

Wednesday, 17 September 2025

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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 Committee Room 1, Council Offices, Woodgreen, Witney, Oxfordshire OX28 1NB on **Thursday, 25 September 2025 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, David Jackson, Edward James, David Melvin, Elizabeth Poskitt, Nigel Ridpath, Sandra Simpson, Alex Wilson

Independent Member: Richard Deuttenburg

Recording of Proceedings – The law allows the public proceedings of Council, Executive, 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. **Minutes of Previous Meeting** (Pages 5 - 14)  
To approve the minutes of the meeting held on 26 June 2025.
2. **Apologies for Absence**  
To receive any apologies for absence. The quorum for the Audit and Governance Committee is 4 Members.
3. **Declarations of Interest**  
To receive any declarations from Members of the Committee on any items to be considered at the meeting
4. **Participation of the Public**  
To receive any submissions from members of the public, in accordance with the Council's [Public Participation Rules](#).
5. **Internal Audit Progress Report** (Pages 15 - 34)  
Purpose  
To present a summary of the audit work concluded since the last meeting of this Committee.  
  
Recommendations  
That the Audit and Governance Committee resolves to:  
I. Note the report
6. **CFEU Update Report** (Pages 35 - 76)  
Purpose:  
To provide the Committee with assurance over the counter fraud activities of the Council and to update the Committee in relation to the areas of fraud risk mitigation. Direct updates will continue to be provided biannually.  
  
To present the Committee with an updated Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership ('the CFEU') as the body charged with governance in this area.  
  
To provide assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.  
  
Recommendation(s):  
That the Audit and Governance Committee resolves to:  
I. Note the report and attachments Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan which are appended at Annex A, B and C respectively.
7. **Treasury Management Q1 Report** (Pages 77 - 90)  
Purpose  
To report to the Audit and Governance Committee the quarter one Treasury

Management Indicators as required by the CIPFA Treasury Management Code.

Recommendation

That the Audit and Governance Committee resolves to:

- I. Note the contents of the report.

8. **Audit and Governance Committee Work Programme (Pages 91 - 94)**

Purpose

For the Committee to review and note its work programme.

9. **Exclusion of Public and Press**

If the Committee wishes to exclude the press and public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Committee to pass a resolution in accordance with the provisions of Section 100A of the Local Government Act 1972 on the grounds that their presence could involve the likely disclosure of exempt information as described in paragraph 7 of Schedule 12A of the Local Government Act 1972.

10. **Cyber Security Update (Pages 95 - 102)**

Purpose:

To provide the Audit and Governance Committee an update on Cyber Security.

Recommendation:

That Audit and Governance Committee resolves to:

- I. Note the content of the report.

(END)

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## WEST OXFORDSHIRE DISTRICT COUNCIL

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

Held in the Committee Room 1, Council Offices, Woodgreen, Witney, Oxfordshire OX28  
INB at 6.00 pm on **Thursday, 26 June 2025**

#### PRESENT

Councillors: Carl Rylett (Chair), Ruth Smith (Vice-Chair), Andrew Beaney, David Melvin, Elizabeth Poskitt, Sandra Simpson and Alex Wilson

Officers: Andrea McCaskie (Director of Governance), Madhu Richards (Director of Finance), Georgina Dyer (Head of Finance), Ana Prelici (Senior Democratic Services Officer), Mathew Taylor (Democratic Services Officer) and Kate Seeley (Investigation and Enforcement Manager)

Officers in attendance virtually: Lucy Cater (Assistant Director SWAP), Cheryl Sloan (Business Manager for Governance, Risk and Business Continuity).

Independent Member: Richard Deuttenburg.

#### **66 Minutes of Previous Meeting**

The Committee considered the minutes of the meeting held on 21 May 2025. Councillor Carl Rylett, Chair of the Audit and Governance Committee, proposed that the minutes be agreed. This was seconded by Councillor Andrew Beaney, was put to the vote and agreed by the Committee.

#### **Resolved:**

The Committee agreed the minutes of the meeting held on 21 May 2025.

#### **67 Apologies for Absence**

Apologies for absence were received from: Councillors Nigel Ridpath, David Jackson, Joy Aitman and Edward James.

#### **68 Declarations of Interest**

There were no declarations of interest received.

#### **69 Participation of the Public**

There was no participation of the public.

**70 Internal Audit Annual Opinion 2024/25**

The purpose of the report was to present a summary of the work undertaken by Internal Audit during 2024/25, and to give an overall opinion on levels of assurance that resulted from this work.

Lucy Cater, Head of Internal Audit Assistant Director SWAP Internal Audit Services, introduced the report and highlighted the following points:

- Annex A contained the Internal Audit Annual Opinion on the adequacy and effectiveness of internal control within the Council, a summary of the work completed in the year, and a summary of all the quarterly reports previously presented to the Committee.
- The annual opinion was that a “reasonable” assurance level had been given for the controls in place in the areas where audit activity had taken place.
- The Annual Opinion supported the Annual Governance Statement and subsequently the Annual Statement of Accounts.
- Page 22 highlighted the significant corporate risks; all of these had been presented to the Committee at previous meetings.
- Page 34 presented the reports completed since the last meeting of the Committee.
- A summary of all open and agreed actions was also in the report.

Questions were invited from the Committee and the following points were raised in discussion:

- Internal audit was not monitoring staff levels, with reference to the potential for sudden changes due to Local Government Reorganisation (LGR), as this was not part of the initial audit. However, LGR was included in the Risk Register and was therefore being monitored as part of that process.
- The open agreed actions which were shown as priority 1 and in red in Annexe C related to Human Resource audits.
- With regard the Climate Change action for 22/23 shown in the open agreed actions, it was confirmed that the Climate Change Strategy was due to be adopted by the Executive. However, there was a Climate Change Operational Audit in progress, and this would form part of the 2025/26 Opinion.
- Members were advised that data protection training was being tested and then would be rolled out to Members and Officers.
- Officers were asked to quantify S.106 monies received but not spent. It was agreed that the Officer would return a response on this to the Committee Member. Members then expressed a wish to be certain that the newly established Enhancement Project to monitor S.106 spending was in place.

Councillor Carl Rylett proposed noting the report. This proposal was seconded by Councillor Ruth Smith, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

- I. Noted the report.

**71 Statement of Accounts - 2024/25 - Update and Accounting Policies**

The purpose of the report was to present the accounting policies to be included in the 2024/25 Statement of Accounts. This provided Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2024/25. Approving the accounting policies in advance of the preparation of the accounts represented best practice.

Georgina Dyer, Chief Accountant, introduced the report and highlighted the following key points:

- The Accounting Policies were presented to the Committee annually in advance of the policies being used in production of the Statements of Accounts.
- The Statements of Accounts were due for publication on 30 June 2025.
- There were no big changes to the policies, however the Officer drew the Committee's focus to the following three changes:
  - The TUPE staff accumulated absence reserve, which was an accrual for the cost of annual leave earned by TUPE employees but not taken prior to year-end. This would be reviewed each year.
  - The UBS Pool Fund capital loss that was realised due to the fund being closed. This now needed to be recognised in the accounts and was funded through an earmarked reserve leading to no net impact on revenue budget or 24/25 outturn position.
  - IFRS16 required leases to be treated in a new way, this was explained fully in the report.

In the discussion the Committee noted:

- The TUPE staff accumulated absence reserve was a notional amount based on the monetary value of the accumulated staff holiday of those returning to the Council.
- The position with the regard to the UBS pooled fund closure and subsequent capital loss and its accounting treatment was clarified for the Committee. UBS had given

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notice of the closure of the fund in September, a capital loss was realised as a result and had to be recognised in the accounts, this was outside of the Council's control.

- Heritage Assets were public artworks.

Councillor Carl Rylett proposed approving the recommendations as set out in the report. This proposal was seconded by Councillor Alex Wilson, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

1. Approved the draft accounting policies for 2024/25 included at Annex A;
2. Noted the necessary amendments to the policies set out at Annex A (occurring subsequent to this meeting) are included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to this Committee.

**72 Strategic Risk Register, Risk Policy and Draft Risk and Opportunity Management Strategy and Guide**

The purpose of the item was to present the latest version of the Council's Risk and Opportunity Management Strategy and the Council's Risk Register.

Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity, introduced the report and highlighted the following points:

- The Risk Policy advised how risk was managed and the responsibilities within the organisation.
- The Council's current risk appetite was "Creative and Aware".
- Changes that had been made to the document were listed in the appendix and reflected changes to how the organisation was structured post transfer of services in phase one and two from Publica.
- The Strategic Risk Register had seen no significant changes since the last presentation to the Committee.
- Three risks were noted as remaining red, those were: Financial stability of WODC; English Devolution White Paper/LGR; NPPF and 5-year land supply.
- Changes to the Strategic Risk Register were shown in red in the body of the text.

In the discussion the Committee noted:

- It would be useful to map out the risk items identified in the Strategic Risk Register in terms of the current risk appetite of the Council. It was noted that Officers were



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always trying to lower risk but that this could be difficult. There was often a difference in grading of the risk dependent on the certainty around it. Items moved to green when the risk was seen as having become more certain. The example of LGR was given. This was currently labelled as red, due to uncertainty and timescales, however as more certainty arose and decisions became clearer, then the risk would be lowered. It was also noted that some risks were outside of the control of the Council.

- A query was raised about whether the risk level for GDPR and Cyber-attacks was appropriate. It was explained that the IT team had assessed controls around this area and were satisfied. However, it was noted that during the recent cyber-attacks on other organisations this level had been temporarily raised. This reflected the continuous review of the risk levels.
- The APSE Litigation Claim had been included on the register as a potential risk as WODC was a member of APSE. This litigation claim was now closing, and the risk would be removed by the next Committee meeting.
- It was clarified that the risk appetite level was decided by the Council's Senior Leadership Team.
- It was welcome that additional resources were now being found for housing refugees and asylum seekers, however it was discussed if consideration should be given to the risk around providing housing for students who were required to move and could face educational disruption.
- A query was raised around Members who used their own electronic devices and the subsequent susceptibility to cyber-attack. It was suggested that this query could be taken to the relevant team.

Councillor Carl Rylett proposed approving the recommendations as set out in the report. This proposal was seconded by Councillor Elizabeth Poskitt, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

1. Approved the Risk and Opportunity Management Strategy attached at Annex A.
2. Noted the updated Strategic Risk Register attached at Annex B.

**73**

**Treasury Management Outrun Quarter 4**

The purpose of the report was to advise members of treasury management activity and the performance of internal and external fund managers for 2024/25.

Georgina Dyer, Chief Accountant, introduced the report and highlighted the following points:

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- The report included summaries of investment income achieved from long-term, pooled and short-term investment funds. Also included were cash balances and the capital value of funds.
- The Council had complied with the majority of the Prudential Indicators that were required for 2024/25. The one Prudential Indicator not complied with was interest rate exposure. Non-compliance with this indicator was not considered a concern.

In the discussion the Committee noted:

- Following Council submissions on LGR in November further guidance on the balance of portfolios would be expected from Central Government. It was noted that it was likely that funds would be kept running for several years before these could be aligned with other authorities following LGR and the establishment of a successor Unitary Authority.
- The Council had multiple managed funds in major financial institutions. These funds were considered long-term safe investments. These funds were near cash liquid investments that were held as an alternative to seeking external borrowing. At present the Council was happy with its managed funds and advisors, however these were regularly reviewed. Circumstances in which alternatives to such funds would be considered were explored in the discussion.

Councillor Carl Rylett proposed noting the report. This proposal was seconded by Councillor Ruth Smith, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

- I. Noted the Treasury Management and performance of internal and external funds for 2024/25.

**74 Annual Governance Statement for 2024/25 and Action Plan for 2025/26**

The purpose of the report was to provide the Audit and Governance Committee with an updated Annual Governance Statement for 2024/25 and an Annual Governance Action Plan for 2025/26.

Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity, introduced the report and highlighted the following points:

- The Annual Governance Statement for 2024/25 was a backward-looking document, that set out the controls that were in place to ensure good governance at the Council.

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- The Annual Governance Action Plan for 2025/26 was a forward-looking document, that looked at the areas in which improvement could be made in the financial year. The document included the previous year's Action Plan and the progress made on the plan.
- There were eight key actions in the plan, including three carried over from the previous year. It was noted that progress had been made on the carried over actions.
- Progress on the Annual Governance Action Plan for 2025/26 would be brought to future Committee meetings.

Councillor Carl Rylett proposed approving the recommendations as set out in the report. This proposal was seconded by Councillor Sandra Simpson, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

1. Approved the 2024/25 Annual Governance Statement and Action Plan 2025/26 for sign off by the Chief Executive and the Leader of the Council.
2. Agreed to receive updates on progress against the key actions at future meetings.

**75 Annual Summary of Member Conduct Complaints**

The purpose of the item was 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 2024 to 31 March 2025.

Andrea McCaskie, Director of Governance and Regulatory Services, introduced the report and highlighted the following points:

- The previous year's report had been for the year to 31 August 2024. The current report was for a shorter period of the seven months to 31 March 2025 in order to align the reporting with the financial year.
- There had been five complaints in the period, and one held-over from the previous period. Of these, five were not taken forward and one was dealt with by way of a local informal resolution.
- This number was a relatively low number. However, it was noted that this was not considered to be a downward trend.
- Table 3.1 on page 131 of the report pack showed the detail of the complaints.
- Amendments to the complaints procedure had been adopted at the Council meeting in November.
- Members had been advised of the requirement to update their Register of Interests (ROI).

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- Licensing training had taken place, with Chair training and two Overview and Scrutiny training sessions to follow.

It was clarified that when a Member was the subject of a complaint they would be advised and had an opportunity to comment. The Committee queried if any training was available for Parish and Town Members and Officers. The Director of Governance explained the process for receiving complaints was Oxfordshire wide, and that this meant Parish and Town Clerks would be aware of procedures to follow. However, the Committee was advised that the Council did offer assistance to Parish and Town Councils and would be open to exploring the opportunity to offer training. It was stated that Members had felt it helpful when training on procedures had been given in the past.

Regarding the Register of Interest, the Committee commented that it was useful to have received the reminder to update this but suggested that more guidance would be informative. The Director of Governance and Regulatory Services advised that Democratic Services would review whether the guidance given to Members should be strengthened.

Councillor Carl Rylett proposed noting the report. This proposal was seconded by Councillor David Melvin, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

- I. Noted the report.

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**Whistleblowing Policy**

The purpose of the report was to present the Audit and Governance Committee with an updated Whistle-Blowing Policy for approval. This would update and replace the existing Whistle-Blowing Policy and highlight key legislation and the roles and responsibilities of Members, Officers and other parties.

Kate Seeley, Investigation and Enforcement Manager Counter Fraud and Enforcement Unit, introduced the item. The Officer explained that there had only been minor amendments made to the wording of the Whistle-Blowing Policy to enhance clarity and understanding. Annex A provided the revised version with changes highlighted for the Committee.

The Officer confirmed that the policy was used across several Councils. It was suggested that due to such policies being heavy in terms of legislation there was little room for councils to adopt an individual policy.

A concern was raised as to the number of channels for reports to be made. The Committee sought assurance that managers, who would receive such reports, received training. The

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attached flowchart at Annex B was intended to assist the process of handling reports. In addition, following the adoption of the Policy, the Committee was advised that training and guidance would be rolled out to staff. Senior Management had also received training from the Head of Service, Counter Fraud and Enforcement Unit. Finally, it was emphasised that the Council's Statutory Officers would expect to be made aware of any reports to ensure policies were followed.

Clarity was sought on the use of non-disclosure agreements with cases of Whistleblowing. Officers were not aware of the use of such agreements in the Council.

The Committee asked for an update on the recognition of Trade Unions in the Council. At present the Council had an agreement with Unison who had visited employees. An agreement with GMB had not yet been signed but an update on this would be given.

The wording in Annex B, in which it was stated that an issue should be raised "internally if possible", was questioned by the Committee. The Officer explained that should a report be made externally then an employee's identity may not be disclosed to the Council, and this would then be difficult for the organisation to offer support and protection to the employee making the report.

The position and duty of Councillors who were approached by employees with information was explored. The Committee was advised that Councillors would not be protected legally as employees were. Councillors should report to the Monitoring Officer in such cases.

Councillor Carl Rylett proposed approving the recommendations as set out in the report. This proposal was seconded by Councillor Ruth Smith, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

1. Approved and adopted the Whistleblowing Policy.
2. Authorised the Director of Governance and Regulatory Services to approve future minor amendments to the Policy, in consultation with the Head of the Counter Fraud and Enforcement Unit, the Head of Legal Services and the Leader of the Council.

**77 Annual Local Government Ombudsman Letter**

The purpose of the report was to present the annual complaints statistics as provided by the Local Government and Social Care Ombudsman for the year 1 April 2024 – 31 March 2025.

Cheryl Sloan, Business Manager for Governance, Risk and Business Continuity, introduced the report and highlighted the following key points:

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- The report showed the complaints received by the Ombudsman in the period. Eleven complaints had been received, of which six were immediately dismissed, four had preliminary enquiries with one investigated and upheld.
- Regarding the upheld complaint, it was found that the Council's process was considered acceptable but that the communication to the complainant was at fault. As one element of the complaint was upheld the entire complaint was considered upheld. Mitigation was now in place to improve communication, and the complaint was now closed.
- The total number of complaints received during 2024-25 was 34.
- The new complaints policy, reducing the complaints process from a three to two stage internal process, brought to the Committee in November 2024, was now in place and aligned with the Ombudsman Code for Complaints.

The Committee acknowledged that the small number of complaints was reassuring. A Member briefing on complaints policy was planned for September.

Councillor Carl Rylett proposed noting the report. This proposal was seconded by Councillor Elizabeth Poskitt, was put to the vote and agreed by the Committee.

**Resolved:**

That the Audit and Governance Committee:

- I. Noted the content of the report and the Local Government and Social Care Ombudsman's Annual Review Letter 2024 – 2025.

**78 Audit and Governance Committee Work Programme**

The purpose of the item was to provide the Committee with a schedule of the Committee's work programme for the year.


Andrea McCaskie, Director of Governance and Regulatory Services, invited the Committee to make any relevant comments on the programme.

It was confirmed that the Committee would be updated by the Assistant Director of SWAP Internal Audit Services on open actions including S.I06 at later Committee meetings.

In the discussion the Committee queried if the Council had a policy on the use of Artificial Intelligence (AI). The Director of Governance responded that a draft policy had been created by the Chief Technical Officer, and it was the intention to provide guidance on this to staff and Members. Officers would advise the Committee on the approval route for this.

The Meeting closed at 7.10 pm

CHAIR

 <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
Name and date of Committee	<b>AUDIT AND GOVERNANCE COMMITTEE – 25<sup>TH</sup> SEPTEMBER 2025</b>
Subject	<b>INTERNAL AUDIT PROGRESS REPORT</b>
Wards affected	None
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: <a href="mailto:Alaric.Smith@westoxon.gov.uk">Alaric.Smith@westoxon.gov.uk</a>
Accountable officer	Madhu Richards, Director of Finance Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a>
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: <a href="mailto:Lucy.Cater@swapaudit.co.uk">Lucy.Cater@swapaudit.co.uk</a>
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 2025/26 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"> <li>• Putting Residents First</li> <li>• A Good Quality of Life for All</li> <li>• A Better Environment for People and Wildlife</li> <li>• Responding to the Climate and Ecological Emergency</li> <li>• Working Together for West Oxfordshire</li> </ul>
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 Audit and Governance 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.

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 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](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

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# West Oxfordshire District Council

## Report of Internal Audit Activity

September 2025

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## Contents

The contacts at SWAP in connection with this report are:

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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

<b>No</b>	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.
<b>Limited</b>	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.
<b>Reasonable</b>	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.
<b>Substantial</b>	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 Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Counter Fraud and Enforcement Unit	Final Report	Low Substantial	1	-	-	1	Report Included
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Report Included
Key Financial Control	Payroll – Council Controls	Final Report	Mid Reasonable	0	-	1	-	Report Included
Operational	Leisure Facilities	Draft Report						
Governance	Data Retention	Draft Report						
Operational	Digital Exclusion	Draft Report						
ICT	Disaster Recovery – Revenues and Benefits	Draft Report						
Operational	Climate Change – Operational	In Progress						
Key Financial Control	Council Tax and NNDR	Ready to Start						
Key Financial Control	Housing Benefit and Council Tax Support	Ready to Start						
Governance	Business Continuity Plans (Services)	Initiated						
Follow-Up	Data Breaches / Protection	Initiated						
Operational	Disabled Facilities Grants	Initiated						
Key Financial Control	Bank Reconciliations	Initiated						

## Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Accounts Payable – Quarterly Review 2025/26	On Going						
Grant Certification	Carbon Data 2023/24	Ready to Start						
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
Support / Advisory	Support to Publica Transition Programme Phase 2	Complete						
Support / Advisory	Oxfordshire Waste Partnership	On-Going						
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						
Advisory	Management Team Meetings	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						



Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec				Comments
					Priority			
					1	2	3	
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

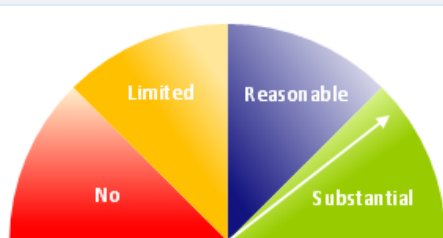
The following are the Internal Audit reports, of each audit review finalised,  
since the last Committee update

## Counter Fraud and Enforcement Unit – Final Report – August 2025

### Audit Objective

To provide assurance that robust controls are in place governing CFEU activity, including system access controls and reporting arrangements.

### Executive Summary



#### Assurance Opinion

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.

#### Management Actions

Priority 1	0
Priority 2	0
Priority 3	1
<b>Total</b>	<b>1</b>

#### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

### Key Conclusions



The Investigation and Enforcement Manager monitors and reviews caseloads with CFEU Officers on a regular basis, this includes reference to the DTx system (case management system). At the point of case closure, the Client and Technical Support Manager reviews all DTx cases. We were advised that cases with missing notes, documents or field information are returned to the Officer for updating.

We observed one case where notes were not as comprehensive as expected – DTx showed no activity or notes for a significant period, and there was a lack of clarity in why actions had been taken. This could result in decisions made on incomplete or inaccurate information, which could have an adverse impact on the case. We were advised that the case was low priority, and the work had been halted, but that a note should have been placed on the file indicating this.



Access to Council systems is monitored and managed via a master spreadsheet maintained by the Client and Technical Support Manager. Whilst there were no concerns in the process, the officer acknowledged the spreadsheet was out of date and agreed to update it. Access to Council systems was not reviewed as part of this audit.

Since the audit, we were advised that the spreadsheet has been reviewed and updated, and an annual review is now diarised. Additionally, as part of the recent review, where access was no longer justified, it has been removed for certain staff members.



There are Counter Fraud and Enforcement policies and procedures in place. We were advised that the service is heavily regulated, and CFEU officers follow legislative requirements, for example when Officers request personal data.



There is an overarching CFEU Collaboration Agreement in place with all Partner Councils which has been agreed by relevant stakeholders including Member approval.

### Audit Scope

There are 111 closed cases between 1 April 2024 and 25 February 2025. Audit tested 10 cases to ensure CFEU policies and procedures were followed. This included cases from Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council, West Oxfordshire District Council and Publica.

The audit included a review of the following areas:

- Policies and Procedures for data management, sharing, and retention, etc.
- Management and administration of system access controls at each partner council
- CFEU case management system (DTx) access controls, and internal data recording and retention procedures
- CFEU Collaboration Agreement
- Reporting including verification of information presented to each partner audit committee



On a bi-annual basis CFEU report to Partner Councils through Audit Committee meetings. The report includes details of reactive work, proactive work, successful prosecutions, Code of Conduct complaints, NFI matching, etc. The Head of Service also meets regularly with senior management, internal audit and is a member of council corporate governance groups.

#### Other Observations

Testing of access to Council systems has not been thoroughly covered in this audit. However, a separate Council Systems Access audit planned as part of the 2025/26 audit plan will include this area and assurance provided in due course.

We were advised some case documents and records relating to proactive drives are held within the CFEU service shared drive rather than in the DTx system. While this data is safely secured, there may be records held beyond the data retention guidance. The Head of Service agreed this is a priority and out of date documents will be deleted from the shared drive and maintained going forward. Although, a formal action has not been agreed, regular review should be undertaken to ensure the integrity of records held.

The DTx case management system has a built-in control to manage the age of closed cases. However, expired cases cannot be sorted by date to indicate which need to be deleted, they need to be identified within the overall caseload list causing an unnecessary administrative burden. This is a system error and has been raised with DTx directly. We were advised that the Client and Technical Support Manager regularly checks for expired cases and deletes these accordingly. We were further advised that it is not appropriate to retain a record of what has been deleted, and therefore this element was not tested.

To summarise there are sound controls in place governing CFEU activity. The agreed action, observations above, and with regular 'administrative housekeeping' if implemented will further improve the current control environment.

## Payroll – Final Report – August 2025

### Audit Objective

To provide assurance that the payroll system is operated in accordance with agreed policy/procedure and with the Financial Rules.

### Executive Summary – Publica Payroll Controls – Processing Payroll



#### Assurance Opinion

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.

#### Management Actions

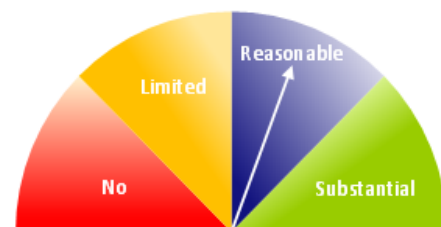
Priority 1	0
Priority 2	0
Priority 3	0
<b>Total</b>	<b>0</b>

#### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

### Executive Summary – Council Service Area Controls



#### Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

#### Management Actions

Priority 1	0
Priority 2	1
Priority 3	0
<b>Total</b>	<b>1</b>

#### Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

### Key Conclusions



**Transactional Testing Mileage/Overtime/Expenses:** Business World records evidenced claims have appropriate manager approvals and expense claims comply with Council policies. Mileage claims are calculated appropriately according to HMRC rates. But the details on the claims was not sufficient to confirm the miles claimed and so are not compliant with agreed policy. In addition, potentially fraudulent claims may go undetected.





**Payroll processes undertaken by Publica:** Payroll system data for starters, leavers, and variations is accurately maintained in Business World against personnel files. Employee records following the 1 November 2024 TUPE were accurately transferred from Publica to the Council's Business World records. Relevant mileage, expenses, and overtime payments up to 31 October 2024 were paid from Publica prior to records being closed.

### Audit Scope

Our audit covered the period from January 2023 to March 2025. This included the TUPE of employees of 1 November 2024. Our testing reviewed the following:

- Records for starters, leavers, and variations in Business World to ensure timely accurate changes to the payroll were actioned and supported by appropriate records and approvals.
- Key control testing was undertaken to ensure:

	<p><b>Payroll authorisations and BACs procedure:</b> The BACs process is managed by Payroll Advisors with oversight from the Payroll Team Leader. Prior to the TUPE on 1 November 2024, payroll was authorised by the Publica HR Business Manager. Post TUPE, payroll reports are appropriately authorised by Section 151 officers.</p>	<ul style="list-style-type: none"> <li>– Independent review and approval of exception reporting</li> <li>– Timely clearing of Payroll Suspense transactions</li> <li>– Reconciliation processes</li> </ul>
	<p><b>Key control testing:</b></p> <ul style="list-style-type: none"> <li>• Exception reporting testing evidenced appropriate Section 151 authorisation.</li> <li>• Clearing of suspense accounts is maintained regularly.</li> </ul> <p>Payroll reconciliation to the general ledger is a year-end electronic process.</p>	<p>Transactional testing of mileage, overtime, and expenses was actioned to assess accuracy and timeliness of data processing, including documented approvals and self-serve records in Business World. Approval and self-serve procedures.</p>

Other Relevant Information
<p>We noted that expense receipts are not always viewable, and/or are not consistently held within the Business World (BW) system. Given BW does not allow expenses to be processed without receipts being attached to support the expenditure, we concluded that these must be held elsewhere within the system. Our testing evidenced these receipts are available in BW but not attached to the approval records, where one would expect to find them.</p> <p>Furthermore, officers are not aware how to find receipts in the system. This could potentially impact the Council’s ability to provide evidence to the HMRC (eg. VAT claims). We have reported this to the Publica BW System Administration team so that the issue can be resolved, necessary permissions granted, and guidance produced to ensure officers can access relevant documents.</p> <p>To summarise, robust controls are operating within the Publica Payroll service for the processing of the payroll. The agreed action above relates to proper review and approval processes which should be undertaken by service managers as the accountable officers.</p>



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Agreed Actions – September 2025

SWAP  
INTERNAL AUDIT SERVICES  
Helping Organisations to Succeed

Open Management Actions

SWAP Action Tracker - Cotswold and Cheltenham Team

Analytics DB Access

↺

🖨

Organisation

West Oxfordshire District C... ^  
☐ Cheltenham Borough Council  
☐ Cheltenham Borough Homes  
☐ Cotswold District Council  
☐ Forest of Dean District Cou...  
☐ Publica  
☐ Ubico  
☒ West Oxfordshire District C...

Open Actions by Priority

10

6

2

3

Not yet due

Due within 30 days

1-30 days overdue

31-60 days overdue

61-90 days overdue

91+ days overdue

Total Actions

10

5

(Blank)

(Blank)

1

(Blank)

16

Open Actions by Organisation

Priority ● 2 ● 3

16

6

10

West Oxfordshire District Council

Open/Closed Actions

51

16

● Complete ● In Progress

Overdue Open Actions

15 (93.75%)

1 (6.25%)

● On Time ● Overdue

Open Actions with Extended Dates

7 (43.75%)

9 (56.25%)

● Yes ● No

◀ ▶


Management Actions

Open Action Plan Details

Closed Action Plan Details

Self Assessed Complete Action Plan Details

Open Agreed Actions - September 2025										
ID (Action Plan)	ID (Issue)	Audit Title	Title (Issue)	Issue Status	Period	Priority Score	AP Status	Original Time	Timescale	Follow-Up Assessment
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	31/10/2025	July 2025: A review of the property database demonstrates significant progress is required with uploading compliance documentation. Timescale extended to provide the Council's new Property team with time to fully complete this action
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	31/10/2025	July 2025: Testing did not identify the expected RA information within Uniform. Timescale extended to provide the Council's new Property team with time to fully complete this action
7079	6633	PUB - Counter Fraud & Enforcement Unit 2024/25	Comprehensive Case Notes were missing	Pending Remediation	2024/25	3	In Progress	30/09/2025	30/09/2025	
5929	5563	WODC - CT/NNDR 2024/25	WODC Revenues and Benefits Suspense Account Monitoring	Pending Remediation	2024/25	3	In Progress	31/03/2025	31/10/2025	
5930	5564	WODC - CT/NNDR 2024/25	WODC Historical Revenues and Benefits Suspense Account Entries.	Pending Remediation	2024/25	2	In Progress	31/03/2025	31/10/2025	
5751	5391	WODC - Data Breaches - 2023/24	WODC Data Protection Suggestions	Pending Remediation	2024/25	2	In Progress	30/06/2025	30/06/2025	Sept 2025: Follow-Up audit in progress
5340	4997	WODC - Members Allowances and Expenses 2024/25	Budget Monitoring.	Pending Remediation	2024/25	2	In Progress	28/02/2025	31/03/2026	
7070	6624	WODC - Payroll 2024/25	Mileage Claims missing trip details	Pending Remediation	2024/25	2	In Progress	30/09/2025		
5908	5543	WODC - Procurement Cards Follow Up 2024/25	WODC Procurement Card Recharges Process Guidance.	Pending Remediation	2024/25	3	In Progress	30/06/2025	31/10/2025	August 2025: Policy and procedure to be revised. Timeline extended to allow for drafting and approval
5952	5586	WODC - Procurement Cards Follow Up 2024/25	WODC - Procurement Cards Policy & Procedures responsibilities	Pending Remediation	2024/25	2	In Progress	30/06/2025	31/10/2025	WODC Lloyds Bank Procurement Cards - Policy & Procedures (Aug 2025) updated and approved by S151 Officer.
5953	5587	WODC - Procurement Cards Follow Up 2024/25	WODC - Procurement Card Spend Transparency reports.	Pending Remediation	2024/25	3	In Progress	30/06/2025	31/10/2025	August 2025: Policy and procedure to be revised. Timeline extended to allow for drafting and approval
6603	6185	WODC - S106s 2023/24	Roles, responsibilities, and processes not clearly understood by all officers and external stakeholders.	Pending Remediation	2024/25	2	In Progress	30/09/2025	30/09/2025	
6604	6186	WODC - S106s 2023/24	A review of engagement with the S106 consultation process is required.	Pending Remediation	2024/25	2	In Progress	30/09/2025	30/09/2025	
6605	6187	WODC - S106s 2023/24	Monitoring processes for non-financial clauses are insufficient	Pending Remediation	2024/25	2	In Progress	31/12/2025	31/12/2025	
6606	6188	WODC - S106s 2023/24	Improvements to S106 contribution management required	Pending Remediation	2024/25	3	In Progress	31/12/2025	31/12/2025	
5938	5572	WODC - Taxi Licensing Safeguarding Follow Up	WODC Taxi Licensing Income Reconciliation.	Pending Remediation	2024/25	2	In Progress	30/06/2025	30/09/2025	

 <b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>	<b>WEST OXFORDSHIRE DISTRICT COUNCIL</b>
<b>Name and date of Committee</b>	<b>AUDIT AND GOVERNANCE COMMITTEE – 25 SEPTEMBER 2025</b>
<b>Subject</b>	<b>COUNTER FRAUD AND ENFORCEMENT UNIT REPORT</b>
<b>Wards affected</b>	All indirectly
<b>Accountable member</b>	Councillor Andy Graham, Leader of the Council Email: <a href="mailto:Andy.Graham@westoxon.gov.uk">Andy.Graham@westoxon.gov.uk</a>
<b>Accountable officer</b>	Madhu Richards, Director of Finance Email: <a href="mailto:Madhu.Richards@westoxon.gov.uk">Madhu.Richards@westoxon.gov.uk</a>
<b>Report author</b>	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: <a href="mailto:Emma.Cathcart@cotswold.gov.uk">Emma.Cathcart@cotswold.gov.uk</a>
<b>Summary/Purpose</b>	<p>To provide the Committee with assurance over the counter fraud activities of the Council and to update the Committee in relation to the areas of fraud risk mitigation. Direct updates will continue to be provided biannually.</p> <p>To present the Committee with an updated Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan, so that they may consider the approach taken by the Counter Fraud and Enforcement Unit Partnership ('the CFEU') as the body charged with governance in this area.</p> <p>To provide assurance to the Committee that the risks of fraud committed against the Council are recognised, managed and mitigated in accordance with Council priorities, and changing fraud trends.</p>
<b>Annexes</b>	Annex A – Fraud Risk Strategy 2025 Annex B – Fraud Compliance Report and Appendix Annex C – Fraud Response Plan

Recommendation(s)	<p>That the Audit and Governance Committee resolves to:</p> <p>I. Note the report and attachments Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan which are appended at Annex A, B and C respectively.</p>
Corporate priorities	Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	<p>Work plans are agreed and reviewed regularly with the Director of Finance.</p> <p>Any Policies or Strategy documents drafted or revised by the CFEU have been reviewed by Legal Services and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.</p>

## **1. BACKGROUND**

- 1.1** Risk Management is used to identify, evaluate and manage the range of risks facing an organisation. This includes consideration relating to the risk of fraud.
- 1.2** Fraud is the most common crime in the UK and costs many billions of pounds to private companies, individuals and the public sector. The cost of fraud and error against the public sector is estimated to be at least £33 billion per year, money that could otherwise be spent on the provision of public services.
- 1.3** Local Authorities have a responsibility to promote and develop high standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.
- 1.4** 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.
- 1.5** 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.
- 1.6** As the body charged with governance in this area, 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

## **2. MAIN POINTS**

- 2.1** The CFEU developed a Fraud Risk Strategy for implementation across the Partnership in 2022. Audit and Governance Committee considered this in November 2022.
- 2.2** The Fraud Risk Strategy 2025 ('the Strategy'), attached at Annex A, has been reviewed to ensure it meets requirements and reflects current risks, legislation, government standards, and the CFEU Partnership approach relating to counter fraud activities.
- 2.3** The Strategy sets out the definitions and motivations for fraud and the principles of risk management. Risk management and being 'risk aware' are vital to ensure the effective operation of the Council.
- 2.4** The risk of fraud is ever present, and it is impossible to identify or mitigate against all risks, however by being risk aware the Council is in a better position to avoid threats, develop processes that reduce the loss or impact, and increase its ability to recover.
- 2.5** The Strategy identifies the high-risk areas that Local Government is susceptible to, both internally and externally. It also details the types of response methods and refers to the specific fraud response recommended for Local Government. These principles underpin the Council's Strategy.
- 2.6** As set out within the Strategy, the CFEU work with Internal Audit to provide resilience and resource in prevention, detection, response and review of detected fraud and fraud risks.
- 2.7** Referred to when the original Strategy in 2022 was presented, was the Local Government Association Fighting Fraud and Corruption Locally (FFCL) checklist which sets out best

practice recommendations. It was agreed that the CFEU would complete this assessment to confirm compliance and identify any areas of non-compliance or improvement.

- 2.8 Attached at Annex B is the Fraud Compliance Report which summarises the activities in fraud risk mitigation that the CFEU has committed to. Work has commenced in relation to the introduction of service specific fraud risk registers with the first being issued to the Revenues and Benefits Team.
- 2.9 Work has also commenced on registers relating to Procurement, Human Resources (Recruitment) and Housing. The registers consider national and local emerging fraud risks, good practice in processes and procedure, and possible areas of risk mitigation. This element of the CFEU annual work plan will be developed according to priority with higher risk service areas being addressed first.
- 2.10 Also attached at Annex B is the completed FFCL checklist which confirms a significant level of compliance.
- 2.11 Areas shown as partially or non-compliant will be considered to improve this. In terms of Portfolio Lead updates, it has been suggested that Executive Members are briefed to coincide with reports presented to Audit and Governance Committee. More targeted communications and updates are planned for employees and contractors in terms of fraud awareness and whistleblowing.
- 2.12 A Fraud Response Plan and supporting summary are presented at Annex C. This document should provide a quick reference guide for employees, contractors, Councillors, members of the public and third-party organisations regarding the reporting of fraud, theft or corruption. The supporting summary provides an overview of the process and some quick reference 'Do's and Don'ts to ensure early identification, mitigation and to ensure the investigation is not compromised.
- 2.13 The CFEU Work Plan for 2024/25 included a focus on fraud risk mitigation regarding grant schemes and polygamous working as high-risk areas.
- 2.14 A Grant Management Policy ('the Policy') has been drafted and is in the final stages of consultation. The Policy sets out the processes to be followed by employees when managing all grants, applying for external funding, developing a new grant scheme and the distribution of funds.
- 2.15 A supporting Grant Management Toolkit detailing fraud risk areas, mitigation and suggestions relating to application drafting and verification activities has been completed and is now available for reference and use by colleagues.
- 2.16 As previously reported to the Committee and in the press, the CFEU undertook an investigation regarding a former employee who held multiple contracts of employment simultaneously. He was found guilty of committing fraud against Tewkesbury Borough Council, South Gloucestershire Council, and Publica Group Ltd.
- 2.17 The individual failed to disclose his multiple jobs to each organisation when taking up new roles. He submitted false timesheets, misrepresenting the hours worked for each employer, and provided inaccurate information on declaration forms regarding secondary employment. Through these actions, he received salaries and other benefits totaling approximately £236,000.

- 2.18 On 11 July 2025, following a Crown Court trial, he was found guilty on 9 counts of fraud. He was sentenced on 28 August 2025 to 3 years imprisonment for 3 of the charges and a further 2 years imprisonment to run concurrently, for the other 6 charges.
- 2.19 A timetable has been agreed in relation to the financial orders to include Proceeds of Crime proceedings.
- 2.20 The investigation informed the decision to focus on the risks relating to polygamous working. A fraud risks and mitigations report has been issued to Senior Leadership Team and to Governance Officers.
- 2.21 The report makes 16 recommendations including suggestions for wording in employment contracts, the requirement for employees to regularly sign and agree to Code of Conduct documents, declaration of interest processes and how the Council manages secondary employment permissions and monitoring.
- 2.22 Work streams relating to vetting and recruitment risk mitigation, proactive fraud drives to identify secondary employment, and the management of remote working have also commenced.
- 2.23 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.
- 2.24 As previously reported, there is a Thames Valley MAAF Group however the focus for this group is work delivered by Trading Standards such as 'doorstep traders' rather than a wider remit which includes the areas covered by the CFEU.
- 2.25 The Gloucestershire MAAF webpage, to be known as Gloucestershire Against Scams Joint Agency Response or 'Glass Jar' is now complete. The launch is planned for October and West Oxfordshire District Council employees and residents will be included appropriately in any publicity through the CFEU Partnership.

### **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 Strategy itself does not have any direct financial implications. However, the implementation of the work streams associated with the Fraud Risk Strategy will help identify loss avoidance measures and any costs associated with implementation will be contained within existing budgets.

## **5. LEGAL IMPLICATIONS**

- 5.1** The Strategy aids the application of an effective fraud risk management regime and assists the Council in effective financial governance which is less susceptible to legal challenge.

## **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 Council to greater risk of fraud and/or corruption.
- 6.3** If the Council does not have effective counter fraud and anti-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. 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** There are no significant implications within this category.

## **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:
- Audit and Governance Committee Report November 2022 – Counter Fraud and Enforcement Unit Fraud Risk Strategy.
- 9.2** These documents will be available for inspection online at [www.westoxon.gov.uk](http://www.westoxon.gov.uk) or by contacting democratic services [democratic.services@westoxon.gov.uk](mailto:democratic.services@westoxon.gov.uk) for a period of up to 4 years from the date of the meeting.

(END)



# FRAUD RISK STRATEGY

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# Introduction

Fraud is the most common and pervasive crime in the UK, costing private companies, individuals, and the public sector many billions of pounds each year. The impact of fraud and related offences can be devastating, ranging from unaffordable personal losses, often suffered by vulnerable victims, to threatening the ability of affected organisations to survive.

Fraud is not an issue that any organisation wants to confront or acknowledge, however, the reality is that most organisations will experience some form fraud. Within Local Government, it is particularly widespread. Global surveys have found that the impact of fraud on government and public administration sectors is second only to the banking and financial services sector.

The Public Sector Fraud Authority (PSFA) estimates that between £39.8 billion and £58.5 billion of public money is lost to fraud and error each year. The National Audit Office (NAO) places the cost to the taxpayer to be even higher, estimating it at between £55bn and £81bn annually. According to the latest figures in the recent Local Government Association endorsed *Fighting Fraud and Corruption Locally Strategy*, the cost of fraud and error against the public sector is estimated to be at least £33 billion per year. During the pandemic alone, additional losses were estimated at around £13 billion. These are significant sums that could otherwise be spent on the provision of public services.

The Councils that make up the Counter Fraud and Enforcement Unit (CFEU) Partnership have a duty to protect public funds from the risk of fraud. While it is impossible to eliminate all fraud, they must maintain a sufficiently robust control framework to mitigate these risks.

Local Authorities are responsible for promoting and developing high standards for countering fraud and corruption within their organisations. This commitment supports good governance and demonstrates effective financial stewardship and strong public financial management. They face significant challenges in mitigating fraud while continuing to deliver frontline services against a backdrop of reduced resource and income streams.

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) creates a new offence: 'Failure to Prevent Fraud'. Under the Act, an organisation may be held criminally liable if an employee, agent, subsidiary, or other associated person, commits a fraud intending to benefit the organisation, and the organisation did not have reasonable fraud prevention procedures in place.

## FRAUD RISK STRATEGY

In line with the fraud risk assessment checklists outlined in the *Fighting Fraud and Corruption Locally (FFCL) 2020*<sup>1</sup> strategy and the *Government Functional Standard GovS013: Counter Fraud*<sup>2</sup>, this strategy sets out the direction and desired outcomes for the partnership.

A key element of this approach is fostering an anti-fraud culture and implementing practices that support and guide Councillors, employees and contractors in addressing the serious issues of fraud and corruption. This document provides an overview of our policy on the matter and supports the work of the CFEU in preventing, detecting and deterring fraud and corruption.

### Key Definitions

- Bribery** Bribery is the act of offering, giving, requesting, or agreeing to receive a financial or other advantage, to influence the performance of an individual in a position of authority. It involves an intent to gain an unfair advantage or to induce improper performance of a duty.
- Fraud** The term ‘fraud’ refers to offences contrary to the Fraud Act 2006, which are based on false representation, dishonesty, financial gain or loss, and related offences such as bribery and money laundering. Fraud typically involves the use of deception to dishonestly make a gain and/or cause a loss to another. Fraud can also involve the abuse of a position of trust.
- Corruption** Corruption is the abuse of entrusted power for personal gain, often involving dishonest or unethical conduct. It can occur in both public and private sectors and typically includes actions such as bribery, fraud, nepotism or embezzlement.

### Why do People Commit Fraud?

Fraud is often appealing due to the perceived ‘low risk / high reward’ opportunities it presents. It can be committed with relative ease and often from a distance, making it more difficult for both victims and authorities to detect. It is a crime that can be perpetrated by serious organised crime groups operating across international boundaries, but also by otherwise law-abiding individuals seeking opportunistic gain. In the public sector, the absence of a clearly identifiable victim further benefits the fraudster as it depersonalises the impact and reduces the perceived severity of the offence.

The ‘fraud triangle’ is commonly used to explain the factors that influence an individual’s decision to commit fraud. It identifies three components that increase the risk of fraud: opportunity, perceived pressure (incentive), and rationalisation. These elements apply equally

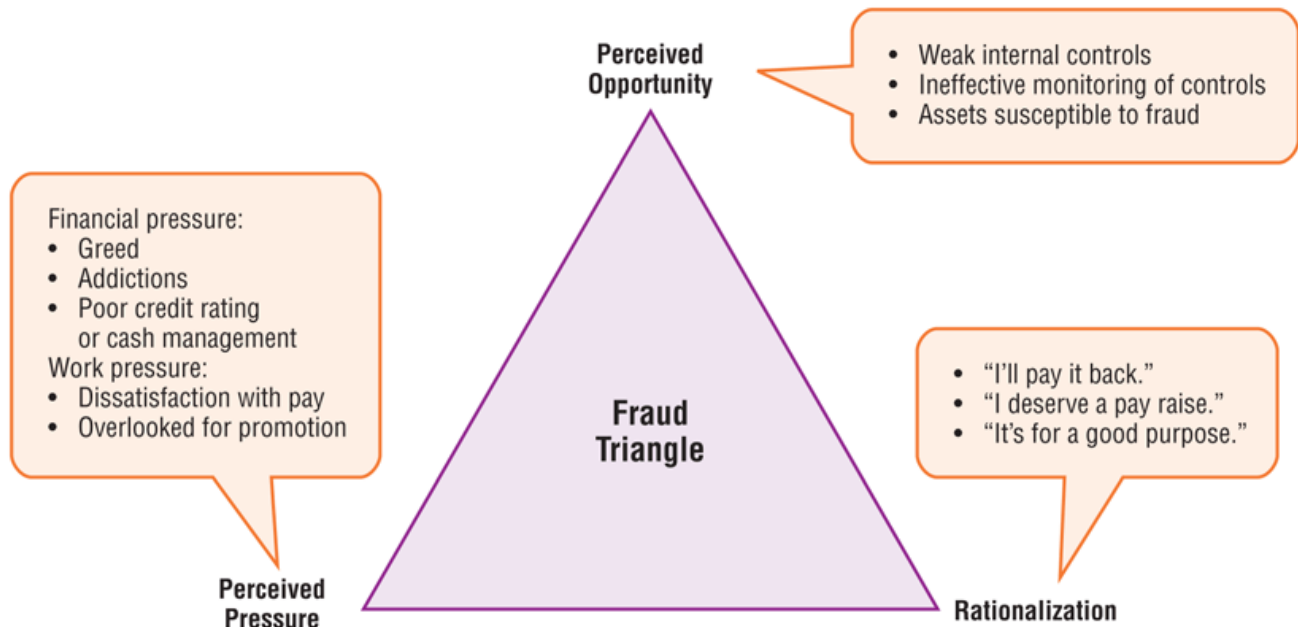
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<sup>1</sup> [Fight Fraud and Corruption Locally](#)

<sup>2</sup> [Government Functional Standard - GovS 013: Counter Fraud](#)

## FRAUD RISK STRATEGY

across all sectors/organisations and should always be considered as part of the wider approach to risk management. It is important to recognise that within Local Government, the opportunities and incentives to commit fraud are wide ranging.



### Pressure/Motivation

In simple terms, motivation to commit fraud is often driven by either greed or need, such as personal financial difficulties, rising living costs, debt, or workplace pressure to meet performance targets. While many people may encounter the opportunity to commit fraud, only a small minority choose to act on it.

Personality and temperament, particularly an individual's tolerance for risk and fear of consequences are also factors, even those with strong moral principles can be influenced or coerced by others. Some individuals may only be tempted when faced with severe financial hardship or the threat of ruin.

### Opportunity

In terms of opportunity, fraud is more likely to occur in organisations with weak internal controls, poor security, and an absence of policies clearly outlining acceptable behaviours. Research confirms that while some employees are inherently honest and others habitually dishonest, many fall in between and can be influenced by opportunity. The organisational culture, along with the example and behaviours demonstrated by leadership, plays a significant role in shaping perceptions of acceptable conduct and can significantly influence the likelihood of fraud.

## FRAUD RISK STRATEGY

### Rationalisation

Many people obey the law because they believe in its principles and/or fear being shamed or rejected by those they care about if caught. However, some individuals can rationalise fraudulent behaviour in various ways, including:

- **Necessity** – particularly when the act is perceived to benefit the organisation
- **Harmlessness** – believing the victim is large enough to absorb the loss, or views the organisation as faceless and impersonal
- **Justified** – thinking the victim ‘deserved it’, or acting out of a sense of being wronged or mistreated

The ‘fraud diamond’ theory builds on the fraud triangle by adding a fourth component: the perpetrator’s **capability** to commit fraud. This could include:

- Position/Role within the organisation
- Intelligence
- Confidence and Ego
- Coercion skills or the ability to lie convincingly
- Immunity to stress or the ability to cope under pressure

## Risk Management



## FRAUD RISK STRATEGY

### Identifying the Risk - Local Government Fraud Risk Areas

The threat of fraud faced by Local Authorities comes not only from the public (external), who access a wide range of services, but also from employees and contractors (internal) working across various service areas.

Due to the nature of services provided - such as welfare payments, grants, housing, Council tax discounts and exemptions, and business rates - fraud in these areas remains a key focus for ongoing prevention and detection efforts. Below is a list of fraud and corruption types to which Local Authorities are particularly vulnerable:

#### External Fraud Risk Areas

- **Social Housing Tenancy Fraud** – including false applications, sub-letting for profit, right to buy fraud, property abandonment, and fraudulent allocation.
- **Council Tax Fraud** – misuse of discounts and exemptions, such as the Council Tax Reduction Scheme (CTRS) and single person discount.
- **Business Rates (NNDR) Fraud** – fraudulent applications for reliefs and exemptions.
- **Adult Social Care Fraud** – including care workers claiming for unworked hours or misuse of direct payments.
- **Blue Badge Scheme Abuse** – unauthorised use or misrepresentation to gain parking privileges.
- **Grant Fraud** – false claims or misuse of grant funding.
- **Cybercrime** – phishing emails, viruses, and payment fraud (managed by ICT)
- **Serious and Organised Crime** – including fraud in licensing, contracts, right to buy, ‘cuckooing’, and online or payment card fraud

#### Procurement, Purchasing, and Contract Management Fraud

A significant risk area that can involve both internal and external actors is within procurement. Fraud can occur at any stage of the procurement cycle, including tendering, contracting, invoicing, or delivery of services.

Other internal fraud risks within Local Authorities include:

#### Internal Fraud Risks

- Payroll fraud
- Fraudulent expense and allowance claims
- Bribery, corruption and abuse of position
- Failure to declare conflicts of interest
- Pre-employment fraud – provision of false information
- Misallocation of social housing – favouring friends or family

## FRAUD RISK STRATEGY

- Manipulation of benefits, grants or Council tax accounts for personal gain
- Asset Misappropriation – unauthorised use of Council property or resources
- Misuse/Manipulation of Systems – altering records or bypassing controls

### Understanding and Assessing the Risk

Once risks have been identified, an assessment of their potential impact and likelihood of occurrence should be made using a consistent criterion. This will enable the development of a prioritised risk analysis framework. The impact assessment should go beyond financial considerations to include effects on the organisation's service delivery, reputation, and the political sensitivities involved.

### Risk Response Strategy

Strategies for responding to risk generally fall into one of the following categories:

- **Risk Retention** (e.g. choosing to accept small risks)
- **Risk Avoidance** (e.g. discontinuing use of certain products to eliminate the risk)
- **Risk Reduction** (e.g. implementing controls and procedures to minimise risk)
- **Risk Transfer** (e.g. transferring risk contractually or to insurers)

This strategy, together with the existence of the CFEU, provides assurance that the partnership has an appropriate control framework in place to mitigate the risk of fraud. While it is impossible to eliminate the risk entirely, there are areas where continuous monitoring is required.

## Anti-Fraud Strategy

### Approach

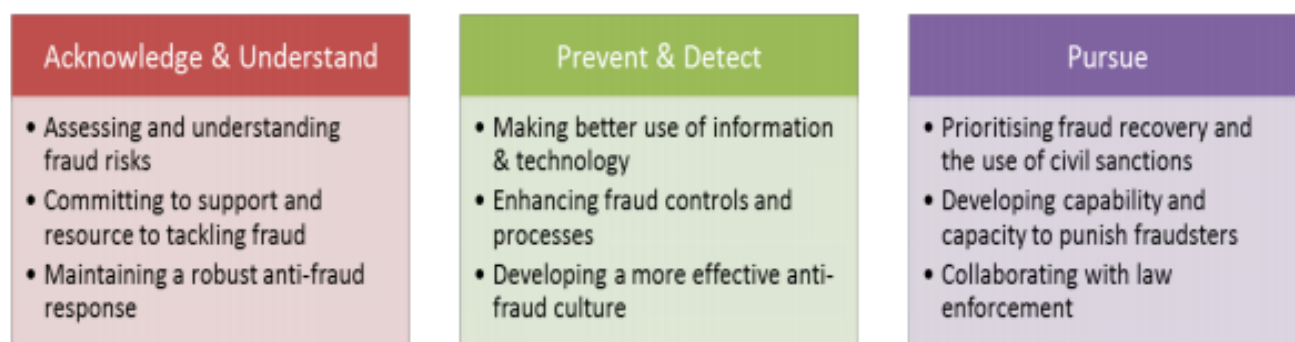
The changing context in which Local Government services are delivered (outsourcing and reorganisation), the increasing risk of fraud by motivated offenders, reduced Local Authority resources, and associated changes to existing local control frameworks, together create a pressing need for a consistent and recognised approach to tackling fraud perpetrated against Local Government.

In 2011, the first counter fraud strategy for Local Authorities was produced in the form of the *Fighting Fraud and Corruption Locally* (FFCL) strategy. The strategy was based on the following three principles:

- **Acknowledge** – Recognise and understand fraud risk.
- **Prevent** – Prevent and detect more fraud.
- **Pursue** – Take a robust approach in punishing fraud and recovering of losses.



## FRAUD RISK STRATEGY



Two additional principles have since been introduced:

- **Govern** – Setting the tone from the top and ensuring robust arrangements to ensure that counter-fraud and anti-corruption activities are embedded throughout the organisation.
- **Protect** – Safeguarding against serious and organised crime, preventing individuals from becoming victims, and mitigating against the wider harm that fraud can inflict on the community. For Local Government, this includes protecting public funds, protecting the Local Authority from fraud and cybercrime, and preventing future fraudulent activity.

These principles are underpinned by the following:

Culture	Creating a culture in which beating fraud and corruption is part of daily business
Capability	Ensuring that the range of counter fraud measures deployed is appropriate to the range of risks
Capacity	Deploying the right level of resources to deal with the level of risk
Competence	Having the right skills and standards
Communication	Raising awareness, deterring fraudsters, sharing information, celebrating success
Collaboration	Working across boundaries with other authorities and agencies, sharing resources, skills and learning

The strategy was developed collaboratively by Local Authorities and key stakeholders from across the fraud arena. It was designed to help Local Authorities better understand their fraud risks, support the development and maintenance of a culture in which fraud and corruption are recognised as unacceptable, and to provide a blueprint for a more robust and coordinated response (*CIPFA – The Local Government Counter Fraud and Corruption Strategy*).

In 2022, in response to the significant levels of fraud and error experienced during the pandemic, the Public Sector Fraud Authority (PSFA) was established to develop capability within the public sector to identify and mitigate fraud risk. While the PSFA primarily supports central government, steps are being taken to include and support Local Government counter fraud functions.

## FRAUD RISK STRATEGY

The framework for the CFEU's fraud and corruption control plan includes:

- Identifying New and Emerging Risks
- Planning and Resourcing
- Prevention
- Detection
- Response

### New and Emerging Risks

The strategy has been designed to acknowledge and respond to the evolving nature of risks within the public sector. Unexpected events, such as pandemics, emergencies and international conflicts, can significantly alter the service delivery landscape and introduce new types and levels of fraud risk, affecting both public sector finances and operational structures.

For example, the Covid-19 pandemic prompted Local Authorities to implement wide scale remote and home-working practices, which increased risks related to cybersecurity and employee's integrity.

More recently, factors such as the cost-of-living crisis, remote working, and the war in Ukraine have contributed to increased risks across the partnership. These include a rise in the number of grant schemes being administered and a growing trend of employees holding multiple contracts of employment.

Emerging technologies, particularly Artificial Intelligence (AI), also present a range of risks across all service areas, including the creation of fraudulent content, the facilitation of scams, and the circumvention of existing security measures. The use of AI technology increases the reach of the fraudster and enables multiple targeting of numerous organisations and applications/systems.

### Planning and Resourcing

The CFEU is a corporate resource with annual work plans designed to raise awareness and allocate resources based on identified areas of vulnerability. This approach enables the department to provide both proactive and reactive investigations in the areas deemed high-risk. There is an on-going need to ensure that internal controls remain robust and effective.

Service-specific fraud risk registers are being developed to make fraud risk more relatable and understandable to colleagues, thereby raising awareness and supporting prevention efforts. These registers will also help identify new and emerging risks, which will, in turn, inform the CFEU's annual work activities.

Levels of identified fraud, along with supporting statistics and reliable data, help shape risk management strategies. This information provides evidence for the need for internal controls in high-risk areas, supports cultural change, and informs best practice.

## FRAUD RISK STRATEGY

The CFEU submits quarterly reports to corporate management and bi-annual reports directly to Audit Committees, detailing ongoing work streams and outcomes. This ensures Councillors are briefed and remain informed about fraud risks. By maintaining a dedicated team to collect and analyse this data, the partnership is ensuring a comprehensive risk management approach that continuously reviews and strengthens internal controls.

The CFEU also works closely with Internal Audit to identify internal control weaknesses and to ensure that any necessary follow-up actions are reviewed and implemented.

### Prevention

Working directly for the Chief Finance Officer (Section 151 Officer), the CFEU is responsible for developing, reviewing, and updating the Counter Fraud and Anti-Corruption Policy, the Whistleblowing Policy, the Proceeds of Crime and Anti-Money Laundering Policy, and all related procedures concerning fraud prevention and criminal investigations.

The CFEU has focused on raising awareness and changing the culture across the partnership through a combination of online training and in-person awareness sessions. The team has worked diligently to educate employees, helping them to better understand fraud risks and how best to mitigate them. Given the scale and diversity of public sector organisations, it is essential that awareness training is relatable to the audience or individual employee to maximise its impact. To support these efforts, CFEU introduced a revised and updated Whistleblowing Policy to complement fraud awareness training and ensure employees feel confident in reporting allegations of wrongdoing.

Annual work plans are developed in consultation with Internal Audit and include proactive fraud initiatives in high-risk areas, deterrent activities, and the allocation of resources for reactive investigations.

As Local Government continues to utilise outsourcing, it is vital that contractors are made aware of the principles outlined in the Whistleblowing, Proceeds of Crime and Anti-Money Laundering, and Counter Fraud and Anti-Corruption Policies. Contractors must also comply with all relevant terms, conditions, and internal procedures, such as declaring conflicts of interest and following proper processes for expense claims.

The partnership is committed to ensuring that modern slavery and human trafficking have no place in its supply chains or in any part of its operations.

## FRAUD RISK STRATEGY

### Detection

The CFEU is a trained and dedicated resource available to support departments in the following areas:

**Internal Reactive Cases:** Conducting investigations into allegations of employee or Councillor corruption, fraud or other serious misconduct. This includes preparing cases for prosecution, as well as for disciplinary and standards hearings.

**Council Tax Discounts:** Assistance with the processing of National Fraud Initiative (NFI) data matches, undertaking targeted fraud drives and reviews, and applying sanctions and penalties where appropriate.

**Council Tax Reduction Scheme:** Acting as Authorised Officers under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 to investigate fraud, apply criminal sanctions, and work jointly with the Department for Work and Pensions (DWP).

**National Non-Domestic Rates:** Assistance with proactive reviews of specific exemptions and reliefs and investigating suspected evasion or avoidance.

**Procurement:** Delivering proactive fraud prevention initiatives in high-risk areas, reviewing processes and documentation to reduce risk and enhance control mechanisms, providing fraud awareness training for relevant officers, and offering guidance on the impact of serious and organised crime and how to implement appropriate controls/safeguards.

**Housing Allocation, Housing and Tenancy Frauds:** Carrying out regular reviews of housing waiting lists, collaborating with registered social landlords and housing providers, and acting as Authorised Officers under the Prevention of Social Housing Fraud Act. The CFEU also has the capacity to prepare cases for both criminal and civil proceedings.

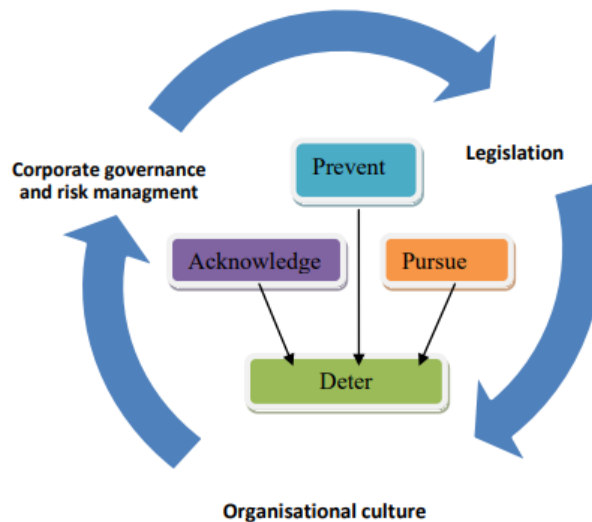
**Annual Work Planning:** Focusing on emerging risks, nationally recognised threat areas, and locally identified risks based on demographic trends.

**Fraud Risk Registers:** Developing and maintaining fraud risk registers for the partnership, as well as for individual service areas. The registers are subject to ongoing review and updated to reflect known and emerging risks.

### Response

To support both fraud detection and an appropriate response, the Council's dedicated CFEU is staffed by qualified Investigation Officers, as well as Intelligence and Support Officers, all committed to identifying and addressing internal control weaknesses and pursuing criminal prosecutions where necessary. The CFEU also places a strong focus on the recovery of debt and assets to minimise losses to the public purse.

## FRAUD RISK STRATEGY



The Council websites include a dedicated counter fraud page, providing information on how to make referrals and an overview of the work undertaken by the CFEU. This page also includes links to the relevant policies adopted by each individual Council.

In addition, the CFEU operates an independent website at [www.cfeu.org.uk](http://www.cfeu.org.uk), which provides detailed information about its services. The site also highlights current fraud trends, victim support resources, and updates on fraud scams across Gloucestershire, helping to raise awareness and support efforts to prevent and disrupt fraud.

The website provides an opportunity to establish a communication platform that is accessible to both residents and employees across the county and beyond. This dedicated webpage will allow the CFEU and its partners to shape fraud-related messaging, offer guidance and advice, and signpost individuals to support services. The site will also serve as an educational tool, helping to inform communities about the evolving nature of fraud threats. By sharing success stories and testimonials, the platform aims to reduce stigma and increase the reporting of fraud. Internally, departments can refer cases directly to the CFEU, including making referrals in confidence where necessary. In the case of sensitive whistleblowing referrals, the CFEU can conduct fully confidential investigations with limited notification.

The CFEU works across its partner organisations and the wider criminal enforcement community to share best practice, build knowledge, and strengthen fraud detection and prevention. Where appropriate, the CFEU will refer matters to the police or agency with relevant jurisdiction.

To ensure continued awareness of fraud risks, the CFEU provides regular training to employees and Councillors, reports on successful court outcomes in the media, and shares positive results with internal teams.

## FRAUD RISK STRATEGY

### Review

Following any proactive initiative or fraud investigation, the work is subject to review and management oversight. Local Authorities have both internal and external audit functions which also play a key role in fraud prevention. The audit functions enable the organisation to adapt to an evolving risk environment and continuously monitor, identify and address any deficiencies.

The CFEU and Internal Audit meet quarterly to discuss areas of low assurance and emerging fraud risks, which can then be incorporated into future work plans. Where an investigation has taken place, any identified risks or weaknesses in controls are highlighted. The CFEU provides a report to the relevant manager, outlining findings and offering recommendations where areas of concern are identified. Internal Audit may also review these recommendations and determine whether a follow-up audit is required. In addition, when fraud is identified during any audit work, a referral is made to the CFEU.

Policies are reviewed regularly to ensure they are relevant, aligned with current best practices, and compliant with up-to-date legislation. Any training required because of policy updates is then delivered accordingly.

Service-specific risk registers will be reviewed regularly in collaboration with the relevant service area manager, while the CFEU's annual work plans are overseen by corporate management.

# FRAUD COMPLIANCE REPORT

# Introduction

The Counter Fraud and Enforcement Unit (CFEU) Fraud Risk Strategy was adopted by the partner Councils in 2022. As part of this strategy, the CFEU has committed to assessing the Councils' compliance with the fraud risk assessment checklists outlined in the Fighting Fraud and Corruption Locally (FFCL) 2020<sup>1</sup> strategy and the Government Functional Standard for Counter Fraud (GovS013)<sup>2</sup>.

Another objective is the development of organisational and service-specific fraud risk registers. Widely recognised as a key component of a robust governance framework, the registers will help the organisation better understand its vulnerabilities to fraud and error, the likelihood of such fraud being realised, and the potential impact on the organisation. By identifying these vulnerabilities, the Councils can implement effective controls and allocate resources to prevent fraud or mitigate its likelihood and impact should it occur.

## Fraud Risk

Fraud risk can be defined as a 'situation in which a Local Authority is exposed to the potential for financial loss due to wrongful or criminal deception'. Identifying fraud risk is essential for understanding specific vulnerabilities, evolving patterns in fraud and corruption threats, and the potential consequences for the Councils. While intent (dishonesty) is a key factor in determining fraud, it may not always be evident or possible to prove. To protect public funds, the Council considers the risk of error alongside the risk of fraud during the fraud risk assessment process. Therefore, references to fraud risk should also encompass the risk of error, which accounts for losses where there is insufficient evidence to establish intent.

## Fraud Risk Assessment

The purpose of a fraud risk assessment is to proactively identify an organisation's vulnerabilities to fraud from both internal and external perpetrators. Each fraud or loss scenario is evaluated against the likelihood of its occurrence and the potential impact on the organisation in the absence of any controls (inherent risk). Internal controls are then implemented to eliminate the organisation's vulnerabilities to fraud and error. Where vulnerabilities cannot be eliminated, control measures should aim to mitigate the likelihood of fraud occurring and its impact on the organisation to an acceptable level of tolerance (residual risk). The process can be broken down into the following four risk steps:

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<sup>1</sup> [Fight Fraud and Corruption Locally](#)

<sup>2</sup> [Gov S013 - Counter Fraud](#)



## FRAUD COMPLIANCE REPORT

- Identification:** Research, identify, and record known and potential/hypothetical fraud risks.
- Analysis:** Assess the level and likelihood of risk occurrence.
- Evaluation:** Evaluate potential consequences, outcomes, and exposure to inherent risks.
- Response:** Implement controls or mitigation strategies for identified risks and evaluate residual risk.

Accurately assessing risk is a professional exercise that demands knowledge of fraud methods and risk management processes. Risk identification is a creative process that requires a mindset oriented toward defrauding the system. Therefore, it is crucial that fraud risk assessments involve engagement and collaboration among counter-fraud professionals, internal audit teams, and representatives from various service areas, all of whom should have a thorough understanding of their processes and systems. Risk assessment exercises should be conducted regularly and viewed as an ongoing process rather than a one-time task. This approach ensures that new and emerging risks, as well as changes in the risk levels of known risks, are identified, assessed, and reflected in the risk register accordingly.

A 5x5 heat map matrix is used to assess fraud risk based on both likelihood and impact. Values ranging from 1 to 5 are assigned to the likelihood of the inherent risk being realised and the perceived impact on the organisation should the fraud or error occur. The risk score is calculated by multiplying these values (impact x likelihood), which determines the priority for addressing the risk within the organisation. Government professional standards recommend at least four response levels for the process to be effective. It is essential to agree on impact definitions and to subdivide actions and responses within the risk rating categories where necessary. For example, the response for risk ratings of 16 to 20 will differ from that for a rating of 25.

### Heat Map Matrix

Risk Rating	Value
Immediate Priority	16 - 25
High Priority	12 - 15
Medium Priority	5 - 8
Low Priority	1 - 4

## FRAUD COMPLIANCE REPORT

			Risk				
Impact	Critical	5	5	10	15	20	25
	Severe	4	4	8	12	16	20
	Major	3	3	6	9	12	15
	Moderate	2	2	4	6	8	10
	Minor	1	1	2	3	4	5
			1 Very low	2 low	3 Medium	4 High	5 Very High
			Likelihood				

### Fraud Risk Register

The fraud risk registers provide a comprehensive overview of all known fraud risks to the organisation and the controls in place to mitigate those threats. It is a live document, subject to ongoing review by the CFEU in collaboration with relevant lead officers / heads of service. The register enables service areas and managers to monitor and understand known fraud risks and vulnerabilities within their domains, guiding future audit and counter-fraud efforts to enhance fraud prevention measures. The register will:

- Satisfy a key principle outlined in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption<sup>3</sup>.
- Ensure compliance with counter-fraud best practices as specified in the FFCL and GovS013.
- Complement and support the positive counter-fraud initiatives already implemented across the Councils.

### Compliance with Fighting Fraud and Corruption Locally (FFCL) Strategy and Government Standard (GovS013)

The FFCL serves as the counter-fraud and corruption strategy for local government, while GovS013 outlines the central government standard for managing fraud, bribery, and corruption risks, both the FFCL and GovS013 include an organisational-level fraud risk

<sup>3</sup> [CIPFA Code of practice on managing the risk of fraud and corruption](#)

## FRAUD COMPLIANCE REPORT

assessment/checklist. The Councils have used the FFCL checklist to evaluate their compliance with the best practice and guidelines established by local government and counter fraud experts. The table at Appendix 1 details the Council's current compliance status with the FFCL strategy, categorised as compliant, partially compliant, or non-compliant, with the recommendations outlined in the FFCL. Justifications for the assigned compliance scores are included, along with the Council's plans to achieve full compliance.

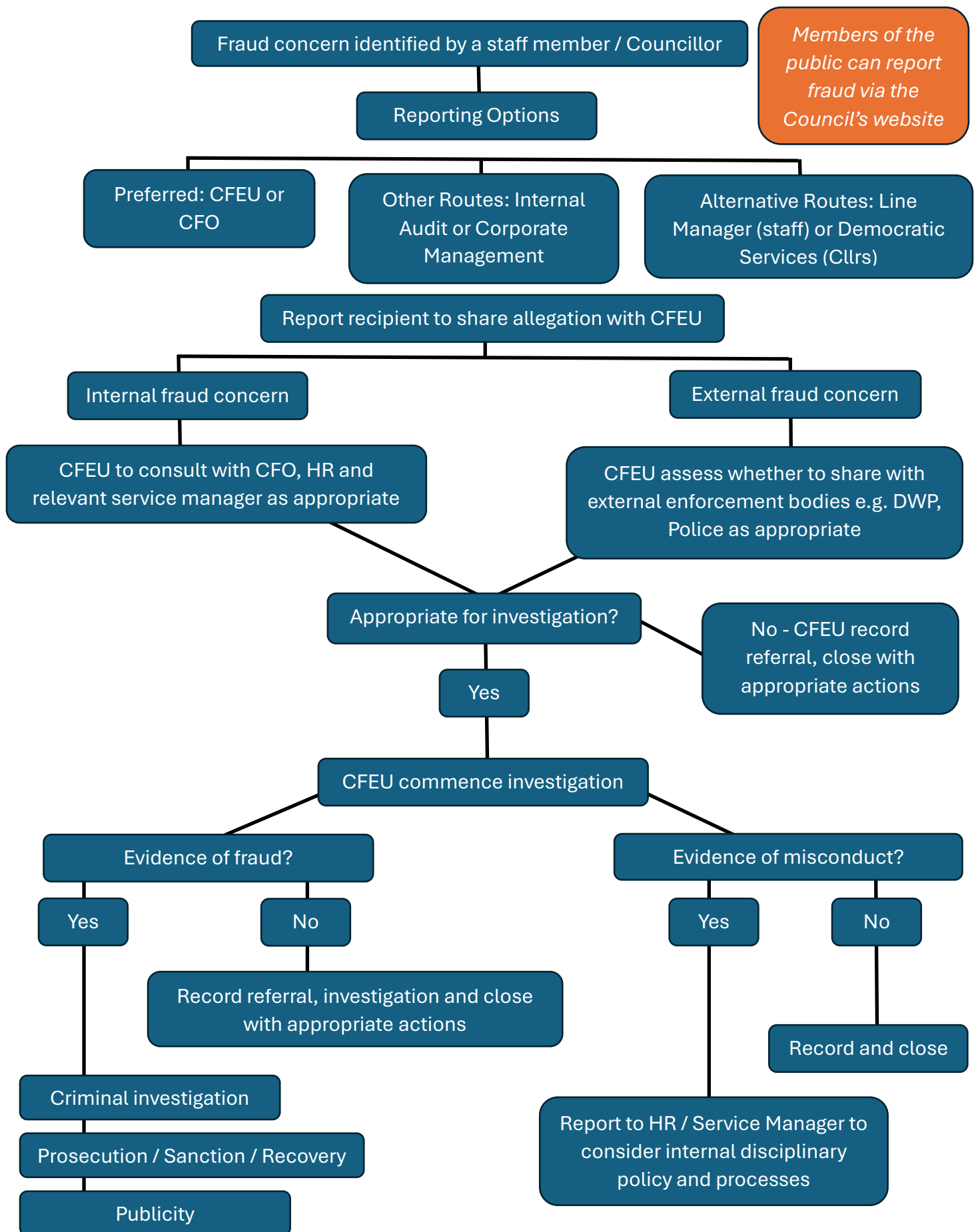
The GovS013 basic organisational checklist is not included because its requirements are either specifically targeted at central government or are already comprehensively covered in the FFCL checklist. However, the CFEU plans to conduct a broader review of the GovS013 checklist to assess its compliance with central government requirements as part of its application to become an accredited member of the Public Sector Fraud Authority<sup>4</sup>.

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<sup>4</sup> [Public Sector Fraud Authority](#)

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## FRAUD RESPONSE PLAN – SUMMARY



If you suspect fraud or corruption, the most important thing to remember is – REPORT IT

## FRAUD RESPONSE PLAN – SUMMARY

### Do

- **Report your concerns promptly**
  - Where possible, report directly to the CFEU or the Chief Finance Officer.
- **Document your concerns**
  - Clearly record the nature of your concerns. Include all relevant details, such as dates, conversations, and any notable comments or actions in meetings.
  - Note the names and, if known, the positions of those involved.
  - Your notes should be timed, signed, dated, and kept in a secure place.
  - Timeliness is critical. Delays in documenting concerns increase the of distorted recollections and may weaken the case.
- **Retain any evidence**
  - Keep all relevant records and evidence in a secure and confidential location.
- **Reporting by members of the public**
  - Members of the public can report concerns to the CFEU via the Council's website.

### Don't

- **Be afraid to raise your concerns**
  - The Public Interest Disclosure Act provides protects staff who raise reasonably held concerns through the appropriate channels.
  - The Whistleblowing Policy provides guidance on how to make whistleblowing referrals.
  - You will not face discrimination or victimisation for following these procedures. All matters will be handled sensitively and confidentially.
- **Discuss your concerns with anyone other than authorised individuals**
  - There may be a reasonable explanation for the events that have raised your suspicions. Spreading concerns unnecessarily can harm innocent people and damage the Council's reputation.
- **Approach the person you suspect, or attempt to investigate the matter yourself**
  - Specific rules govern the collection of evidence for use in criminal cases. Attempts to gather evidence by individuals who are unfamiliar with these rules may compromise the ability to take appropriate action.
  - Do not interfere with or alter any documentary or computer-based evidence.
  - Do not attempt to interview or question anyone unless you are authorised to do so.

If you suspect fraud or corruption, the most important thing to remember is – REPORT IT



# FRAUD RESPONSE PLAN 2025



# Introduction

The Councils that form the Counter Fraud and Enforcement Unit (CFEU) Partnership are committed to the highest standards of openness, probity, and accountability in their affairs. Where fraud or corruption is suspected, the Councils will treat the allegations with the utmost seriousness.

The Counter Fraud and Anti-Corruption Policy, Fraud Risk Strategy and Whistleblowing Policy demonstrate the Council's commitment to a zero-tolerance approach to fraud and corruption, from both internal and external sources. These documents outline the Council's commitment to prevention, deterrence, detection, investigation and redress. The Fraud Response Plan supports these by providing clear guidance to employees, Councillors, and members of the public on how to report concerns they may have regarding suspected fraud and corruption and outlines how such allegations will be handled.

Adhering to this plan ensures timely and effective action is taken to safeguard public funds, recover losses, identify offenders, and secure the evidence required for any civil, criminal, or disciplinary proceedings.

Councillors and employees play a vital role in creating and maintaining a culture of zero tolerance towards fraud and corruption. They are actively encouraged to raise concerns regarding wrongdoing in the knowledge that such concerns will be taken seriously and, wherever possible, remain confidential.

## Aims and Objectives

The aim of the Fraud Response Plan is to outline a clear framework for responding to suspect fraud. Its objectives are to:

- Identify the procedure for reporting allegations of fraud, corruption, and misconduct.
- Minimise the risk of inappropriate actions or disclosures that could compromise an investigation.
- Ensure there is a clear understanding over who will lead any investigation and to ensure the appropriate response.
- Secure and preserve evidence for disciplinary, civil and/or criminal proceedings.
- Identify perpetrators and take timely, appropriate action, including disciplinary, civil and/or criminal action.
- Prevent further losses of funds or assets where fraud has occurred and maximise the Council's ability to recover losses.
- Mitigate any reputational damage to the Council.



## FRAUD RESPONSE PLAN 2025

### Notifying Suspected Fraud / Whistleblowing

All employees, Councillors and contractors are encouraged to report any concerns or suspicions they may have. Early reporting increases the likelihood of a successful investigation and helps prevent loss or further losses to the Council.

Employees, in particular, play a critical role in the Council's efforts to detect and prevent fraud and corruption, as they are often the first to notice or suspect wrongdoing within the organisation. Concerns may relate to the conduct or behaviour of fellow employees, Councillors, partner organisations, or contractors.

However, individuals may hesitate to speak up due to fear of reprisal, harassment, or other forms of victimisation in the workplace. It is therefore essential that all employees feel safe and supported in reporting concerns, understand the reporting process, and can do so without fear of retaliation.

Whistleblowing refers to the act of passing on information concerning wrongdoing – see the Council's Whistleblowing Policy for further information.

### Reporting by Employees, Councillors, Members of the Public and Third-Party Organisations

Any suspicion of fraud, theft, or corruption should be reported as a matter of urgency to the CFEU and/or the Chief Finance Officer. If this is not possible, concerns can be reported to the Chief Executive, Monitoring Officer, or a member of the Corporate Management/Leadership Team.

To support the early identification and mitigation of fraud and corruption risks, a Fraud Response Plan flowchart and a quick guide to dos and don'ts are included at the end of this document. It outlines the referral process and provides guidance on actions that should and should not be taken.

#### **Employees and Councillors**

At the earliest opportunity, employees and Councillors should:

- Make a detailed record of all activities/actions that have been witnessed, or any circumstances that have led to their suspicion.
- Retain all information received, either personally or through others, that contributed to the suspicion.
- The officer receiving the initial disclosure or referral should make a detailed record of the suspicion or complaint and advise the reporting individual to preserve and securely store all relevant documentation and evidence.

## FRAUD RESPONSE PLAN 2025

- Gather as much information as possible from the reporting individual, including any notes or evidence they possess that may support the allegation. Do not interfere with any evidence and ensure it is stored safely.

### **Members of the Public and Third-Party Organisations**

The Council encourages members of the public and other external agencies to report any suspicions of fraud or corruption to the Council via the CFEU. Reporting instructions are available on the Council's website or via the fraud hotline: 01242 264215.

Anonymous reports are accepted; however, providing details is encouraged, as anonymous concerns are often more challenging to investigate effectively.

### **Counter Fraud and Enforcement Unit**

The CFEU has trained fraud investigators who act impartially and in accordance with applicable laws, policies, and procedures when conducting disciplinary and criminal investigations. The CFEU collects information on all suspected cases of fraud, theft, or corruption along with their outcomes, across the Council. This information contributes to assessing the effectiveness of the Council's Fraud Risk Strategy and internal control systems, forming a key element of the Council's assurance framework.

It is the responsibility of the CFEU Head of Service, supported by Internal Audit, to keep the Council's Chief Finance Officer informed of any suspicions of fraud or corruption. Where an allegation involves a member of employees, Human Resources (HR) will be notified, and the matter will be dealt with in accordance with the Council's Disciplinary Policies and Procedures.

### **The Investigation Process**

Fraud committed against the Council will be investigated by the CFEU. Where appropriate, investigations may be conducted in collaboration with other investigatory agencies such as the Police, Department for Work and Pensions (DWP), Home Office, Her Majesty's Revenue and Customs (HMRC), UK Borders Agency, and other Local Authorities.

Investigations into suspected fraud or corruption will be carried out in accordance with the relevant statutory provisions, guidance, codes of practice and local protocols, ensuring that all investigatory actions are lawful and conducted fairly. This includes, but is not limited to:

- Police and Criminal Evidence Act 1984 (PACE)
- Criminal Procedure and Investigations Act 1996 (CPIA)
- Human Rights Act 1998
- Regulation of Investigatory Powers Act 2000 (RIPA)
- Investigatory Powers Act 2016
- Data Protection Act 1998 / GDPR

## FRAUD RESPONSE PLAN 2025

If sufficient evidence is established, the case will be reviewed to determine the appropriate course of action. The Council's Counter Fraud and Anti-Corruption Policy provides further guidance on actions that will be considered.

The Council will take appropriate steps, including legal action where necessary, to recover any losses arising from fraud, theft, corruption, or misconduct. This may include action against third parties involved in the fraud, or whose negligent conduct contributed to it.

The CFEU will also prepare an internal Management Report, providing recommendations to address any identified weaknesses in internal controls, with the aim of preventing recurrence. All details of any investigation are strictly confidential and must not be discussed or disclosed to anyone outside the reporting and investigation process.

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## Fighting Fraud and Corruption Locally - Checklist

### Appendix 1

Senior Stakeholder Responsibilities		
The Chief Executive	Compliance	Comments
Ensure that your authority is measuring itself against the checklist for FFCL.	Compliant	The Counter Fraud and Enforcement Unit (CFEU) is committed to conducting an annual review of the checklist, in collaboration with senior stakeholders and Council leadership teams. The Head of Service (HoS) for CFEU reports directly to the Section 151 Officer, with regular updates provided to the Chief Executive on key risks and ongoing work streams.
Is there a trained counter fraud resource in your organisation or do you have access to one?	Compliant	The CFEU is a dedicated, standalone service responsible for countering fraud across the organisation. Its remit includes identifying and assessing fraud risks, preventing and detecting fraudulent activities, and pursuing recovery and enforcement actions.
Is the audit committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this?	Compliant	Audit committee receive biannual reports directly from the CFEU regarding the service area's activities and delivery. The external auditor is provided with access to these reports and as well as attending the same committee/governance meetings.
The Section 151 Officer	Compliance	Comments
Is there a portfolio holder who has fraud within their remit?	Compliant	Fraud falls within the remit of all portfolios, although it may not always be explicitly stated, as it is typically covered under finance or governance. This is an area that may require review to enhance accountability, knowledge, and reporting lines.
Is the head of counter fraud assessing resources and capability?	Compliant	The CFEU HoS regularly reviews resource allocation and capability. The Partnership Board (comprising the Section 151 Officers from each partner council) receives biannual updates on resourcing and capability, enabling informed decisions on service delivery and budget planning.
Do they have sufficient internal unfettered access?	Compliant	Where there is a legitimate concern or requirement, access is both sufficient and unrestricted.
Do they produce a report on activity, success and future plans and are they measured on this?	Compliant	Annual work plans are updated quarterly and submitted to the Section 151 Officer for review. The CFEU work plans are also shared with Internal Audit for discussion of any areas of concern that may need to be included in the internal audit plan. Any specific fraud risks or internal control issues identified through activities are promptly raised, with reports submitted to the relevant senior manager.
The Monitoring officer	Compliance	Comments
Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?	Compliant	A detailed report is presented to the Audit Committee concerning counter fraud activity and the CFEU provides training as part of Member induction for all councillors.
Is the fraud team independent of process and does it produce reports to relevant committees that are scrutinised by members?	Compliant	The CFEU is a standalone support service that reports directly to the Section 151 Officer. Regular reports are submitted to the Audit Committee for scrutiny by Members.

## Fighting Fraud and Corruption Locally - Checklist

Senior Stakeholder Responsibilities		
The Audit Committee	Compliance	Comments
Should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.	Compliant	The CFEU carry out proactive work in several areas to detect fraud and anomalies and provide assurance. All partner councils receive two detailed reports annually, which include key insights and updates on fraud detection, prevention activities, and outcomes.
Should receive a report from the fraud leads on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured.	Partially Compliant	The recent introduction of the Counter Fraud Partnership Risk Strategy has outlined a clear commitment to developing service-specific fraud risk registers. These registers are designed to more effectively identify, assess, and mitigate fraud risks across all areas of service delivery, ensuring a comprehensive approach to fraud management.
Should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud.	Compliant	The CFEU is not explicitly assigned to a specific portfolio at the partner councils. However, Cabinet Members and Audit Committee Members are kept fully informed through comprehensive biannual committee reports.
Should support proactive counter fraud activity.	Compliant	Audit Committee Members are fully supportive of the CFEU, recognising its role in delivering a wide range of activities, including proactive, reactive, and strategic fraud prevention.
Should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.	Compliant	The robust reporting requirements of the CFEU ensure Members are consistently well-informed and equipped to challenge activities when necessary. The HoS provides regular updates to Members on emerging fraud risks, along with the strategies in place to mitigate those risks.
The Portfolio Lead	Compliance	Comments
Receives a regular report that includes information, progress and barriers on the assessment against the FFCL checklist Fraud risk assessment and horizon scanning.	Partially Compliant	This is an area that may benefit from further consideration, considering the existing arrangements and their effectiveness.

## Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The Local Authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior board and its members.	Compliant	Work plans are developed in collaboration with individual councils to include targeted proactive fraud initiatives in high-risk areas, deterrent activities, and the necessary resources for reactive case investigations. These plans ensure a comprehensive approach to tackling fraud, balancing prevention, deterrence, and effective response. The CFEU HoS meets regularly with the S151 Officer at each partner Council to report on activities.
The Local Authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	Partially Compliant	This area presents an opportunity for expansion, enabling the CFEU to adopt a more proactive approach in identifying and mitigating emerging threats, allowing for a better balance with reactive investigations.
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 checklist.	Partially Compliant	Audit Committees receive direct reports from the CFEU during the year outlining all activities and work streams. The Fraud Risk Strategy was also presented to Audit Committees. This referenced the FFCL checklist, and a summary of the checklist and associated compliance report will be reported in due course.
The relevant portfolio holder has been briefed on the fraud risks and mitigation.	Partially Compliant	This is an area that warrants further consideration, taking into account the existing arrangements and their effectiveness. The proposed fraud risk register will identify any gaps or areas for improvement, ensuring that current measures are fully aligned with best practice.
The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	Compliant	Audit Committee support the CFEU. Due to the transparency of the CFEU's governance arrangements and reporting requirements, Members are well informed and able to challenge activity if necessary. The CFEU HoS updates members on emerging risks and mitigation.
There is a counter fraud and corruption strategy applying to all aspects of the Local Authority's business which has been communicated throughout the Local Authority and acknowledged by those charged with governance.	Compliant	The CFEU has developed a fraud risk strategy in alignment with the Government Functional Standard GovS013: Counter Fraud. The strategy sets clear direction and the desired outcomes for the partnership, with a strong emphasis on fostering an anti-fraud culture. It provides guidance to both members and staff on addressing the serious issues of fraud and corruption, ensuring a consistent approach across the partnership. As part of this strategy, a workstream has been initiated to expand governance and assurance activities. This includes the development of Service-Specific Fraud Risk Registers, categorised into high and low-risk service areas. These registers will be reviewed and updated annually to identify new and emerging risks, as well as areas requiring additional resources. The insights gained will directly inform the CFEU's annual work plans, which together constitute the CFEU fraud response plan.
The Local Authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	Compliant	The CFEU plays a key role in ensuring compliance with the Local Authority's arrangements, promoting probity and propriety in all aspects of its business operations.

## Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The risks of fraud and corruption are specifically considered in the Local Authority's overall risk management process.	Partially Compliant	This is an area for expansion. The CFEU attends corporate governance groups across the partnership, ensuring that key governance officers consider the risks associated with fraud and corruption. Through the creation and implementation of service-specific fraud risk registers, there will be an increase in overall awareness of fraud risks and a greater focus on effective fraud risk management across the partnership.
Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	Partially Compliant	This is an area for improvement to ensure counter fraud staff are consistently involved in fraud-proofing new policies, strategies, and initiatives.
Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Compliant	Successful cases of proven fraud, corruption, and other enforcement activity are regularly highlighted in audit committee reports and publicised through press releases. These communications serve to raise awareness and act as a deterrent to potential offenders, as well as keeping the public informed as to the Council's counter fraud and wider enforcement activity.
The Local Authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	Compliant	The CFEU serves as an in-house support service, delivering a range of preventative activities, proactive initiatives, and reactive investigations. While certain activities are standardised to maximise resource efficiency, the work plans consider the District / Borough demographic and the specific priorities of each council. Regular updates on the effectiveness of these arrangements are provided through committee reports.
The Local Authority has put in place arrangements for monitoring compliance with standards of conduct across the Local Authority covering: 1. Codes of Conduct including behaviour for counter fraud, anti-bribery and corruption. 2. Register of Interests. 3. Register of Gifts and Hospitality.	Compliant	The CFEU HoS regularly attends these meetings. The CFEU HoS is a member of each partner Councils' Corporate Governance Group. This group have responsibility for Gifts and Hospitality, Codes of Conduct and Register of Interests. The process and associated documents are reviewed by the Group with due consideration to fraud risk.
The Local Authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	Partially Compliant	This is an area that requirements further development for 2025/2026. The aim is to enhance recruitment procedures/process by ensuring appropriate measures are in place prevent the appointment of potentially dishonest employees.
Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	Compliant	Members and staff are fully aware of their obligations to make appropriate disclosures regarding gifts, hospitality, and business interests. Clear reporting procedures have been established to outline the necessary disclosures, and these are regularly reviewed at governance groups to ensure compliance. Auditors check these disclosures, and any relevant findings are reported to the committee.



## Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	Partially Compliant	The CFEU supports all service areas and staff across the Councils. Reminders regarding areas of risk and whistleblowing are issued to all staff on an annual basis. Whilst there is a programme of fraud awareness training, this is under review and could be improved.
There is an independent and up-to-date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	Compliant	The CFEU is responsible for overseeing the whistleblowing policy across the partnership, ensuring it remains independent, up-to-date, and fully aligned with best practices. To promote awareness and encourage use, internal communications are issued to staff, highlighting the importance of the policy and how to report concerns.
Contractors and third parties sign up to the whistleblowing policy. There should be no discrimination against whistleblowers.	Not Compliant	Area to be reviewed 2025/2026.
Fraud resources are assessed proportionately to the risk the LA faces and are adequately resourced	Compliant	Resource is continually reviewed by the HoS to ensure it is proportionate to the risks faced by the Local Authority. Adjustments are made as necessary to ensure the fraud response remains robust and effective. As previously noted, the work plans and resources are tailored to reflect the unique needs and priorities of the partnership.
There is an annual fraud plan agreed by committee. It reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the LA's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	Compliant	Work plans are developed with individual Councils to include proactive fraud drives in high-risk areas, deterrent activity and the resource for reactive case investigation work. This is reported to committee and Members can request areas for inclusion on the work plan.
Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	Compliant	The CFEU maintains comprehensive statistics on case outcomes, which are reported quarterly through Audit Committee and Partnership Board reports. In addition, detailed results are provided separately to the Section 151 Officer. By recording this data, the partnership is ensuring a well-rounded risk management approach that is working to continuously review and improve internal controls.
Fraud officers have unfettered access to premises and documents for the purposes of investigation.	Compliant	Officers have access to premises and documentation as required.
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	Compliant	Successful outcomes are endorsed by the Council's communications team and publicised via the Council's website.
All allegations of fraud and corruption are risk assessed.	Compliant	All allegations of fraud and corruption are thoroughly assessed to determine the appropriate course of action. Each referral is triaged by a CFEU officer, who conducts an initial assessment to prioritise cases based on their severity and potential impact. This ensures that resources are allocated effectively, and high-risk cases are addressed promptly.


## Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
The fraud and corruption response plan covers all areas of counter fraud work: prevention, detection, investigation, sanctions and redress.	Compliant	The fraud and corruption response plan comprehensively covers the key areas of counter fraud work. The plan is detailed in Council's Counter Fraud and Anti-Corruption Policy, as well as the Fraud Risk Strategy.
The fraud response plan is linked to the audit plan and is communicated to senior management and members.	Compliant	The CFEU HoS meets quarterly with Internal Audit to review ongoing activities, assess emerging risks, and discuss the effectiveness of internal controls. Both the HoS CFEU and the head of Internal Audit communicate directly with senior management and members, ensuring that key updates, risks, and actions are consistently communicated.
Asset recovery and civil recovery are considered in all cases.	Compliant	Asset recovery and civil recovery are considered in all cases where the authority has the necessary legal powers to pursue such actions.
There is a zero-tolerance approach to fraud and corruption that is defined, monitored and reported to committee.	Compliant	The council has a clear zero-tolerance approach to fraud and corruption which is defined in the counter fraud and anti-corruption policy. This approach is upheld across all levels of the organisation, with any instances of fraud or corruption thoroughly investigated and reported on at the appropriate time.
There is a programme of proactive counter fraud work which covers risks identified in assessment.	Compliant	The CFEU carry out proactive work in several areas to detect fraud and anomalies and provide assurance. Areas of proactive work are detailed in the CFEU work plans.
The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	Compliant	The CFEU team adopts a multi-agency approach and actively engages with external partners. A key member of the Gloucestershire's Multi-Agency Approach to Fraud (MAAF) Group, the CFEU collaborates with Gloucestershire Constabulary, Trading Standards, Victim Support, and the NHS to collectively reduce and disrupt fraud across the county. Working closely with these partners and the wider criminal enforcement community facilitates the exchange of best practices and expertise, strengthening the CFEU's capacity to prevent fraud and respond to emerging fraud threats.
The Local Authority shares data across its own departments and between other enforcement agencies.	Compliant	Data is shared across departments and with other enforcement agencies in accordance with established data sharing agreements, ensuring full compliance with GDPR.
Prevention measures and projects are undertaken using data analytics where possible.	Not Compliant	The CFEU does not currently utilise data analytics due to concerns around cost and its overall effectiveness. However, this decision is regularly reviewed to assess the balance between available resources, budget constraints, and the necessity of implementing such tools for enhanced fraud detection.
The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	Compliant	The CFEU is registered with the Knowledge Hub, granting access to a wide range of valuable resources, including directories and other specialised tools. The CFEU is also seeking to be accredited by the Public Sector Fraud Authority (PSFA) which would allow access to central government training resource.
The counter fraud team has access to the FFCL regional network.	Compliant	The CFEU has access to the FFCL regional network, enabling collaboration and knowledge sharing with other counter fraud professionals. The CFEU also has close links with other counter fraud shared services which enhance the overall approach to fraud prevention and detection through collaboration and sharing insight.

### Fighting Fraud and Corruption Locally - Checklist

Checklist	Compliance	Comments
There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	Compliant	All CFEU officers hold Accredited Counter Fraud Specialist (ACFS) or Accredited Counter Fraud Technician (ACFT) qualifications, ensuring they possess the necessary expertise required to effectively manage counter fraud activities. Investigation and Enforcement Officers are required to background in investigations prior to joining the CFEU. Beyond these qualifications, staff engage in continuous professional development, receiving ongoing training to enhance their skills and stay current with changes in legislation, investigatory techniques, and best practice.
The counter fraud team has adequate knowledge in all areas of the Local Authority or is trained in these areas.	Compliant	The CFEU team possesses a good knowledge across the different service areas of the Local Authority. Knowledge is further enhanced through regular collaboration with various the departments.
The counter fraud team has access (through partnership/ other Local Authorities/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recovery and financial investigations.	Compliant	The CFEU has a Memorandum of Understanding (MOU) with Gloucestershire County Council Trading Standards to provide specialist support for financial investigations. The CFEU has responsibility for surveillance (RIPA) policies, procedures and activities across the partnership. Additionally, the team maintains links with the police and other relevant agencies for assistance in the execution of warrants and asset and/or the seizure of evidence.
Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud-proof systems.	Compliant	Areas of weakness identified by instances of fraud and corruption are reported back to the relevant department through a detailed management report. This feedback process enables the identification of vulnerabilities and ensures that effective mitigation measures are implemented to strengthen controls and prevent future occurrences.

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 <p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>	<p><b>WEST OXFORDSHIRE DISTRICT COUNCIL</b></p>
<p>Name and date of Committee</p>	<p><b>AUDIT AND GOVERNANCE COMMITTEE – 25 SEPTEMBER 2025</b></p>
<p>Subject</p>	<p><b>2025/26 TREASURY MANAGEMENT INDICATORS – QUARTER ONE</b></p>
<p>Wards affected</p>	<p>All</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, Business Partner – Treasury Management Email: sian.hannam@publicagroup.uk</p>
<p>Summary/Purpose</p>	<p>To report to the Audit and Governance Committee the quarter one 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 Audit and Governance 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 2025 was positive, returning interest of £385,375 or 4.37% against the profiled budget of £289,058 and generating an unrealised capital gain of 2.3% or £260,711 in the year to date.
- 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. The Council's Treasury Management adviser (Arlingclose) are closely monitoring these funds and they continue to forecast that the capital values will recover over the next 2 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 the Bank of England reducing Bank Rate more slowly than previously predicted. The Bank of England's Monetary Policy Committee (MPC) cut the bank rate to 4.25%, from 4.5%, in May, with a further cut to 4% in August.
- 1.4** The Council complied with the Prudential Indicators for quarter one 2025/26 as set out in the budget approved by full Council in February 2025. Further details can be found in section 8 of this report.

## **2. ECONOMIC & FINANCIAL MARKETS BACKGROUND**

- 2.1** The year started with significant financial market volatility as US President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.
- 2.2** President Trump subsequently implemented a 90-day pause on most of the tariffs he announced, which has been positive for both equity and bond markets, but there has been a heightened uncertainty in markets over the first quarter of the year.
- 2.3** In its May report, the Bank of England said that inflation and wage growth in the UK were continuing to slow down. It also noted that there was now a small amount of spare capacity in the economy, which should help bring inflation down to the Bank's 2% target over time. While economic growth in the second quarter of 2025 is expected to be stronger than previously thought, the forecast for the same period in 2026 has been lowered, partly due to ongoing challenges in global trade.
- 2.4** Arlingclose, the Council's treasury adviser, expects the Bank of England to continue lowering interest rates. They believe the Bank will prioritise weak economic growth over stubbornly high inflation. One more rate cut is expected in 2025, bringing the Bank Rate down to 3.75%. However, there is a risk that growth could slow even more due to low consumer confidence and reduced business investment.

- 2.5 Financial markets:** After a sharp drop early in the quarter, financial market sentiment improved, but both bond and equity markets remained unstable. Bond yields fell at first, then rose due to concerns over U.S. trade policy, but have been steadily declining since mid-May—though volatility continues. Equity markets fell sharply in April but have since recovered most of those losses, with investors staying optimistic despite ongoing uncertainty.
- 2.6 Credit review:** Arlingclose continues to recommend a maximum investment period of 6 months for most banks on its approved list. For the remaining banks, the limit is 100 days.
- 2.7 Financial Markets:** volatility is expected to continue in the short term. The Council will keep monitoring credit default swap levels for signs of financial stress. As always, Arlingclose regularly reviews the approved institutions and investment durations on the Council's counterparty list.

### 3. LOCAL CONTEXT

- 3.1** On 31st March 2025, the Council had net investments of £24.35m arising from its revenue and capital income. 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 I: Balance Sheet Summary

	<b>31.3.25 Actual £m</b>	<b>31.3.26 Forecast £m</b>
General Fund CFR	29.41	34.54
External borrowing	0.00	(3.35)
<b>Internal borrowing</b>	29.41	31.19
Less: Balance sheet resources	(34.106)	(35.472)
<b>Net investments</b>	<b>(4.696)</b>	<b>(4.282)</b>

- 3.2 The treasury management position at 30<sup>th</sup> June and the change over the 3 months is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.25 Balance £m</b>	<b>Movement £m</b>	<b>30.06.25 Balance £m</b>	<b>30.06.25 Rate %</b>
<b>Total borrowing</b>	0	0	0	0
Long-term investments	11.934	0.230	12.165	4.55
Short-term investments	0.062	1.938	2.000	4.26
Cash and cash equivalents	12.354	6.891	19.245	4.26
<b>Total investments</b>	<b>24.350</b>	<b>9.059</b>	<b>33.410</b>	<b>4.37</b>
<b>Net investments</b>	<b>24.350</b>	<b>9.059</b>	<b>33.410</b>	

#### 4. BORROWING STRATEGY AND ACTIVITY

- 4.1 As outlined in the Treasury Management Strategy, the Council's main goal when borrowing is to keep interest costs low while also ensuring cost certainty over the time the money is needed. A secondary goal is to keep loans flexible in case the Council's long-term plans change. So far, the Council has used "internal borrowing," meaning it has borrowed less than its actual funding needs by using its own cash reserves instead.
- 4.2 According to CIPFA's 2021 Prudential Code, councils must not borrow money just to make a profit from investments. It is considered financially irresponsible to make decisions that increase borrowing unless the spending is directly linked to the Council's core services. As a result, councils can no longer access Public Works Loan Board (PWLB) loans if they plan to use the money to buy assets for income—unless the loan is just to refinance existing debt.
- 4.3 At 30<sup>th</sup> June, the Council had no external borrowing.

#### 5. TREASURY INVESTMENT ACTIVITY

- 5.1 Each month, the Council receives a list of approved investment options from its treasury advisers, Arlingclose. The treasury team uses this list to decide where to invest. Most approved institutions currently have a 6-month investment limit, reflecting ongoing market uncertainty. The Council keeps its funds in easy-access accounts like Money Market Funds and Call Accounts and also makes short-term deposits with the UK Debt Management Office (DMO). This approach helps ensure there is enough cash available to support public services and fund capital projects—without needing to borrow.



- 5.2 The Council holds a large amount of invested funds. These come from income received before it is spent, along with reserves and balances that are set aside. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	<b>31.3.25</b>	<b>Net</b>	<b>30.06.25</b>	<b>30.06.25</b>
	<b>Balance</b>	<b>Movement</b>	<b>Balance</b>	<b>Income</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>Return</b>
				<b>%</b>
Banks & building societies (unsecured)	0.050	2.835	2.885	4.22
Money Market Funds	12.303	6.057	18.360	4.26
Other Pooled Funds				
- <i>Equity &amp; Multi Asset income funds</i>	7.662	0.176	7.838	4.55
- Bond income funds	3.645	0.021	3.666	4.55
- <i>Real Estate Investment Trusts</i>	0.690	(0.030)	0.660	3.00
<b>Total investments</b>	<b>24.350</b>	<b>9.060</b>	<b>33.410</b>	<b>4.37</b>

- 5.3 The Council follows rules from CIPFA and the government that require it to invest money carefully. The main priorities are keeping investments safe and easy to access, rather than chasing high returns. The goal is to find a good balance between risk and reward—avoiding losses and ensuring a reasonable level of income.
- 5.4 As shown in the liability benchmark, the Council expects to need long-term borrowing. For now, most new investments are short-term and low risk, helping manage daily cash needs. The Council also keeps its existing investments in strategic pooled funds to spread risk across different types of assets and improve returns.
- 5.5 Bank Rate started the period at 4.5% and was cut to 4.25% in May, with short term interest rates being around this level. The rates on DMADF deposits ranged between 4.45% and 4.22% and money market rates between 4.5% and 4.26%.
- 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 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.06.2025	4.87	A+	100%	4	4.37
Similar LAs	4.51	A+	62%	50	4.36
All LAs	4.56	A+	62%	10	4.36

- 5.7 The Council has invested £12 million in externally managed pooled funds, which include bonds, equities, and multi-asset investments. These funds focus more on generating steady income and long-term value rather than short-term safety or quick access to cash. During the period, they earned £131,014 in income, which helps support Council services, and showed an unrealised gain of £260,711 in capital value. Details of the current pooled fund holdings are shown in Table 6 below.

Table 6: Current Pooled Funds

Fund Manager	Original Investment	Value 31st March 2025	Value 30th June	3 Month Dividend 2025/26	2025/26 Capital Gain/(Loss)	Capital Gain/(Loss) vs Original Investment
	£	£	£	£	£	£
M&G Strategic (B)	2,000,000	1,760,300	1,791,798	22,599	31,498	- 208,202
Royal London (L)	2,000,000	1,862,609	1,874,509	22,892	11,899	- 125,491
Schroders €	1,000,000	951,479	1,001,409	25,406	49,930	1,409
Threadneedle UK €	1,000,000	1,139,932	1,220,659	10,324	80,727	220,659
CCLA Diversified Fund (B/E)	3,000,000	2,751,339	2,767,642	196	16,302	- 232,358
Aegon/Kames (L)	3,000,000	2,778,320	2,848,675	49,597	70,355	- 151,325
<b>Total - Current funds</b>	<b>12,000,000</b>	<b>11,243,980</b>	<b>11,504,691</b>	<b>131,014</b>	<b>260,711</b>	<b>- 495,309</b>

(L = Liquidity; B= Bond; E= Equity)

- 5.8 Most types of investments performed well in the first quarter of 2025/26, although markets were quite volatile. Investor confidence improved after April, which helped boost equity (stock) market performance despite ongoing uncertainty.

- 5.9 Government bond yields mostly fell during the quarter, meaning bond prices went up. Corporate bonds also recovered from earlier losses caused by trade tariffs, resulting in modest positive returns overall.
- 5.10 The UK commercial property market continued to improve slowly, with small increases in property values across most sectors. Income remains the main source of returns.
- 5.11 Table 6 shows how the Council's investment funds changed in value and income over the three months ending 30 June.
- 5.12 **Statutory override:** In February 2025, the government confirmed that councils can continue using the statutory override for unrealised accounting gains and losses on pooled investment funds until 1 April 2029—but only for investments made before 1 April 2024. Any new investments made after that date will not be covered by the override.

## 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 7 below.

Table 7: Performance

	Q1 Actual £m	2025_26 Budget £m	Over/ under	Actual %	LA's Average Benchmark %	Over/ under
Short-term investments	0.049	0	0.049	4.34	4.29	0.05
MMF & Call Accounts	0.189	0.348	-0.159	4.36	4.29	0.07
Strategic Funds	0.131	0.506	-0.375	4.85	4.84	0.01
Long Term Loans	0.007	0.273	-0.266	2.84	N/A	N/A
REIT	0.008	0.029	-0.021	3.00	N/A	N/A
<b>Total treasury investments</b>	<b>0.384</b>	<b>1.156</b>	<b>-0.772</b>	<b>4.49</b>	<b>4.36</b>	<b>0.13</b>

## 7. COMPLIANCE

- 7.1 The Director of Finance reports that all 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 8 below.

**Table 8: Investment Limits**

	<b>2025/26 Maximum £m</b>	<b>30.06.25 Actual £m</b>	<b>2025/26 Limit £m</b>	<b>Complied? Yes/No</b>
Any single organisation, except the UK Government	2	0	3	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	9.448	9.375	10	YES
Unsecured investments with banks	3	2.885	5	YES
Money Market Funds	20	14.245	25	YES
Strategic pooled funds	12	12	25	YES
Real Estate Investment Trusts	1	1	3	YES

- 7.2** Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 9 below.

**Table 9: Debt and the Authorised Limit and Operational Boundary**

	<b>Q1 2025/26 Maximum</b>	<b>30.06.25 Actual</b>	<b>2025/26 Operational Boundary</b>	<b>2025/26 Authorised Limit</b>	<b>Complied? Yes/No</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Borrowing	0	0	36.54	41.54	YES
<b>Total debt</b>	<b>0</b>	<b>0</b>			

- 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.

**Liability Benchmark** - The liability benchmark is a useful tool that helps the Council decide whether it will need to borrow money long-term or invest money long-term. This helps guide its financial strategy and decision-making. It shows how much debt the Council needs to hold to support its current spending plans, while keeping at least £4 million in cash available to manage daily operations.

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Capital Financing Requirement (CFR)	29.41	34.54	38.95
Less: usable reserves	(34.11)	(31.82)	(27.54)
Less: working capital	(17.54)	(13.40)	(13.40)
<b>Net loans requirement</b>	<b>(22.23)</b>	<b>(10.68)</b>	<b>(1.99)</b>
Plus: Liquidity allowance	14.00	14.00	14.00
<b>Liability benchmark</b>	<b>(8.23)</b>	<b>3.32</b>	<b>12.01</b>

- 8.2 **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:

	2025/26	2026/27	2027/28	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	£16m
Complied?	YES	YES	YES	YES

- 8.3 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.
- 8.4 **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.

	2025/26 Target	30.06.2025	Complied?
Portfolio average credit rating	A-	A+	YES

- 8.5 Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk.

Interest rate risk indicator	2025/26 Target £	30.06.25 Actual £	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	160,000	121,934	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-160,000	- 121,934	Yes

## 9. NON TREASURY MANAGEMENT PRUDENTIAL INDICATORS

- 9.1** The Council measures and manages its capital expenditure, borrowing and service investments with references to the following indicators with it being a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

- 9.2** The Council has undertaken and is planning capital expenditure as summarised below.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m
General Fund services	6.35	16.16	2.87	1.97

- 9.3** Capital expenditure this quarter amounts to £643,834, related to S106 payments, Disabled Facilities Grants and Council Building repairs & maintenance. Significant expenditure is expected throughout quarters two and three on the decarbonisation of Windrush Leisure Centre and the purchase of Temporary Emergency Accommodation.

- 9.4 Capital Financing Requirement:** The Council's total debt is measured by something called the Capital Financing Requirement (CFR). This amount goes up when the Council spends money

on projects using borrowed funds, and it goes down when the Council makes repayments, applies MRP or uses money from asset sales to reduce debt.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m
General Fund services	29.81	34.54	38.95	36.15
<b>TOTAL CFR</b>	<b>29.81</b>	<b>34.54</b>	<b>38.95</b>	<b>36.15</b>

- 9.5 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 Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m	Debt at 30.06.25
Debt (Incl.PFI & leases)	0.000	3.35	3.85	3.85	0
Capital Financing Requirement	29.81	34.54	38.95	36.15	

- 9.6 Debt and the Authorised Limit and Operational Boundary:** The Council 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 2025/26	Debt at 30.06.25	2025/26 Authorised Limit £m	2025/26 Operational Boundary £m	Complied? Yes/No
Borrowing	0.00	0	41.54	36.54	Yes
<b>Total Debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Yes</b>

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.

- 9.7 Net Income from Commercial and Service Investments to Net Revenue Stream:** The Council’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.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m
Investment Property Investments	3.27	3.27	3.27	3.27

Service Investments	1.33	1.24	1.40	1.40
	4.60	4.51	4.67	4.67
Net Revenue Stream	16.95	18.49	15.31	14.86
Proportion of Net Revenue Stream	27.14%	24.39%	30.52%	31.45%

**9.8 Proportion of Financing Costs to Net Revenue Stream:** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans, MRP and loan repayments are charged to revenue.

**9.9** 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.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m
Interest Payable	0.00	0.09	0.16	0.15
MRP	0.52	0.56	0.69	0.69
Total borrowing costs	0.52	0.65	0.85	0.84
Net Revenue Stream	16.95	18.49	15.31	14.86
Proportion of Net Revenue Stream	3.06%	3.48%	5.59%	5.66%

## 10. Conclusion

Quarter One is in a positive position, achieving above budget returns on investment income and the pooled fund capital value's recovering by 2.32%.

## 11. Financial Implications

There are no financial implications arising from this report.

## 12. Legal Implications

There are no legal implications arising from this report.

## 13. Risk Assessment

None required as a result of this report.

## 14. Equalities Impact

No direct equalities impact with regards to the content of this report.

## 15. Climate and Ecological Emergencies Implications

None.

## 16. Background Papers

None.



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WEST OXFORDSHIRE  
DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME  
1 SEPTEMBER 2025 – 31 DECEMBER 2025

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.

Item	Meeting Date	Lead Officer
<b>Thursday 25 September 2025</b>		
Internal Audit Progress Report	25 Sep 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
CFEU Update Report	25 Sep 2025	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Treasury Management Q1 Report	25 Sep 2025	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Cyber Security Update	25 Sep 2025	John Chorlton, Chief Technology Officer john.chorlton@publicagroup.uk
<b>Thursday 27 November 2025</b>		
SWAP Peer Review Assessment	27 Nov 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
2024/25 Audit Completion Report and Auditor's Annual Report	27 Nov 2025	Georgina Dyer, Head of Finance georgina.dyer@westoxon.gov.uk
Internal Audit Progress Report	27 Nov 2025	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Treasury Management Mid-Term Report	27 Nov 2025	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk

<b>Thursday 22 January 2026</b>		
Internal Audit Progress Report	22 Jan 2026	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Strategic Risk Register	22 Jan 2026	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
<b>Thursday 19 March 2026</b>		
Internal Audit Progress Report	19 Mar 2026	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
Internal Audit Plan 2026/27	19 Mar 2026	Lucy Cater, Assistant Director SWAP lucy.cater@publicagroup.uk
External Audit Plan 2025/26	19 Mar 2026	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
CFEU Update Report (RIPA and IPA annual update)	19 Mar 2026	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit emma.cathcart@cotswold.gov.uk
Annual Governance Statement Action Plan for 2025/26 Update	19 Mar 2026	Cheryl Sloan, Business Manager - Business Continuity, Governance and Risk cheryl.sloan@publicagroup.uk
Quarter 3 Treasury Management Performance	19 Mar 2026	Madhu Richards, Director of Finance madhu.richards@westoxon.gov.uk
Provisional member induction and training programme	19 Mar 2026	Andrew Brown, Head of Democratic and Electoral Services andrew.brown@westoxon.gov.uk

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By virtue of paragraph(s) 7 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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