is listed for trial at Gloucester Crown Court next year.

3. ALTERNATIVE OPTIONS

3.1 The CFEU is working with all Gloucestershire Local Authorities, West Oxfordshire District Council, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.

3.2 The Service is a shared one across the partnership and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

4. FINANCIAL IMPLICATIONS

4.1 The report details financial savings generated by the Counter Fraud and Enforcement Unit.

5. LEGAL IMPLICATIONS

- 5.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.
- 5.2 The Authority is also required to ensure that it complies with the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016 and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

6. RISK ASSESSMENT

- 6.1 The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 6.2 Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.
- 6.3 If the Council does not have effective counter fraud and corruption controls, it risks both assets and reputation.

7. EQUALITIES IMPACT

- 7.1 The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.
- 7.2 The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1 Not applicable.

9. BACKGROUND PAPERS

- 9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:
 - None.
- 9.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 26 SEPTEMBER 2024</p>
<p>Subject</p>	<p>ANNUAL SUMMARY OF COMPLAINTS STATISTICS FROM THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – YEAR ENDING 31 MARCH 2024</p>
<p>Wards affected</p>	<p>All</p>
<p>Accountable member</p>	<p>Cllr Andy Graham, Leader of the Council Email: andy.graham@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Giles Hughes, CEO Email: giles.hughes@westoxon.gov.uk</p>
<p>Report author</p>	<p>Cheryl Sloan, Business Manager, Governance, Risk & Business Continuity Email: cheryl.sloan@publicagroup.uk</p>
<p>Summary/Purpose</p>	<p>This report presents the Annual Complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1st April 2023 – 31st March 2024.</p>
<p>Annexes</p>	<p>Annex A – Annual Review Letter 2023 – 2024 Annex B – Upheld complaint by Local Government and Social Care Ombudsman</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee: 1. Note the content of the report and the Annual Review Letter 2023 – 2024.</p>
<p>Corporate priorities</p>	<p>All</p>
<p>Key Decision</p>	<p>No</p>
<p>Exempt</p>	<p>No</p>
<p>Consultees/ Consultation</p>	<p>NA</p>

1. BACKGROUND

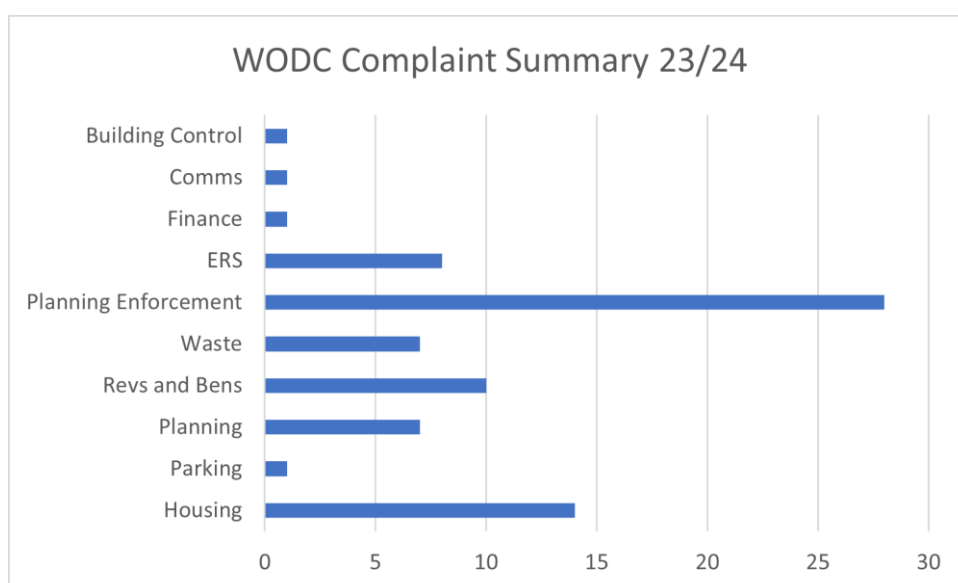
- 1.1** At the end of each financial year, the Local Government and Social Care Ombudsman (LGO) write to the Chief Executive, Leader of the Council, and Chair of Scrutiny to provide an annual summary of the complaint statistics which have been received by the LGO in relation to the West Oxfordshire District Council (WODC).
- 1.2** The information is provided to give insight about the organisations approach to complaints, and for consideration as part of the Council corporate governance processes.
- 1.3** WODC has three stages to its' internal complaints process as detailed below. Once this is exhausted, if the complainant remains unsatisfied with the response provided, it is at this point that they can refer their complaint to the LGO.
- Stage 1: Service Area Response
 - Stage 2: Independent Review
 - Stage 3: Appeal
- 1.4** The Annual Letter details the complaints which have been escalated to the LGO in relation to services provided by WODC.
- 1.5** It should be noted that in February, following a period of consultation, the LGO launched the Complaint Handling Code for councils, setting out a clear process for responding to complaints effectively and fairly. Councils are urged to adopt this Code without delay, they expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of their processes from April 2026. A new policy and procedure have been produced which will change the complaints process from a three stage internal process, to a two-stage. This will be brought to the next Audit Committee for approval,

2. OVERVIEW

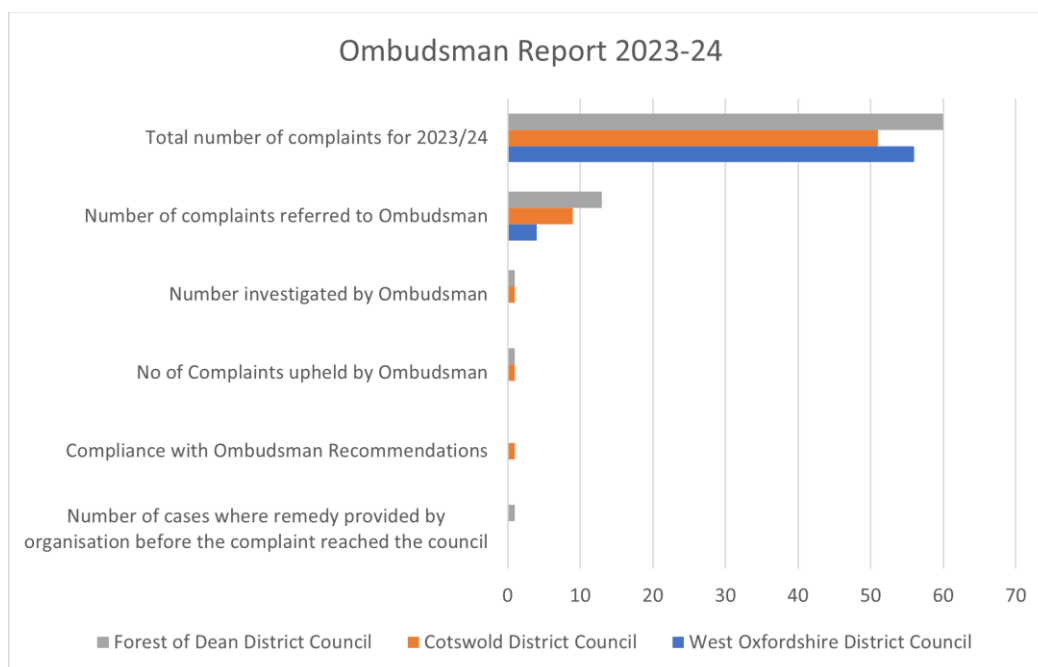
- 2.1** A total of 4 complaints were escalated to the LGO about services provided by WODC during financial year 2023 - 2024. This is a reduction of 9 compared to 2022-2023.
- 2.2** Of the 4 complaints received by the LGO, a total of 3 complaints were investigated, of which no complaints were 'upheld'.
- 2.3** The table below provides a summary of the 3 complaints investigated by the LGO, the complaint category (service area), the decision which has been made and the reason for the decision.

Category	Decided	Decision	Decision Reason
Benefits & Tax	15/06/2023	Closed after initial enquiries	Other Agency better placed
Environmental Services & Public Protection & Regulation	15/09/2023	Referred back for local resolution	Premature Decision - referred to Organisation
Planning & Development	27/03/2024	Closed after initial enquiries	Not warranted by alleged fault

- 2.4** 1 complaint was referred to the Council, this is due to the complainant having not exhausted the 3 stages of the internal complaints process, and 2 were closed after initial enquiries.
- 2.5** During 2023-2024, WODC recorded a total of 78 complaints, which equates to 5% being referred to the LGO. This is an improvement of 25% year on year. Below is a chart showing the complaints received by WODC during 23/24 by service area.



- 2.6** Whilst the council receives a wide range of complaints, the majority relate to where decisions have been made, as opposed to the standard of services provided. This includes decisions around planning, revenues and benefits and enforcement. A number of these complaints could be rejected by the Council as they are excluded under the Complaints policy, however, to try to mitigate residents' concerns, they are, in the main, still responded to under the complaints process.
- 2.7** Comparing this to our partner Councils; Cotswold District and Forest of Dean. Both Councils had one complaint investigated by the LGO and one complaint upheld. The graph below details the total number of complaints received by each Council during 23/24, and the breakdown of complaints referred to the LGO.



2.8 Comparative data for other similar Authorities, as provided by the LGO, was that an average of 63% of the complaints investigated were upheld.

2.9 Given the number of services provided by WODC, to have no complaints upheld by the LGO should be seen as a positive reflection of the way in which services are provided, and complaints are managed and subsequently rectified.

3. ALTERNATIVE OPTIONS

3.1 None

4. FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report.

6. RISK ASSESSMENT

6.1 If the Council's governance arrangements are weak then the Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council.

7. EQUALITIES IMPACT

7.1 An equalities impact assessment is not required for this report

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** There are no climate or ecological emergency implications arising directly from this report.

9. BACKGROUND PAPERS

- 1.1** The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Annual Complaints Statistics and Annual Letter from the LGO

- 9.1** These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

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17 July 2024

By email

Mr Hughes
Head of Paid Service
West Oxfordshire District Council

Dear Mr Hughes

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues.


Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld
The Ombudsman carried out no investigations in this period
Compliance with Ombudsman recommendations
No recommendations were due for compliance in this period
Satisfactory remedies provided by the authority
The Ombudsman did not uphold any complaints in this period

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and Date of Committee</p>	<p>AUDIT AND GOVERNANCE – 26 SEPTEMBER 2024</p>
<p>Subject</p>	<p>ANNUAL REPORT OF THE MONITORING OFFICER– 1 SEPTEMBER 2023 TO 31 AUGUST 2024</p>
<p>Wards Affected</p>	<p>None</p>
<p>Accountable Member</p>	<p>Councillor Carl Rylett – Chair of Audit and Governance Committee. Email: carl.rylett@westoxon.gov.uk</p>
<p>Accountable Officer</p>	<p>Andrea McCaskie – Director of Governance. Email: andrea.mccaskie@westoxon.gov.uk</p>
<p>Report Author</p>	<p>Andrew Brown – Business Manager, Democratic Services. Email: democratic.services@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To advise the Committee of the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer in the period from 1 September 2023 to 31 August 2024 and to consider the Council's Complaint Handling Arrangements and the Standards Sub-Committee Procedure Rules following a review by officers.</p>
<p>Annexes</p>	<p>Annex A - Revised Complaint Handling Arrangements Annex B - Revised Standards Sub-Committee Procedure Rules</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> 1. Note the report; 2. Recommend to Council the adoption of the revised Complaint Handling Arrangements (Annex A); and 3. Recommend to Council the adoption of the revised Standards Sub-Committee Procedure Rules (Annex B) following a review undertaken by officers and the three Independent Persons.
<p>Corporate Priorities</p>	<ul style="list-style-type: none"> • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>

Consultees/ Consultation	N/A
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1. BACKGROUND

- 1.1** The Council has in place complaint handling arrangements to enable an individual to make a formal complaint that an elected or co-opted member of West Oxfordshire District Council, or a Town or Parish Council within the district area, has failed to comply with their Council's Member Code of Conduct. The complaint handling arrangements seek to ensure that complaints are dealt with fairly and are resolved informally where appropriate.
- 1.2** The Audit and Governance Committee is responsible for promoting high standards of ethical behaviour by developing, maintaining and monitoring the Members' Code of Conduct. The Committee has appointed a Standards Sub-Committee, which has responsibility for undertaking hearings to determine whether or not a Member has breached the Code of Conduct.
- 1.3** This report is to update the Committee on the numbers of Code of Conduct complaints received and the outcomes of those complaints. It also identifies any issues or learning points arising from the complaints.
- 1.4** The previous report was presented to the Audit and Governance Committee on 28 September 2023 and covered the reporting period 1 April 2022 to 31 August 2023. This report covers the following period up to 31 August 2024. Going forward these reports will be presented to the last meeting of the Audit and Governance Committee in each municipal year, reporting on complaints received during the financial year i.e. 1 April to 31 March.
- 1.5** The report also considers proposed changes to the Council's complaint handling arrangements and to the Standards Sub-Committee procedure rules following a review of these arrangements by officers and the Council's three Independent Persons who advise on standards matters.

2. NUMBER AND STATUS OF CODE OF CONDUCT COMPLAINTS RECEIVED

- 2.1** The table below sets out the numbers of Code of Conduct complaints received by the Council's Monitoring Officer in the period from 1 September 2023 to 31 August 2024, broken down by district and town/parish members, and at which stage of the complaint process the complaints were resolved.
- 2.2** During the reporting period 15 new code of conduct complaints were received and two further complaints which pre-dated the reporting period were closed at the local hearing stage.

Stage of complaints process resolved	Outcome	# District	# Town or Parish
Assessment stage	No action – complaint withdrawn		
	No action - complaint dismissed	4	6
	Local resolution		1

	Awaiting Local Assessment		1
Investigation stage	No action – complaint dismissed		
	Local resolution		
	Not Pursued - Resignation	1	2
Local hearing stage	No breach found		2 (closed within reporting period)
	Breach found and sanctions applied		
Total #		5	12
Overall Total #		17	

- 2.3** The table shows that the majority of complaints were resolved at the assessment stage, with more than half of all complaints dismissed at this stage. These are complaints where the Monitoring Officer, in consultation with an Independent Person, concluded that the Code of Conduct was not engaged or that the complaint was not sufficiently serious or in the public interest to be referred for an investigation, having regard to the time and expense involved in an investigation and the potential sanctions available. One complaint was resolved at this stage by way of a local resolution (apology).
- 2.4** Three of the 15 complaints received during the reporting period progressed to the investigation stage however were closed following agreement with the Independent Person, on the Subject Member resigning as a councillor as it was determined that it would not be in the public interest to continue with the investigation.

3. CONCLUSIONS AND LEARNINGS RESULTING FROM CODE OF CONDUCT COMPLAINTS

There were a number of learnings taken from the complaints that progressed to the local hearing stage, which was the first hearing held since the Director of Governance joined the Council. The Council's complaint handling arrangements and the Standards Sub-Committee Procedure Rules are considered to have generally worked well but could be strengthened in certain respects, in particular around complaints brought by third parties. Officers, following receipt of external legal advice, in conjunction with three Independent Persons have reviewed these documents and present amended versions showing tracked changes which are attached at Annexe A and B respectively. The main substantive changes are summarised below:

Complaint Handling Arrangements

- Change of title

- Change of timeline for deciding whether a complaint merits investigation from 14 days to 28 days at 4.1
- Inclusion of initial assessment criteria in the table at 4.5 including the tests for disrespect and bullying.
- Gender neutral language throughout.
- Removal of out of date annexes (to be replaced by current versions).

Standards Sub-Committee Procedure Rules

- Clarity about how complaints about multiple subject members will be dealt with at 2.1
- Stating that the Sub-Committee is not a court of law at 5.5 and that any evidence including hearsay evidence may be taken into account and given whatever weight the Sub-Committee deems appropriate.
- Hearing from witnesses in exceptional circumstances only at 5.6.3 and 5.6.6

- 3.1** In regard to the two complaints that progressed to the local hearing stage, the Standards Sub-Committee determined that based on the evidence presented at the hearing, there was no breach of the Code of Conduct. However, the following recommendations have been submitted to the town council:

That the Town Council:

- 1. Considers the adoption of the Oxfordshire-wide Member Code of Conduct.*
- 2. Considers the adoption of the National Association of Local Council's Civility and Respect pledge.*
- 3. Liaises with Oxfordshire Association of Local Council's (OALC) on the adoption of a Member-Officer Protocol.*
- 4. Utilises OALC as a resource to support the Council with member training and governance practices.*

4. FINANCIAL IMPLICATIONS

- 4.1** The processing of code of conduct complaints does not have direct financial implications for the Council but is relatively resource-intensive for officers. The Council has allocated a budget of £4,000 per annum for externally-provided member training, which is used to fund, for example, equality and inclusion training for members which has previously been identified by the Committee as an area that additional development opportunities should be provided. During the reporting period two Inclusion and Diversity events were held on 18 September 2023 and 10 July 2024 following the local elections with 20 members attending over the two dates.

5. LEGAL IMPLICATIONS

- 5.1** The Localism Act 2011 requires the Council to have a Code of Conduct which sets out the standards expected of Members whenever they act in their official capacity. The Code must also have in place a suitable procedure at a local level to investigate and determine allegations that elected Members and co-opted Members of the district council or town and parish councils within the district area have breached the Code of Conduct.

6. RISK ASSESSMENT

- 6.1** If the Council fails to adopt and maintain a Code of Conduct and a process for the investigation of complaints that are fit for purpose, robust and transparent then there are risks to the Council's reputation and to the integrity of its corporate governance and decision-making processes.

7. EQUALITIES IMPACT

- 7.1** Equalities and Human Rights issues are taken into account in the handling of Code of Conduct complaints.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** Not applicable.

9. BACKGROUND PAPERS

- 9.1** None.

(END)



WEST OXFORDSHIRE
DISTRICT COUNCIL

Code of Conduct Complaint Handling Arrangements

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I. CONTEXT

- I.1. West Oxfordshire District Council is required to have in place “arrangements” under which allegations that a member or co-opted member of the council or of a town or parish council within the district has failed to comply with their authority’s Code of Conduct can be made and investigated, and decisions made on such allegations.
- I.2. This document sets out the arrangements adopted by the Council.
- I.3. The arrangements must also provide for the Council to appoint at least one Independent Person, whose views must be sought before the Council takes a decision on an allegation which it has decided shall be investigated, and whose views can be sought by the Council at any other stage. An Independent Person may also be consulted by a member or a co-opted member of the district council or of a town or parish council in the district who is the subject of a complaint.

2. THE CODE OF CONDUCT

- 2.1. The District Council has adopted a Code of Conduct for members, which is attached as [Annex A](#) to these arrangements and which is also available from the Council’s website at www.westoxon.gov.uk/conduct and from its offices at Woodgreen, Witney.
- 2.2. *Each town and parish council in the District is also required to adopt a Code of Conduct. If you wish to inspect a town or parish council’s Code of Conduct, you may visit any website operated by that council and/or contact the town or parish clerk (see www.westoxon.gov.uk/parishes).*
- 2.3. A list of the relevant Town and Parish Councils is set out in [Annex B](#) to this document.

3. MAKING A COMPLAINT

- 3.1. If you wish to make a complaint, please write to
– The Monitoring Officer
West Oxfordshire District Council
Council Offices
Woodgree
n Witney
Oxon
OX28
INB

or email democratic.services@westoxon.gov.uk, marking your email for the attention of the Monitoring Officer.
- 3.2. The Monitoring Officer is a senior officer of the authority who has responsibility for administering the system in respect of complaints of member misconduct, and for maintaining the register of members’ interests.
- 3.3. To ensure that we have all the information which we need to be able to consider the complaint, please complete and send us the Code of Conduct Complaint Form, which can be downloaded from the District Council’s website at

www.westoxon.gov.uk/conduct, and is available on request from reception at the offices at Woodgreen, Witney.

- 3.4. A complaint must provide substantiated information and should outline an indication of the form of resolution the Complainant is seeking.
- 3.5. Please provide us with your name and a contact address or email address, so that we can acknowledge receipt of your complaint and keep you informed of its progress. If you want to keep your name and address confidential, please indicate this in the space provided on the complaint form. The Council will not normally consider anonymous complaints, unless there is a clear public interest in doing so.
- 3.6. The Monitoring Officer will acknowledge receipt of complaints within five working days of receiving it, and will keep the complainant informed of the progress of their complaint.

4. WILL A COMPLAINT BE INVESTIGATED?

- 4.1. The Monitoring Officer will review every complaint received and, after consultation with an Independent Person(s), take a decision as to whether it merits formal investigation. This decision will normally be taken within 28 days of receipt of the complaint. The Monitoring Officer will inform the complainant of the decision and the reasons for that decision.
- 4.2. If the Monitoring Officer requires additional information in order to come to a decision, the complainant may be asked for such information. The Monitoring Officer will usually advise the member of the complaint, and will also decide whether to request information or comment from them. In exceptional cases, where it is appropriate to keep the complainant's identity confidential or disclosure of details of the complaint to the member might prejudice consideration of the complaint or any investigation, the Monitoring Officer can delete the complainants name and address from the papers given to the member, or delay notifying the member until matters have progressed sufficiently.
- 4.3. *Where a complaint relates to a Town or Parish Councillor, the Monitoring Officer may also inform the Town or Parish Council of the complaint and seek the views of the Town or Parish Council before deciding whether the complaint merits formal investigation.*
- 4.4. The Monitoring Officer will exercise their discretion in relation to the decision as to whether a complaint should be investigated, with regard to the assessment criteria set out below, the time and expense involved in an investigation, the potential sanctions and the views of the Independent Person. Where possible the Monitoring Officer will seek a resolution to the complaint without a referral for investigation.
- 4.5. In particular, a complaint is unlikely to be referred for investigation if in the opinion of the Monitoring Officer it is or appears to be trivial, vexatious, politically motivated, irrelevant to the code of conduct, or substantially the same as a previously considered complaint, or a complaint currently under consideration.

Initial assessment criteria for code of conduct complaints	
Timeliness	If the events subject to the complaint took place more than 6 months prior to the complaint being submitted then they will not normally be investigated other than in exceptional circumstances e.g. where the conduct relates to a pattern of behaviour which has recently been repeated.
Adequate information	There needs to be sufficient and clear information provided in the complaint form to enable the subject member to respond and for the Monitoring Officer to decide whether or not the complaint should be referred for an investigation.
Official capacity	For the code of conduct to be engaged the member must have been acting in their official capacity rather than in a private capacity when the conduct in question took place. Complaints will only be referred for an investigation where it is considered very likely that the member was acting in an official capacity when the conduct took place.
Seriousness	<p>The conduct in question needs to be considered to be sufficiently serious for the complaint to be referred for an investigation. If the complaint is considered to be trivial, malicious, vexatious, or tit-for-tat it will not normally be investigated.</p> <p>Complaints that are considered to be politically motivated or relate to the “rough and tumble” of political debate will not normally be investigated. There is an accepted concept of politicians needing to have a “thicker skin” and more tolerance to comment and criticism than members of the public would be expected to have.</p> <p><u>Disrespect</u></p> <p>Councillors also have a qualified right to freedom of speech and a wide degree of tolerance is accorded to political expression. This enhanced protection applies to all levels of politics, including local government, and is not limited to expressions of political views but extends to all matters of public administration including comments about the performance of public duties by others. However, gratuitous personal comments do not fall within the definition of political expression.</p> <p>Allegations of disrespect will be considered against the following test:</p> <p>A. Were the comments objectively disrespectful/offensive?</p> <p>B. Was it political expression so therefore entitled to higher level of protection? Or simply abuse?</p> <p>C. If the member was entitled to enhanced protection does the public interest mean that a finding of breach is nevertheless a proportionate and necessary response?</p> <p><u>Bullying</u></p> <p>Allegations of bullying will be considered against the “Williamson test”:</p> <p>A. Did the subject member’s conduct involve offensive, intimidating,</p>

	<p>malicious or insulting behaviour?</p> <p>B. If it was, was an abuse or misuse of power involved in that behaviour?</p> <p>C. Was the complainant left feeling vulnerable, upset, undermined, humiliated, denigrated or threatened?</p> <p>D. Was it reasonable for the complainant to have perceived the subject member's behaviour as bullying?</p>
Availability and strength of evidence	<p>For complaints to be investigated effectively there needs to be evidence available which can be weighed up and tested. Consideration will be given to the availability of first-hand and documentary evidence. Complaints based on hearsay evidence are less likely to be referred for an investigation.</p>
Public interest	<p>Consideration will be given as to whether the public interest would be served by referring the complaint for an investigation, or by other action (e.g. informal resolution).</p> <p>The public interest would not normally be served where the member has died, resigned from office or is seriously ill.</p> <p>If the complaint is subject to an investigation by the police or another regulatory body, it is unlikely to be referred for investigation unless it is evident that the public interest would be served by further action being taken.</p>
Multiple complaints	<p>If multiple complaints are received in relation to the same conduct, the Monitoring Officer will consider the complaints at the same time where possible.</p> <p>If an investigation is deemed appropriate, there will be a single investigation. The Monitoring Officer will decide which complaint will go forward for investigation, with the other complainants being treated as potential witnesses in that investigation.</p> <p>If a complaint is received which is substantially similar to a complaint that has already been considered, it will not be referred for an investigation unless substantial new evidence is provided which is considered likely to change the outcome of the complaint.</p>

- 4.6. In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. Such informal resolution may, for example, involve the member accepting that their conduct was unacceptable and offering an apology, or other remedial action by the authority, or some form of mediation. Where the member or the authority makes a reasonable offer of local resolution, but the complainant is not willing to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.
- 4.7. If a complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer or any other officer will refer the complaint to the Police or other regulatory agency. If the complainant considers there has been criminal conduct then they may go directly to the Police or other

regulatory agency.

5. HOW IS ANY INVESTIGATION CONDUCTED?

- 5.1. If the Monitoring Officer decides that a complaint merits formal investigation, they will appoint an Investigating Officer, who may be an officer of the Council or another council, or an external investigator. The Investigating Officer will decide whether they need to meet or speak to the complainant. If so, this will be to understand the nature of the complaint; and so that the complainant can explain their understanding of events, and suggest what documents the Investigating Officer needs to see, and whether the Investigating Officer needs to interview anyone.
- 5.2. The Investigating Officer will usually write to the member against whom a complaint has been made and ask for their explanation of events, and as part of the process of deciding what documents they need to see and who they need to interview.
- 5.3. At the end of their investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the member concerned, to give both an opportunity to identify any matter in that draft report with which they disagree or feel requires more consideration.
- 5.4. Having received and taken account of any comments which the complainant and member may make on the draft report, the Investigating Officer will send their final report to the Monitoring Officer.

6. WHAT HAPPENS IF THE INVESTIGATING OFFICER CONCLUDES THAT THERE IS NO EVIDENCE OF A FAILURE TO COMPLY WITH THE CODE OF CONDUCT?

- 6.1. The Monitoring Officer will review the Investigating Officer's report and, if they are satisfied that the Investigating Officer's report is sufficient, the Monitoring Officer will write to the complainant and to the member concerned [*and to the Town or Parish Council, where a complaint relates to a Town or Parish Councillor*], notifying that they are satisfied that no further action is required, and give both a copy of the Investigating Officer's final report.
- 6.2. If the Monitoring Officer is not satisfied with the investigation/report, they may ask the Investigating Officer to reconsider the report. In considering the report, the Monitoring Officer may consult with an Independent Person(s) if they consider it appropriate to do so.

7. WHAT HAPPENS IF THE INVESTIGATING OFFICER CONCLUDES THAT THERE IS EVIDENCE OF A FAILURE TO COMPLY WITH THE CODE OF CONDUCT?

- 7.1. The Monitoring Officer will review the Investigating Officer's report and will then either send the matter for local hearing before the Standards Sub-Committee or, after consulting an Independent Person(s), seek local resolution.
- 7.2. Again, the Monitoring Officer will have the option of asking the Investigating Officer to reconsider the report, and of consulting with an Independent

Person(s).

Local Resolution

- 7.3. The Monitoring Officer may consider that the matter can reasonably be resolved without the need for a hearing. In such a case, they will consult with an Independent Person(s) and with the complainant and seek to agree a fair resolution of the complaint which also helps to ensure higher standards of conduct for the future. Such resolution may include the member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action by the authority. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the Standards Sub-Committee [*and, where relevant, the Town or Parish Council*] for information, but will take no further action.

Local Hearing

- 7.4. If the Monitoring Officer considers that local resolution is not appropriate (which may be because the complainant is not satisfied by the proposed resolution) or the member concerned is not prepared to undertake any proposed remedial action, such as giving an apology, then the Monitoring Officer will report the Investigating Officer's report to the Standards Sub-Committee which will conduct a local hearing before deciding whether the member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the member.
- 7.5. The Monitoring Officer will conduct a "pre-hearing process" requiring the member to give their response to the Investigating Officer's report, in order to identify what is likely to be agreed and what is likely to be in contention at the hearing. At the hearing, the Investigating Officer will present their report, call such witnesses as they consider necessary and make representations to substantiate their conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Standards Sub-Committee. The member will then have an opportunity to give their evidence, to call witnesses and to make representations to the Sub-Committee as to why they consider that they did not fail to comply with the Code of Conduct.
- 7.6. The Sub-Committee, with the benefit of any advice from an Independent Person(s), may conclude that the member did not fail to comply with the Code of Conduct, and to dismiss the complaint.
- 7.7. If the Sub-Committee concludes that the member did fail to comply with the Code of Conduct, the Chair will inform the member of this finding and the Sub-Committee will then consider what action, if any, it should take as a result of the member's failure to comply with the Code of Conduct. In doing this, the Sub-Committee will give the member an opportunity to make representations and will consult an Independent Person(s).
- 7.8. Any detailed procedures for conducting hearings will be as approved by the Sub-Committee.
- 8. WHAT ACTION CAN THE STANDARDS SUB-COMMITTEE TAKE WHERE A MEMBER HAS FAILED TO COMPLY WITH THE CODE OF CONDUCT?**
- 8.1. The Council has delegated to the Sub-Committee such of its powers to take action in respect of individual members as may be necessary to promote and maintain

high standards of conduct. Accordingly, the Sub-Committee may –

- Censure or reprimand the member;
- Publish its findings in respect of the member's conduct;
- Report its findings to Council or to the Town or Parish Council for information;
- Recommend to the member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) that they be removed from any or all Committees or Sub-Committees of the Council;
- Recommend to the Leader of the Council that the member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
- Recommend to Council that the member be replaced as Executive Leader;
- Instruct the Monitoring Officer to arrange training for the member, *or recommend that to the Town or Parish Council.*

8.2. The Sub-Committee has no power to suspend or disqualify the member or to withdraw or suspend allowances or restrict access to or the use of Council facilities.

9. WHAT HAPPENS AT THE END OF THE HEARING?

- 9.1. At the end of the hearing, the Chair will state the decisions of the Sub-Committee as to whether the member failed to comply with the Code of Conduct and as to any actions which the Sub-Committee has decided on.
- 9.2. As soon as reasonably practicable after the hearing, the Monitoring Officer will prepare a formal decision notice in consultation with the Chairman of the Sub-Committee, and send a copy to the complainant, to the member (*and to the Town or Parish Council if appropriate*), make that decision notice available for public inspection and, if so directed, report the decision to the next convenient meeting of the Council.
- 9.3. There is no right of appeal for the complainant, or for the member, against a decision of the Monitoring Officer or of the Sub-Committee.
- 9.4. If a complainant feels the authority has failed to deal with a complaint properly, they may make a complaint to the Council and, ultimately, to the Local Government Ombudsman.

10. WHAT IS THE STANDARDS SUB-COMMITTEE?

- 10.1. The Standards Sub-Committee is a Sub-Committee of the Council's Audit and Governance Committee. It is comprised of five members of the Audit and Governance Committee drawn from at least two different political groups.
- 10.2. The Independent Person acting as a consultee for the complaint is invited to attend the meeting of the Sub-Committee and their views are sought and taken into consideration before decisions are made on whether a member's conduct constitutes a failure to comply with the Code of Conduct, and as to any action to be taken following a finding of failure to comply with the Code of Conduct. The Independent Persons do not, however, have voting rights on the Sub-Committee -

their role is an advisory one.

11. WHO ARE THE INDEPENDENT PERSONS?

11.1. The Independent Persons are persons who have applied for the post following advertisement of a vacancy for the post, and are appointed by a positive vote from a majority of all the members of Council. The Council has determined that there will be no more than five Independent Persons appointed.

11.2. A person cannot be “independent” if they–

- are, or have been within the past five years, a member, co-opted member or officer of the authority;
- are, or have been within the past five years, a member, co-opted member or officer of a parish council within the authority’s area, or;
- are a relative, or close friend, of such a person

11.3. For this purpose, “relative” means –

- Spouse or civil partner;
- Someone who lives with the other person as husband and wife or as if they were civil partners;
- Grandparent of the other person;
- A lineal descendent of a grandparent of the other person;
- A parent, sibling or child of a person as above
- A spouse or civil partner of a person as above; or
- Someone who lives with a person as above, as husband and wife or as if they were civil partners

12. REVISION OF THESE ARRANGEMENTS

12.1. The Standards Sub-Committee may by resolution agree to amend these arrangements.

12.2. The Sub-Committee, on the advice of the Monitoring Officer, may depart from these arrangements where it is necessary to do so in order to secure the effective and fair consideration of any matter.

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5E Standards Sub-Committee Procedure Rules

These procedure rules apply to meetings of the Standards Sub-Committee, or the Audit and Governance Committee, when sitting to hear and determine a member code of conduct complaint referred to it by the Monitoring Officer.

1.0 DEFINITIONS

Complainant(s)	The person/people making the complaint.
Subject Member	The Councillor, co-optee, or Town or Parish Councillor against whom an allegation has been made.
Standards Sub-Committee	<p>A Sub-Committee of the Audit and Governance Committee in accordance with the provisions of the <i>Local Government Act 1972</i>.</p> <p>A meeting of the Standards Sub-Committee will consider whether the Subject Member has breached the Code.</p> <p>A Sub-Committee of the Audit and Governance Committee, in accordance with the provisions of the Local Government Act 1972.</p> <p>Comprising 5 members of the Audit and Governance Committee, appointed by the Audit and Governance Committee.</p>
Independent Person	A person appointed by the Council under <i>section 28(7) of the Localism Act 2011</i> . An Independent Person will be invited by the Monitoring Officer to attend the Standards Sub-Committee meeting as a co-opted Member. Their views are sought and taken into consideration before the Sub-Committee takes any decision on whether the Subject Member's conduct constitutes a failure to comply with the Code, and as to any action to be taken following a finding of failure to comply with the Code.
Investigating Officer	The person appointed by the Monitoring Officer to undertake a formal investigation on behalf of the Monitoring Officer. This person may be another Officer of the Council, an Officer of

	another Council or an external third party investigator appointed for the purpose.
Investigation Report	The report of the Investigating Officer to the Monitoring Officer, setting out their findings and recommendations in respect of the allegation.
Legal Advisor	The Officer responsible for providing legal advice to the Standards Sub-Committee. This may be the Monitoring Officer, another legally qualified Officer, or an external third party legal advisor appointed for the purpose.
Code	The Members' Code of Conduct for the relevant Authority formally adopted by it at the relevant time.
The Monitoring Officer	The Officer designated as such by West Oxfordshire District Council in accordance with <i>section 5 of the Local Government and Housing Act 1989</i> .
Town or Parish Council	Where the Subject Member is alleged to have breached the Code of a Town or Parish Council, the Town or Parish Council of which the Subject Member is a member.
Exempt Information	As defined in <i>Section 100A and Schedule 12A to the Local Government Act 1972</i> .

2.0 INTRODUCTION

- 2.1 Where the Monitoring Officer considers that it is in the public interest for a complaint to be considered by the Standards Sub-Committee, a Standards Sub-Committee meeting will be convened, to determine whether the Subject Member has failed to comply with the Code. Where there is more than one Subject Member in relation to a single complaint, the Monitoring Officer may agree that the complaint against each Subject Member can be determined at a single meeting. In such instances the Sub-Committee will stick to the Determination Procedure (Section 5) as closely as possible while allowing for the complaint against each Subject Member to be heard together.
- 2.2 The Monitoring Officer will seek to convene the Standards Sub-Committee meeting within 25 working days of receipt of the final Investigator's report or as soon as practicably possible thereafter. The Standards Sub-Committee will comprise 5 members appointed to that Committee by the Audit and Governance Committee, plus an Independent Person allocated to each meeting on a case by case basis by the Monitoring Officer, to act as a co-opted member of that Sub-Committee. For a meeting of the Standards Sub-Committee to be quorate and proceed, a minimum of three elected members of the Standards Sub-Committee plus an Independent Person

must be present. Substitute Members are allowed only from the membership of the Audit and Governance Committee. Members will only be able to sit on the Standards Sub-Committee if they have undertaken standards training.

3.0 PRE-MEETING PROCESS

- 3.1 The Monitoring Officer shall invite the Subject Member to give a response in writing to the Investigation Report. If the Subject Member provides a written response to the Investigation Report (which may include written evidence), this should be provided to the Monitoring Officer only, no later than 7 clear days before the meeting to allow for its inclusion in the reports pack. The Subject Member should not otherwise engage with members of the Sub-Committee.
- 3.2 The Subject Member may be represented or accompanied at the meeting, if they so choose. The Subject Member should notify the Monitoring Officer of the name of any person who will represent or accompany them in advance of the meeting.

4.0 DOCUMENTATION

- 4.1 Standards Sub-Committee meetings are subject to the normal rules for publication of Council Agendas and Access to Information.
- 4.2 The Agenda papers for the Standards Sub-Committee will include:
- Complaint form and documentation
 - Subject Member's written response
 - Investigating Officer's report
 - Monitoring Officer report
 - For reference: Code of Conduct, Standards Sub-Committee Procedure Rules
- 4.3 The Agenda and documents will be published under the Council's rules for exempt information. Prior to the Standards Sub-Committee meeting, any documentation issued or exchanged during the process must be treated by all recipients as confidential until the Standards Sub-Committee resolve whether or not the press and public should be excluded from the meeting at which the allegations are going to be heard.
- 4.4 If the Standards Sub-Committee agrees that the meeting should be held in public, the Investigation Report will be made available to the press and public in attendance at the meeting. The Chair may, at their discretion, allow a short adjournment of the meeting to enable them to read the report.

5.0 DETERMINATION PROCEDURE

- 5.1 The Standards Sub-Committee will follow usual Committee procedures for apologies, and declarations of interests. The meeting shall be chaired by the elected Chair of the Sub-Committee, or the Vice-Chair in their absence (if there is one). In the absence of both the Chair and Vice-Chair, the Standards Sub-Committee will elect a Chair for that particular meeting.

- 5.2 The Standards Sub-Committee will be assisted on matters of law and procedure by the Legal Advisor. The Sub-Committee may take legal advice, in private if necessary, from the Legal Advisor at any time during the meeting or while they are deliberating on the outcome. The substance of any legal advice given should be shared with the Subject Member and the Investigating Officer.
- 5.3 The meeting will normally be held in public. However, the Standards Sub-Committee may resolve to exclude the press and public from the meeting on the grounds set out in *Section 100A and Schedule 12A to the Local Government Act 1972*. In deciding whether to exclude the press and public, the Standards Sub-Committee will have regard to any representations made by the Investigating Officer and/or by the Subject Member and advice from the Legal Advisor as to the public interest.
- 5.4 The meeting will proceed in the absence of the Subject Member unless this would be unfair. If the Subject Member is unable to attend, they are required to notify the Monitoring Officer in advance of the meeting with reasons for their non-attendance.
- 5.5 The Standards Sub-Committee meeting is not a court of law. Therefore (save as provided for in paragraph 5.6 below) there will be no oral evidence heard at the meeting. The Standards Sub-Committee may take into account any evidence (including hearsay evidence) which it considers relevant to its determination of the complaint and may attach whatever weight it considers appropriate to that evidence.
- 5.6 In determining complaints, the Standards Sub-Committee will generally adopt the following procedure.
 - 5.6.1 The Chair will introduce the Members of the Standards Sub-Committee, the Independent Person, the Legal Advisor, the Investigating Officer, the Subject Member and any other persons present.
 - 5.6.2 The Legal Advisor will give a brief outline of the allegation before the Sub-Committee and outline the procedure to be followed.
 - 5.6.3 The Investigating Officer will present the Investigation Report including any findings of fact and make representations to substantiate the conclusion that the Subject Member has failed to comply with the Code of Conduct. Save for exceptional circumstances, the Sub-Committee will not hear oral evidence from witnesses called by the Investigating Officer, as evidence of such witnesses will have been dealt with in the Investigation Report.
 - 5.6.4 The Subject Member may ask questions of the Investigating Officer through the Chair. The Chair will ensure that the questions are necessary and will assist the Sub-Committee in determining the complaint.
 - 5.6.5 The Sub-Committee Members may question the Investigating Officer, followed by the Independent Person.
 - 5.6.6 The Subject Member will address the Sub-Committee. If the Subject Member admits that they have breached the Code the Sub-Committee may move to paragraph 5.6.12 below. Save for exceptional circumstances, the Sub-Committee will not hear oral evidence (including character evidence) from witnesses called by the Subject

Member, as evidence of such witnesses should have been made available to the Investigating Officer and/or dealt with in the Subject Member's written response to the Investigation Report.

- 5.6.7 The Investigating Officer may ask questions of the Subject Member through the Chair. The Chair will ensure that the questions are necessary and will assist the Sub-Committee in determining the complaint.
- 5.6.8 The Standards Sub-Committee may question the Subject Member, followed by the Independent Person.
- 5.6.9 The Investigating Officer and the Subject Member (in that order) will each briefly sum up their respective cases.
- 5.6.10 The Independent Person will give their views to the Standards Sub-Committee as to whether or not the Code has been breached and these will be recorded in the Minutes of the meeting.
- 5.6.11 The Standards Sub-Committee will then retire with the Legal Advisor to deliberate in private. The Standards Sub-Committee must take into account the views of the Independent Person before reaching a decision as to whether the Code has been breached. Decisions will be determined by a simple majority of those Members present and voting; the Independent Person does not have a vote. Where there are equal numbers of votes for and against the Chair will have a second casting vote and there is no restriction on how the Chair chooses to exercise a casting vote.
- 5.6.12 The Standards Sub-Committee will announce its decision as to whether there has been a breach of the Code in the presence of all parties and (assuming that it had not earlier resolved to exclude the press and public from the meeting) in public. This shall include summary reasons for the decision.
- 5.6.13 If the Standards Sub-Committee decide that the Subject Member has not breached the Code, it shall dismiss the complaint. However, it may still make general recommendations to the Council, its Audit and Governance Committee, the Monitoring Officer, or (if relevant) the Town or Parish Council in light of the issues raised in the complaint.
- 5.6.14 If the Standards Sub-Committee decide that the Subject Member has breached the Code then it may move to paragraph 5.6.16.
- 5.6.15 If the Complainant is present at the meeting, the Standards Sub-Committee will invite them to give a statement as to the effect on them of the Subject Member's conduct which has been found to have breached the Code. The Complainant is not obliged to give such a statement. If the Complainant does make a statement, they may only be questioned by the Standards Sub-Committee. Alternatively, the Complainant may provide a written statement to the Monitoring Officer in advance of the meeting which the Legal Adviser will read out at this stage of the meeting.
- 5.6.16 The Investigating Officer may make representations as to whether the Standards Sub-Committee should impose a sanction and what form any sanction should take.

- 5.6.17 The Subject Member may make representations as to whether the Standards Sub-Committee should impose a sanction and what form any sanction should take. This may include an apology or other form of mitigation.
- 5.6.18 The Independent Person will then give their views on the appropriate sanction, if any, to be imposed and their views will be recorded in the Minutes of the meeting.
- 5.6.19 The Standards Sub-Committee will deliberate and announce its decision as to sanctions adopting the same procedure as in paragraphs 5.6.12-5.6.13 above.
- 5.6.20 Any sanction imposed must be reasonable and proportionate to the breach found. The Standards Sub-Committee has no power to suspend or disqualify the member or to withdraw or suspend allowances. Subject to those limitations, Standards Sub-Committee may impose any sanction it considers appropriate (including but not limited to):
- Formal censure or reprimand of the Subject Member (or a recommendation to Council or the Town or Parish Council that it issues a formal censure or reprimand);
 - Recommend that the Subject Member apologise;
 - A direction to publicise its decision (e.g. in a press release published on the Council's website);
 - Recommend to the Subject Member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) or to the Town or Parish Council that the Subject Member be removed from any or all Committees or Sub-Committees of the Council/Town or Parish Council;
 - Recommend to the Leader of the Council that the Subject Member be removed from the Executive or removed from particular Executive Portfolio responsibilities;
 - Recommend to Council that the Subject Member be replaced as Leader of the Council;
 - Recommend to Council or the Town or Parish Council that the Subject Member be removed from outside appointments to which they have been nominated by the Council/Town or Parish Council;
 - Instruct the Monitoring Officer to arrange, or recommend that the Town or Parish Council arrange, appropriate training for the Subject Member; Recommend to Council, or to the Town or Parish Council, that it withdraws access to Council facilities and resources (provided this does not unreasonably interfere with the Subject Member's ability to perform their role as a councillor). This may include access to premises.
- 5.7 A Town or Parish Council which receives recommendations as to sanctions from the Standards Sub-Committee may only implement the recommended sanctions and has no legal power to impose any other sanctions.
- 5.8 The Monitoring Officer will, within 10 working days of the Standards Sub-Committee meeting prepare a formal Decision Notice, and send a copy to the Complainant, to the Investigating Officer and to the Subject Member (and to the Town or Parish Council if appropriate). The Decision Notice will be published as part of the

Minutes of the Standards Sub-Committee meeting and will be placed on the Council's website. If the press and public were excluded from the meeting, a version of the Decision Notice that does not disclose any exempt information will be published.

- 5.9 The decision of the Standards Sub-Committee is final and there is no right of appeal.
- 5.10 The Chair of the Standards Sub-Committee has the right to depart from this procedure, having taken advice from the Legal Advisor, where it is considered it is appropriate to do so, to deal with the case fairly, effectively and in the public interest, provided that the principles of fairness are upheld.

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**WEST OXFORDSHIRE
DISTRICT COUNCIL**

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 1 JULY 2024 – 31 OCTOBER 2024

The Audit and Governance Committee responsible for monitoring the adequacy and effectiveness of the Council's governance arrangements. This includes overseeing the audit function, annual accounts and the work of the internal auditors, promoting and maintaining high standards of conduct of members and, through its Standards Sub-Committee, determining standards matters.

The Committee has the following powers under the Council's Constitution:

- To require the attendance of any Council officers and/or members in order to respond directly to any issue under consideration;
- To review any issues referred to it by the Chief Executive, other statutory officer or any Council body;
- To report and make recommendations to Council;
- To call expert witnesses from outside the Council to give advice on matters under review or discussion;
- The ability to raise issues at a meeting of the Executive; and
- The power to establish Sub-Committees.

This work programme sets out the expected business for meetings of the Audit and Governance Committee.

26 September 2024

The Final Audit Finding and Statement of Accounts 2022/23	26 Sep 2024	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
External Audit Plan – Year Ended 31 March 2024	26 Sep 2024	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Annual Summary of Member Conduct Complaints	26 Sep 2024	Andrew Brown, Business Manager, Democratic Services

		Andrew.brown@publicagroup.uk
Annual Local Government Ombudsman Letter	26 Sep 2024	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
CFEU Update Report	26 Sep 2024	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Internal Audit Progress Report	26 Sep 2024	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Treasury Management Q1 Report	26 Sep 2024	Sian Hannam, Treasury Accountant Sian.hannam@publicagroup.uk
Thursday, 28 November 2024		
Strategic Risk Register	28 Nov 2024	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
2023/24 Audit Updates – Depends on Audit Plan from June	28 Nov 2024	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
AUDIT REPORTS VFM	28 Nov 2024	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Treasury Management Mid-Term Report	28 Nov 2024	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Internal Audit	28 Nov 2024	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk

Customer Complaints Policy & Procedure	28 Nov 2024	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
Thursday, 30 January 2025		
Internal Audit Progress Report	30 Jan 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
CFEU Update ?	30 Jan 2025	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Strategic Risk Register	30 Jan 2025	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
Review of Arrangements for Dealing with Allegations of Breaches of the Code of Conduct	30 Jan 2025	Christine Elsasser christine.elsasser@westoxon.gov.uk
Review of Standards Sub-Committee Procedure Rules	30 Jan 2025	Christine Elsasser christine.elsasser@westoxon.gov.uk
Thursday, 27 March 2025		
Provisional member induction and training programme	27 Mar 2025	Andrew Brown, Democratic Services Business Manager andrew.brown@publicagroup.uk
Quarter 3 Treasury Management Performance	27 Mar 2025	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Annual Governance Statement Action Plan Update	27 Mar 2025	Cheryl Sloan, Business Manager - Business Continuity,

		Governance and Risk cheryl.sloan@publicagroup.uk
Corporate Risk Register Update	27 Mar 2025	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
CFEU Update Report (RIPA and IPA annual update)	27 Mar 2025	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Internal Audit Plan 2025/26	27 Mar 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Internal Audit Progress Report	27 Mar 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Wednesday, 21 May 2025		