

Wednesday, 11 March 2026

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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, 19 March 2026 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 and Alex Wilson.

Independent Persons: Victoria Field and 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. **Apologies for Absence**
To receive any apologies for absence. The quorum for the Audit and Governance Committee is 4 Members.
2. **Declarations of Interest**
To receive any declarations from Members of the Committee on any items to be considered at the meeting
3. **Minutes of Previous Meeting (Pages 5 - 12)**
To approve the minutes of the meeting held on 22 January 2026.
4. **External Audit Plan 2025/26 (Pages 13 - 34)**
Purpose:
To present Members with the draft External Audit Plan for the year ended 31 March 2026.

Recommendation:
That the Audit and Governance Committee resolves to:
 - I. Note the content of the report and the annex containing the External Audit Plan for West Oxfordshire District Council for Year Ended 31 March 2026.
5. **Finance and Procedure Rules (Pages 35 - 98)**
Purpose:
To present Members with the revised Financial Procedure Rules March 2026

Recommendations:
That the Audit and Governance Committee resolve to:
 - I. Approve the Financial Procedure Rules March 2026.
6. **Quarter 3 Treasury Management Performance (Pages 99 - 112)**
Purpose:
To report to the Audit and Governance Committee the quarter three 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.

7. **CFEU Update Report (RIPA and IPA annual update) (Pages 113 - 122)**

Purpose:

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

The report also provides the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.

Recommendation:

That the Audit and Governance Committee resolves to:

1. Note the report.

8. **Internal Audit Progress Report (Pages 123 - 140)**

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:

1. Note the report.

9. **Internal Audit Plan 2026/27 (Pages 141 - 162)**

Purpose:

To present to the Audit and Governance Committee the Internal Audit Plan, Charter and Mandate 2026/27 for consideration and approval.

Recommendations:

That the Audit and Governance Committee resolves to:

1. Approve the proposed Internal Audit Plan 2026/27.
2. Approve the Internal Audit Charter and Mandate 2026/27.

10. **Annual Governance Statement Action Plan for 2025/26 Update (Pages 163 - 170)**

Purpose:

This report presents the Audit & Governance Committee with an update for the Annual Governance Action plan for 2025/26.

Recommendation:

That the Audit and Governance Committee resolves to:

1. Note the progress update for the Annual Governance Statement Action Plan 2025/26.

11. **Provisional member induction and training programme (Pages 171 - 194)**

Purpose:

To update the Committee on Member Learning and Development Activities in 2025/26 and provide feedback on the proposed Member Induction Programme for 2026/27.

Recommendations:

That the Audit and Governance Committee resolves to:

1. Note the report;
2. Provide feedback on the Member Induction Programme 2025/26 and how the Council may better engage Members in Member learning and development opportunities.

12. **Audit and Governance Committee Annual Council Report (Pages 195 - 206)**

Purpose:

To provide a draft report of the activities of the Audit and Governance Committee to Council for the municipal year 2025/26.

Recommendations:

That the Audit and Governance Committee resolves to:

1. Approve the draft version of the report for presentation by the Chair of the Audit and Governance Committee to Full Council on 20 May 2026.
2. Delegate authority to the Director of Governance, in consultation with the Chair of the Audit and Governance Committee, to make final changes and additions to the report following the meeting of the Audit and Governance Committee on 19 March 2026. Changes may include incorporation of suggestions from Committee Members on items for inclusion in the report from past meetings of the Committee, the addition of detail of the meeting of 19 March 2026 and other minor amendments.

13. **Audit and Governance Committee Work Programme**

A work plan for 2026/27 will be presented at the next meeting of the Committee.

(END)

WEST OXFORDSHIRE DISTRICT COUNCIL

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

Held in the Committee Room I, Council Offices, Woodgreen, Witney, Oxfordshire OX28
INB at 6.00 pm on **Thursday, 22 January 2026**

PRESENT

Councillors: Ruth Smith (Vice-Chair), Joy Aitman, Andrew Beaney, David Jackson, Edward James, Elizabeth Poskitt, Nigel Ridpath, Sandra Simpson and Victoria M Field.

Officers: Lucy Cater (Assistant Director SWAP), Andrea McCaskie (Director of Governance and Regulatory Services), Madhu Richards (Director of Finance), Andrew Brown (Head of Democratic and Electoral Services), Mathew Taylor (Democratic Services Officer), Cheryl Sloan (Assistant Director) and Sandrine Mangin (Governance and Risk Officer)

Other Councillors in attendance: Alaric Smith

99 Minutes of Previous Meetings

The Committee considered the exempt minutes for the Cyber Security agenda item from the meeting held on 25 September 2025.

There were no comments or amendments. Councillor Sandra Simpson proposed that the minutes be agreed. This was seconded by Councillor Elizabeth Poskitt, was put to the vote and agreed by the Committee.

Resolved:

The Committee agreed the exempt minutes of the meeting held on 27 November 2025.

The Committee then considered the minutes of the meeting held on 27 November 2025.

There were no comments or amendments. Councillor Nigel Ridpath proposed that the minutes be agreed. This was seconded by Councillor Sandra Simpson, was put to the vote and agreed by the Committee.

Resolved:

The Committee agreed the minutes of the meeting held on 27 November 2025.

100 Apologies for Absence

Apologies for absence were received from Councillors Carl Rylett, David Melvin and Alex Wilson.

Apologies were also received from Independent Member of the Committee Richard Deuttenburg.

In the absence of the Chair of the Audit and Governance Committee, Councillor Carl Rylett, Councillor Ruth Smith, Vice-Chair, assumed the Chair for the meeting.

Councillor Smith welcomed Victoria Field, Independent Member, to her first meeting as a member of the Committee.

101 Declarations of Interest

There were no declarations of interest received.

102 Participation of the Public

There was no participation of the public.

103 Budget Strategy Papers

Madhu Richards, Director of Finance, presented the item, the purpose of which was to present the Capital, Investment and Treasury Management Strategies for review for the 2026/27 budget setting process.

In the presentation the Director of Finance made the following points:

- The Council's Constitution had been amended to update the Terms of Reference of the Audit and Governance Committee to include the review of the three strategies presented as part of the annual budget setting process.
- The Capital Strategy ensured capital plans were affordable, prudent and sustainable. The strategy was required to manage debt within set indicators and demonstrate value for money.
- The CIPFA Prudential Code for Capital Finance required that the Investment Strategy included financial and non-financial investments. The Council invested its money for three broad purposes: Treasury Management Investments; Service Investments; Commercial Investments.

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- The Treasury Management Strategy was more familiar to Members as it was brought to the Committee on a quarterly basis.
- The Treasury Management Strategy included detail of the Ethical Investment Approach on page 51. This had been requested by the Committee. It was emphasised that this was not the sole consideration in the selection of investments but was now included as a consideration.

In the discussion the following points were raised:

- The recent training provided to Members on the Statement of Accounts had been very helpful in making the report clearer.
- It was noted that in 2026/27 the Council was not undertaking new external borrowing but that this may need to be explored in the future.
- Clarification was sought on the number of electric waste vehicles used by the Council.
- It was confirmed that the active lending market was not the first route of borrowing the Council would pursue if borrowing was required.
- It was confirmed that all individual projects required business cases to be taken to the Senior Leadership Team prior to implementation.
- Regarding waste projects the Committee explored what would happen to existing and purchased plant when a Unitary Authority was in place. It was confirmed that planned procurement of vehicles had been planned around Local Government Reorganisation (LGR) and replacements would be made only when necessary. The Vice-Chair noted that the Task and Finish Group that had focused on the Waste Project had noted that the project was designed to be LGR proof.
- A query was raised around the process for establishing the ethical investment approach of the Council. The Director of Finance advised that the Council's treasury advisors, Arlingclose, were employed to undertake due diligence in this area. It was noted that it was the intention for Arlingclose to attend a training session to be held for Members in the coming months, which would enable further questions to be answered. Further comment was made that the report reflected the balance required between the need for a return on investment and ethical practices.
- It was confirmed that the two properties noted as being disposed of on page 23 of the report were Knights Court and 27/27a High Street Witney.

Councillor David Jackson proposed noting the strategies presented in annexes A, B and C. This was seconded by Councillor Elizabeth Poskitt and agreed by the Committee.

Resolved: The Audit and Governance Committee noted the strategies in annexes A, B and C.

I04 Internal Audit Progress Report

Lucy Cater, Head of Internal Audit, Assistant Director SWAP presented the report, the purpose of which was to present a summary of the audit work concluded since the last meeting of this Committee.

In the presentation the following points were made:

- Three audits had been concluded since the last meeting of the Committee one of which was on Members' Allowances.
- There were ten open agreed actions that could be seen on page 76 of the report. Of these, one action was overdue, but the Officer had no concerns regarding this position.

There were no comments or questions from the Committee.

Councillor Sandra Simpson proposed that the Committee noted the report. This was seconded by Councillor Andrew Beaney and agreed by the Committee.

Resolved: The Audit and Governance Committee noted the report.

I05 Strategic Risk Register

Cheryl Sloan, Assistant Director, Workforce Strategy & Transformation presented the report the purpose of which was to bring to Members the current version of the Strategic Risk Register for information and assurance that risks to the Council are being managed and appropriate actions are being taken to mitigate risk.

In the presentation the following points were made:

- The Strategic Risk Register was reviewed monthly by the Senior Leadership Team and presented quarterly to the informal meeting of the Executive.
- The risk around Financial Stability had been reduced to reflect the significantly better than expected Provisional Funding Settlement announced on 17 December 2025.
- The decision not to proceed to the next stages of PSDS 3b decarbonisation project at Carterton Leisure Centre and PSDS 4 project at Chipping Norton Leisure Centre had affected the Council's pathway to carbon neutrality and had made targets more challenging. The risk scoring in this area had not changed, however alternative options would need to be explored to ensure this remained on track.

In the discussion the following points were raised:

- A Member drew the Committee's attention to risks associated with Diddly Squat Farm. It was noted that a temporary planning permission at the farm was ending in June and as a result it was suggested that consideration should be given to reinstating this risk on the register. Officers reiterated that the risk register was reviewed monthly and risks could be escalated if necessary.
- A query was raised regarding the five-year housing supply which was rated as only a moderate risk. Officers advised that the owner of the risk was asked to review this on a regular basis and at present was comfortable with the classification. It was also clarified that all owners of risk areas could update the register at any point and were prompted to review risks monthly in all cases.
- Staff at Publica had continued to receive regular open updates and communications regarding LGR.

Councillor Elizabeth Poskitt proposed that the Committee noted the report. This was seconded by Councillor Andrew Beaney and agreed by the Committee.

Resolved: The Audit and Governance Committee noted the contents of the report and annex.

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Code of Corporate Governance

Cheryl Sloan, Assistant Director for Workforce Strategy & Transformation, presented the report the purpose of which was to present the latest version of the Local Code of Corporate Governance for adoption by West Oxfordshire District Council.

In the presentation the following points were made:

- The report included an edited version and a clean version of the code that enabled Members to see the changes that had been made.
- The Committee was being asked to approve the latest version of the Local Code of Corporate Governance which had set out the framework and overarching principles for how the Council would conduct its affairs and governance.
- The Annual Governance Statement was a backward-looking document that would review the Council's previous work against the Local Code of Corporate Governance. The statement would be brought to the Committee for consideration early in the next financial year.
- The Annual Governance Action Plan would look ahead at improvements in governance that would be made over the next twelve months. An update on the Action Plan would be brought to the next Committee meeting.

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- In May 2025 a new addendum with proposed changes had been published entitled, “Delivering Good Governance in Local Government Framework”. The Local Code of Corporate Governance had been overlaid with the changes proposed in the addendum. The Officer noted that the Council was already majority compliant with the requirements.

In the discussion the following points were raised:

- A Member queried the degree to which Members could be involved in drafting job descriptions for job advertisements and recruitment at the Council. Officers advised that responsibility for recruitment was with the Head of Paid Service and was considered an operational aspect. The Council had expertise in Human Resource and the service area that was recruiting to a position would liaise with them on the job requirements of the role when completing job descriptions and recruitment.
- A discussion took place as to how the culture, which was key to good governance, was communicated to the staff. Officers highlighted that a People Strategy had been created which had laid out the organisation’s vision and strategies, and staff surveys were undertaken to check that staff had taken this on board.
- The availability and location of further KPI detail was requested, specifically in planning processes. Officers advised that the Quarterly Service Reports that were brought to the Executive contained this information.

Councillor Nigel Ridpath proposed that the Committee adopted the latest version of the Local Code of Corporate Governance. This was seconded by Councillor Joy Aitman and agreed by the Committee.

Resolved:

The Audit and Governance Committee reviewed and adopted the latest version of the Local Code of Corporate Governance.

107 Audit and Governance Committee Work Programme

The Head of Democratic and Electoral Services advised that, at the request of a member of the Committee, a member briefing was being arranged for March on property and assets.

There were no further comments on the Committee workplan for the remainder of the year.

108 Exclusion of Public and Press

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This item was not required.

109 Restricted minute for Item 10 from the meeting of the Committee on 25 September 2025-
Cyber Security Update

This item was not considered.

The Meeting closed at 6.38 pm

CHAIR

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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.
Subject	EXTERNAL AUDIT PLAN FOR YEAR ENDED 31 MARCH 2026
Wards affected	ALL
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Summary/Purpose	To present Members with the draft External Audit Plan for the year ended 31 March 2026.
Annexes	Annex A – External Audit Plan for Year Ended 31 March 2026
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none"> I. Note the content of the report and the annex containing the External Audit Plan for West Oxfordshire District Council for Year Ended 31 March 2026.
Corporate priorities	External Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO

Consultees	Not Applicable
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1. BACKGROUND

- 1.1** Each year the External Auditors are required to provide the Audit and Governance Committee with an:
- i) Overview of the nature and scope of the audit and
 - ii) Bring to their attention the key aspects of the audit.

2. MAIN POINTS

- 2.1** Annex A to this report contains the Draft External Audit Plan for the year end 31 March 2026 ('the draft Audit Plan).
- 2.2** Charlie Martin, Key Audit Partner from our External Auditors Bishop Fleming, will be joining the meeting to present the plan.

3. ALTERNATIVE OPTIONS

- 3.1** None.

4. CONCLUSIONS

- 4.1** The Committee are requested to note the draft Audit Plan.

5. FINANCIAL IMPLICATIONS

- 5.1** None.

6. LEGAL IMPLICATIONS

- 6.1** None.

7. RISK ASSESSMENT

- 7.1** None.

8. EQUALITIES IMPACT

- 8.1** None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

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Appendices

1. Required communications with the Audit and Governance Committee
2. Sector updates

Welcome

The purpose of this report is to give you an overview of the nature and scope of our audit work and bring to your attention the key aspects of the audit. This document also ensures that there is good communication between us, as auditors, and you.

If you have any queries regarding the plan, including the arrangements noted below, then please do not hesitate to contact us.

This Audit Plan has been prepared for the sole use of the management and those charged with governance of West Oxfordshire District Council (the Council). Except where required by law or regulation, this report should not be made available to any other parties without our prior written consent. No responsibilities are accepted by Bishop Fleming towards any party acting or refraining from action as a result of this plan.

We are issuing our 2025/26 External Audit Plan now to ensure that there is timely discussion of the key areas of focus.

Charles Martin
Key Audit Partner

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E: CRMartin@bishopfleming.co.uk

1. General Audit Information

Engagement objectives and scope

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Council at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Throughout the audit we will also ensure that, in line with the latest Auditing Standards, we communicate on a regular basis with the Audit and Governance Committee as those charged with governance.

We are also required to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026. The Code requires us to report on the Council's arrangements under three specified reporting criteria:

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

The respective responsibilities of the audited body and the auditor are summarised in the Code. They are also set out in the Public Sector Audit Appointments' Statement of Responsibilities of auditors and audited bodies as the body responsible for appointing us as your external auditor.

Audit reports

Financial statements

On completion of our audit work on the financial statements, we will issue our Audit Completion Report to the Audit and Governance Committee, which will set out our findings.

In our auditor's report, we will report on the basis under which the financial statements have been prepared and whether they give a true and fair view. The auditor's report will also:

- report on whether other information presented with the audited financial statements (for example, the Narrative Report and Annual Governance Statement) is materially consistent with the financial statements or our knowledge obtained in the audit; and
- conclude on the appropriateness of management's use of the going concern basis of accounting.

The form and content of our auditor's report may need to be amended in light of our audit findings.

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement (AGS) does not comply with 'Delivering Good Governance in Local Government: Framework 2016 Edition' published by CIPFA/SOLACE and the subsequent Addendum published in May 2025 – see page 14 for more detail on the Addendum; or
- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Council under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or

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

Where no matters are identified, this will also be confirmed.

Value for Money arrangements

On the completion of our work on whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, we will issue our Auditor’s Annual Report to those charged with governance/the Audit and Governance Committee. This will provide a commentary on the Council’s arrangements under the three specified criteria. The report will also set out whether any significant weaknesses were identified and any relevant recommendations.

Audit materiality

In planning and performing our audit work we will consider whether the financial statements are free from ‘material misstatement’.

Materiality is an expression of the relative significance of a particular matter in the context of the financial statements as a whole. In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements. Thus, different materiality levels may be appropriate when considering different aspects of the financial statements.

If there are any areas of specific concern in which you would like us to pay particular attention to then we will be pleased to discuss this with you, and whether our audit approach can be readily adapted to accommodate such a level in that area, or whether it will be more appropriate for a special exercise to be carried out on the area.

Our basis of materiality has been set as follows:

	Basis of planning materiality
West Oxfordshire District Council	2% of gross expenditure on provision of services This equates to £1,285k*

**Based on the 2024/25 audited accounts. We will update our materiality on receipt of the 2025/26 unaudited financial statements, published for public inspection.*

Whilst the level of materiality is applied to the financial statements as a whole, we must also address the risk that any identified unadjusted audit differences are material when considered in aggregate. To reduce the risk of this being the case, we apply a lower level of materiality which we utilise within our work, known as Performance Materiality. This is set at a lower level than overall materiality and is determined by our assessment of the element of audit risk that pertains to the internal control environment of the Council.

Risk assessment and significant risks

Financial statements

When planning our audit work, we will seek to minimise the risk of material misstatements occurring in the financial statements. To do this, we consider both the risk inherent in the financial statements themselves and the control environment in which the Council operates. We then use this assessment to develop an effective approach to the audit.

This risk assessment directs our testing towards the balances and transactions at the greatest risk of material misstatement so as to minimise the risk of undetected material misstatements. However, we do not test every group of transactions or balances but carry out sample testing of balances and transactions.

Therefore, there is an inherent and unavoidable risk that some material misstatements may not be detected and therefore audit procedures should not be relied upon to detect all material misstatements, fraud, irregularities or instances of non-compliance.

Based on our knowledge of the Council, we have identified the following as significant risk areas to be addressed during the audit along with our proposed audit approach.

Significant risks:

Risk	Audit Approach
<p>Management override of controls (required under the ISAs)</p>	<p>We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed. To address this risk, we will:</p> <ul style="list-style-type: none"> • Review the reasonableness of accounting estimates and critical judgements made by management; • Test material journals processed at the year-end; and • Test other journals with key risk attributes. <p>In testing journals, we will use data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.</p>
<p>Valuation of land and buildings</p> <p><i>There are a number of changes required to local authority financial statements as a result of CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. Further detail is set out in our Sector Update at the back of this Plan. Our audit approach has been updated to reflect these changes.</i></p>	<p>There is a risk over the valuation of these assets due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements. To address this risk, we will:</p> <ul style="list-style-type: none"> • Hold early discussions with key officers within the Council to ascertain how the Code changes required are being implemented and whether proposed actions are in line with the guidance; • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls; • Review the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert; • Write to the valuer to confirm the basis on which the valuation was carried out; • Confirm that the basis of valuation for assets valued in year is appropriate based on their usage; • Review the appropriateness of assumptions used in the valuation of land and buildings; • Review accuracy and completeness of information provided to the valuer, such as floor areas; • Test a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register;

Risk	Audit Approach
	<ul style="list-style-type: none"> • Form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual; • For assets not formally revalued in the year, review the indices selected by the Council to ensure they are: <ul style="list-style-type: none"> ○ verifiable; ○ relevant to the asset type and the location of the asset; and ○ appropriate for 31 March; • Consider whether Indices have been applied to carrying amounts in accordance with the requirements of the Code, that the selection of accounting policies is reasonable and appropriate to the Council's circumstances and that accounting treatments have been applied consistently across asset types.
Valuation of investment properties	<p>There is a risk over the valuation of these assets due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions and judgements. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls; • Review the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert; • Write to the valuer to confirm the basis on which the valuation was carried out; • Confirm that the basis of valuation for assets valued in year is appropriate based on their usage; • Review the appropriateness of assumptions used in the valuation; • Review accuracy and completeness of information provided to the valuer, such as floor areas; • Test a sample of revaluations made during the year to ensure that they have been input correctly into the Council's asset register; and • Form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Council's financial statements, following up valuation movements that appear unusual.
Valuation of the pension fund net liability	<p>There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions. To address this risk, we will:</p> <ul style="list-style-type: none"> • Document our understanding of the processes and controls put in place by management, and evaluate the design of the controls; • Review the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert; • Consider the accuracy and completeness of the information provided to the actuary; • Ensure that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary; • Carry out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and

Risk	Audit Approach
	<ul style="list-style-type: none"> Obtain assurances from the auditor of the Oxfordshire County Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

As part of our planning, we have rebutted the risks of fraud in revenue recognition (required under the ISAs) and fraud in expenditure recognition (required under the Financial Reporting Council’s Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom).

We will report back to you, as part of our completion audit work, on the outcome of our work addressing the significant risk areas.

Value for Money arrangements

As part of our planning work, we have also considered whether there are any risks of significant weakness in the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources that we need to perform further procedures on.

We have not identified any risks of significant weakness at this stage.

We will keep our risk assessment under continual review, and any changes will be communicated to those charged with governance.

Control environment

Through our audit planning procedures, we will continue to develop our understanding of the control environment in which the Council operates.

At the time of issuing our Audit Plan we have concluded that the control environment in which the Council operates is effective and we will tailor our audit approach accordingly.

Although we consider that the Council operates effective and formalised controls, we will not incorporate controls-based testing into our audit approach. Therefore, our work will focus on substantive procedures.

Adjusted and unadjusted items

Of the potential audit adjustments that we identify during our audit work, some may require adjustment. The decision to make an adjustment to the financial statements is one that the Council will need to make.

At the conclusion of the audit, we shall provide you with a schedule of potential adjustments that we identified during our audit work.

We will require you to confirm that you have considered the items and whether you have decided to adjust them in the financial statements; this will be included in the letter of representation.

We shall also provide you with a schedule, detailing those items that we identified during our audit work, which have not been adjusted for in the financial statements. This summary will not include errors that are ‘clearly trivial’, defined by us as those errors which individually account for no more than 5% of our materiality level.

We will require you to confirm that you have duly considered these unadjusted errors and that you have decided not to adjust for them in the financial statements; this will also be included in the letter of representation.

Fraud

While the Council has the ultimate responsibility for the prevention and detection of fraud, we are required to obtain reasonable assurance that the financial statements are free from material misstatement, including those arising as a result of fraud. Our audit approach includes the consideration of fraud throughout the audit, including making enquiries of management and those charged with governance.

Prior year recommendations

We will follow up on the progress made by the Council in addressing the recommendations made by us in respect of issues reported in our 2024/25 Audit Completion Report and our 2024/25 Auditor's Annual Report.

2. The Audit Team

Key Audit Partner:	Charles Martin
Email:	CRMartin@bishopfleming.co.uk
Manager:	Jonathan Saunders
Email:	Jonathan.Saunders@bishopfleming.co.uk
Senior:	Lottie Cobley
Email:	LCobley@bishopfleming.co.uk

3. Timetable

We have completed a debrief and planning meeting with management. Based on this, we have developed a timetable that works for both sides. It aligns the planned audit work with the availability of both management and the audit team. A summary audit timetable has been included below:

West Oxfordshire District Council			
YEAR END: 31 March 2026			
Date	Requirement	Bishop Fleming	Council
Throughout 2026	Regular liaison meetings with management and the Chair of Audit and Governance Committee	✓	✓
March 2026	Issue of audit deliverables	✓	
March 2026	Planning procedures and interim audit work undertaken, examining systems and controls in place, and early substantive testing on transactions to February 2026	✓	✓
30 June 2026	Date for receipt of the draft financial statements		✓
August 2026	Date for receipt of audit deliverables		✓
August 2026	Date for receipt of Value for Money self-assessment from management		✓
w/c 17 August 2026	Audit fieldwork to be undertaken, completing work on significant risk areas and other material balances	✓	✓
August 2026	Audit team to undertake Value for Money work	✓	
w/c 7 September 2026	Audit fieldwork to finalise any remaining queries from the year-end fieldwork	✓	✓
w/c 12 October 2026	Audit completion to be undertaken	✓	✓
October 2026	Audit completion meeting to discuss draft Audit Completion Report	✓	✓
26 November 2026	Presentation of Audit Completion Report and Auditor's Annual Report to those charged with governance	✓	✓

4. Audit Fees

West Oxfordshire District Council, in line with most other local government bodies, opted into the national scheme run by PSAA for the appointment of its external auditor for the five-year period with effect from 2023/24.

PSAA set the scale fee for the audit of West Oxfordshire District Council under the contract. The audit scale fee (excl. VAT) set by PSAA for the Council and our proposed variations are set out below:

PSAA scale fee 2025/26	£158,151
------------------------	----------

The scale fees set by PSAA:

- are based on the expectation that complete and materially accurate financial statements, with supporting working papers, will be available within agreed timeframes, as set out in [PSAA's Statement of Responsibilities document](https://protect-eu.mimecast.com/s/YbedCBLQRSDBLE2UzunT-?domain=psaa.co.uk/) (<https://protect-eu.mimecast.com/s/YbedCBLQRSDBLE2UzunT-?domain=psaa.co.uk/>); and
- reflect as far as possible the previous assessment of audit risk and complexity.

Where work was substantially more or less than envisaged by the scale fee, we will propose that the fees should be varied. PSAA determine the outcome of any fee variations. The proposed fee variations set out above reflect issues that were not reflected in the scale fee when it was set by PSAA.

As the individual responsible for the project management of the audit, Jonathan will monitor the position in relation to any issues that could potentially give rise to a fee variation and discuss them with the Director of Finance at the earliest opportunity.

There are no non-audit fees proposed at the planning stage.

5. Ethical Issues

In order to comply with professional and ethical standards we are required to communicate to you all significant facts and matters that, in our professional judgement, may affect the firm's independence. This is for reference only, and unless you wish to make any comments, there is no need to respond.

Threats & safeguards

The standards require us to consider the perceived potential threats to our objectivity and independence in carrying out the audit. We are not providing any other audit related or non-audit related services. We have not identified any threats to the firm's independence.

Overall assessment

We can confirm that we comply with the Financial Reporting Council's (FRC) Ethical Standard and are able to issue an objective opinion on the financial statements. There are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

Maintaining objectivity & independence

As a firm we have policies and procedures in place to monitor auditor objectivity and independence on a regular basis. If any additional threats are identified, we will of course advise you immediately.

We also perform an annual review of completed audit engagements for quality control purposes.

If you would like to discuss any of the above, please contact us.

Appendices

1. Required communications with the Audit and Governance Committee

Under the auditing standards, there are certain communications that we must provide to the Audit and Governance Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the Council; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud. 	Audit Completion Report Discussions at audit and governance committees
Significant matters arising during the audit in connection with the Council's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at audit and governance committees
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the Council.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report

2. Sector updates

Key changes to the Code of Practice on local authority accounting in the United Kingdom 2025/26

Valuation of Property, Plant and Equipment

There are a number of changes required to local authority financial statements as a result of CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes are:

- A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. Alternatively, a desktop valuation in year three in rare cases where no index is available;
- Intangible assets to be held at historical cost only;
- Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures;
- To assist authorities, an existing adaptation has been removed to allow both options permitted by IAS 16 for the treatment of accumulated depreciation when assets are revalued. This aligns with existing arrangements in the FrEM; and
- A clarification to ensure that undertaking a full revaluation should not be a default process to demonstrate there has not been a material impairment of an asset and to comply with IAS 36 (impairment of assets).

Guidance is set out in [CIPFA Bulletin 22 Indexation application guidance](https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-22-indexation-application-guidance) (<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-22-indexation-application-guidance>).

Annual Governance Statement

Following the publication of [Delivering Good Governance in Local Government: addendum | Solace](https://solace.org.uk/delivering-good-governance-in-local-government-addendum/) (<https://solace.org.uk/delivering-good-governance-in-local-government-addendum/>) covering the annual review of governance and the annual governance statement (2025), the content of the annual governance statement (AGS) has changed. Local authorities should refer to the addendum for full details. However, the AGS should contain the following elements:

- An executive summary, including an overall opinion on whether governance arrangements were fit for purpose;
- An assessment of effectiveness, setting out how the overall opinion was arrived at;
- Where governance needs to improve, including an action plan;
- How governance has been improved over the current financial year; and
- A forward look on governance.

English Devolution and Community Empowerment Bill

In last year's Audit Plan we outlined the Government's proposals around devolution and Local Government reorganisation which were set out in the English Devolution White Paper published in December 2024.

The White Paper announced planned changes to the Devolution Framework, aimed at "completing the map" by establishing new Strategic Authorities throughout England. Although the White Paper allowed for other options, these Strategic Authorities were intended to be partnerships of multiple local authorities across a large geography with their own Mayor. These Strategic Authorities would be given "areas of competence" such as performing functions in transport and local infrastructure and skills and employment support and empowered to deliver on them.

Since then the Government has drafted the English Devolution and Community Empowerment Bill which is currently going through Parliament. Alongside the changes outlined above, provisions within the Bill will also enable the establishment of a new public body, the Local Audit Office (LAO), to oversee the local audit system. These provisions set statutory objectives for the LAO and prescribe key elements of its governance processes and

structures. The LAO's functions will include setting fees, appointment of auditors to eligible bodies, setting the code of audit practice and overseeing a regulatory framework.

In concert with the Devolution Framework, the White Paper also announced a significant programme of Local Government Reorganisation with an end to the remaining two-tier areas, resulting in all local authorities reorganised into unitary councils.

The Local Government and Public Involvement in Health Act 2007 (the 2007 Act) provides the statutory process for making structural changes to councils. The following paragraphs explain how this process works with specific reference to the invitation to all councils in two-tier areas (and small neighbouring unitary authorities) to develop proposals for unitary local government. Broadly, the stages are:

1. **Stage one: Inviting unitary proposals.** Invitations went to the 21 two-tier areas and their neighbouring small unitary authorities and included statutory guidance pursuant to the 2007 Act, specifying criteria for establishing new unitary authorities and matters that should be taken into account.
2. **Stage two: Submission of formal unitary proposals.** Each council could only make one formal proposal for unitary local government, and a proposal could either be submitted individually by a council or jointly with other councils that were invited. The Secretary of State could decide to take forward proposals that are submitted by areas with or without modification.
3. **Stage three: Statutory consultation.** The Government will carry out a statutory consultation in accordance with the requirements of the legislation, which is that the Secretary of State must first consult any council affected that has not submitted the proposal, as well as any other persons considered appropriate, before a proposal can be implemented.
4. **Stage four: Decision to implement a proposal.** Once a statutory consultation is concluded, Ministers will decide, subject to Parliamentary approval, which, if any, proposal is to be implemented, with or without modification. In taking these decisions, Ministers will judge proposals in the round against the criteria. In making a decision, Ministers will have regard to all the representations that were received, including the consultation responses, and any other relevant information available. The decision taken will be subject to collective agreement across Government.
5. **Stage five: Making secondary legislation – the Structural Changes Order (SCO).** Once a decision is taken on which proposal to implement, the Ministry for Housing, Communities and Local Government (MHCLG) will prepare the necessary legislation (the SCO) for Parliamentary approval. The SCO establishes the new single tier of local government in the relevant area and makes provision to abolish the predecessor councils. MHCLG will work with the current councils during the preparation of the legislation, seeking input on specific matters which might include names of the new councils, transitional arrangements and electoral arrangements:
 - a. **The Order:** will specify arrangements for the first elections for the new unitary council/s, councillor numbers, the functions the new council has in the transition period and establish suitable governance arrangements for the transition period before new councils go live, by giving powers to the relevant executive or joint committee overseeing the transition.
 - b. **Elections:** Typically, the first elections to new unitary councils take place on electoral arrangements specified in the SCO, and which are built using a mixture of existing wards, divisions or, in some cases, parishes.
 - c. **Transition period arrangements:** The SCO will specify the governance arrangements for the new unitary councils in the transition period i.e. what sort of transition body will be in place during the transition period until predecessor councils are abolished and new unitary councils go live.
6. **Stage six: Transition period.** Once the SCO has been made, the existing councils carry on delivering services and fulfilling their duties until vesting day, while preparing to transfer all assets, functions and staff on vesting day when the predecessor councils are dissolved and the new unitary authority takes on the legal duties and powers for providing local government to the area.
7. **Stage seven: New unitary authority goes live.** This is vesting day. While preparatory work may start with the development of proposals and continue through the process, a minimum of around a year is allowed to enable safe and legal transfer of key services from the point the legislation is made, to when the new unitary council/s goes live. Elections to the new unitary councils, in the transition year ahead of vesting day, aid a safe and legal transition by ensuring those who will be responsible for governing the new authority/ies are accountable for decisions on transition arrangements.

The timelines for the changes are that following final proposals being submitted at the end of November 2025, a consultation would be launched in the New Year, and it would likely close after the local elections in May 2026. Following this, decisions on which proposal to implement could be announced before the summer recess. Secondary legislation would then be prepared, to be laid in the House after the summer recess. The legislation

could then be made, subject to Parliamentary approval. This would allow for elections to the new unitary authorities on 6 May 2027. The new authorities would then go live on 1 April 2028.

Local audit reform and the local audit backstop

The local audit system has faced a significant backlog of outstanding unaudited accounts at local authorities (and some other local bodies including police, fire and national parks authorities), covering multiple financial years. Just one per cent of these bodies published audited accounts for 2022/23 by the original deadline. The audit backlog was also the key factor in the Comptroller and Auditor General's decision to issue disclaimed opinions on the Whole of Government Accounts for financial 2022/23 and 2023/24.

In 2024, the Government introduced a local audit backstop programme, structured around six publication dates for audited accounts, to clear the backlog and enable a greater focus on recent accounts, setting in motion the reestablishment of discipline required for the timely publication of both unaudited and audited accounts.

While the backstops have also resulted in many disclaimed audit opinions, auditors' other statutory duties – including to report on value for money arrangements, to make statutory recommendations and issue Public Interest Reports – remain a high priority.

For the next three years, the statutory publication date for unaudited accounts will be 30 June, while the planned backstop dates are:

- 2025/26: 31 January 2027
- 2026/27: 30 November 2027
- 2027/28: 30 November 2028

In the interests of transparency, the Government committed to publishing a non-compliance list of local bodies failing to publish audited accounts by the backstop dates. See [Addressing the local audit backlog in England: Non-compliance lists](https://www.gov.uk/government/publications/addressing-the-local-audit-backlog-in-england-non-compliance-lists) (https://www.gov.uk/government/publications/addressing-the-local-audit-backlog-in-england-non-compliance-lists).

Given the large number of disclaimed opinions, the backstops were announced alongside a five-year programme for building back assurance, with an aspiration that local audit recovers as soon as possible within that period. The Government continues to work with local bodies and audit firms to achieve this aim, and is considering what further measures may be necessary to support the process.

The Government has written to all audit firms and to all local bodies in the process of rebuilding assurance to underline the need for everyone to work together to accelerate progress and prioritise resources accordingly.



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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026</p>
<p>Subject</p>	<p>FINANCIAL PROCEDURE RULES MARCH 2026.</p>
<p>Wards affected</p>	<p>ALL</p>
<p>Accountable member</p>	<p>Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk</p>
<p>Report author</p>	<p>Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To present Members with the revised Financial Procedure Rules March 2026</p>
<p>Annexes</p>	<p>Annex A – Financial Procedure Rules March 2026</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolve to:</p> <p style="padding-left: 40px;">I. Approve the Financial Procedure Rules March 2026</p>
<p>Corporate priorities</p>	<p>Internal Audit supports all Council Corporate Priorities</p> <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees</p>	<p>Not Applicable</p>

1. BACKGROUND

- 1.1 The Financial Procedure Rules (FPR's) were last reviewed in July 2015.
- 1.2 There have been numerous organisational changes since 2015, the most recent being Publica Transition Phase 1 and Phase 2.
- 1.3 The revised FPRs have been significantly amended to reflect these changes.
- 1.4 The first draft of the revised FPR's was reviewed by the Constitution Working Group on 19th November 2025.
- 1.5 The final approval route was agreed as the Audit and Governance Committee meeting on 19 March 2026.

2. MAIN POINTS

- 2.1 The annex to this report contains the final version of the FPR's March 2026.

3. ALTERNATIVE OPTIONS

- 3.1 None.

4. CONCLUSIONS

- 4.1 The Audit and Governance Committee are requested to approve the FPR's March 2026.

5. FINANCIAL IMPLICATIONS

- 5.1 None.

6. LEGAL IMPLICATIONS

- 6.1 None.

7. RISK ASSESSMENT

- 7.1 None.

8. EQUALITIES IMPACT

- 8.1 None.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

None.

(END)

WEST OXFORDSHIRE DISTRICT COUNCIL

Financial Procedure Rules

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1 Introduction

1.1 Financial Procedure Rules ('FPR's), together with Contract Procedure Rules (CPR's) and other forms of guidance on procedure and conduct, provide the framework for managing West Oxfordshire District Council's ('the Council's') financial affairs, ensuring high integrity and accountability. They apply to every Member and Officer of the Council and anyone acting on behalf of the Council.

1.2 To conduct its business efficiently the Council needs to ensure that there are sound financial management policies in place and that these are strictly adhered to. Part of this process is the establishment of FPR's that set out the financial policies of the Council.

1.3 These FPR's are made pursuant of the Local Government Act 1972, Section 151 the Accounts and Audit Regulations 2003 (as amended) and all other enabling powers.

1.4 The FPR's provide clarity over the accountabilities of individuals, ensures that the Council uses best practice when dealing with financial matters and that Council resources are used wisely.

1.5 For the purpose of these FPR's, the description "Full Council" shall refer to the Full Council, made up of elected members, and the term 'Officer' or 'Officers' includes:

- all employees and agency staff engaged by the Council;
- all employees and agency staff engaged by either Publica Group Ltd, Cotswold District Council or Forest of Dean District Council who are authorised to act on behalf of the Council through "Shared Service Arrangements".

2 Procedure

2.1 The FPR's shall be complied with by all Officers and Members of the Council and those acting on behalf of the Council through Shared Service Arrangements. If job titles and roles differ between the Council and other entities delivering Shared Service Arrangements, the responsibilities defined in the FPR's shall be adopted by the most appropriate role (taking account of seniority) within each organisation's structure, agreed locally.

2.2 Full access to financial systems and records shall be given to delegated Officers operating within Shared Service Arrangements in order to facilitate transactional processing and other finance related work, as required.

2.3 The FPR's identify the financial responsibilities of Full Council, Executive and Executive Members, other Members, the Head of Paid Service (Chief Executive), the Monitoring Officer, the Chief Finance Officer, other Directors and Heads of Service and all other Officers.

2.4 Directors and Heads of Service are responsible for ensuring that all Officers in their departments are aware of their responsibilities according to the FPR's and other internal regulatory documents and comply with them.

2.5 Executive Members and Senior Officers should maintain a written record where these responsibilities have been delegated to Officers, including seconded Officers and Officers working through Shared Service Arrangements.

2.6 Where responsibilities have been delegated or devolved to other responsible Officers, references to the Members or Senior Officers in the FPR's should be read as referring to them.

2.7 All Members and Officers have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money. Nothing included in or omitted from these FPR's shall detract from this responsibility.

2.8 The Chief Finance Officer is responsible for maintaining a continuous review of the FPR's and advising Full Council and the Audit and Governance Committee of any material additions or changes necessary.

2.9 Should an instance of non-compliance with these FPR's be discovered the Chief Finance Officer may, after consultation with the Chief Executive, make a report to the Leader, Full Council and/or Executive, as appropriate. Non-compliance with FPR's may also lead to disciplinary action being taken.

FINANCIAL PROCEDURE RULES

A: FINANCIAL MANAGEMENT

A1 Introduction

A1.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the Policy Framework and Budget.

A1.2 Key processes and controls must be in place to ensure good financial management and help the Council conduct affairs in an efficient, effective and economic manner.

A1.3 Monitoring systems must be in place to review compliance with financial standards and to ensure compliance with legal and corporate requirements for accountability.

A2 Emergencies

A2.1 Nothing in these FPR's or the CPR's shall prevent the Executive, the Senior Leadership Team comprising of the Chief Executive, Monitoring Officer, Section 151 Officer and Director of Place or the Managing Director or an Executive Director of Publica from incurring expenditure essential to meet any immediate needs created by an emergency, or which is referable to Section 138 of the Local Government Act 1972. This should be done in accordance with the Council's Constitution. Any such action shall be reported as soon as possible to the Executive, detailing the nature of the emergency, the action taken, the financial implications and any other consequences.

A3 Full Council

A3.1 The Full Council is responsible for:

- Adopting the Council's Constitution and Members' Code of Conduct and for approving the Policy Framework and Budget within which the Executive operates.
- Approving and monitoring compliance with the Council's overall framework of accountability and control. The framework is set out in the Council's written Constitution.
- Approving procedures for recording and reporting decisions taken. This includes decisions taken by the Council, the Executive, Committees and Officers. These delegations and details of who has responsibility for which decisions are set out in the Council's Constitution.

A3.2 The Full Council (together with the Chief Financial Officer) has a statutory responsibility to ensure:

- The setting of the annual budget, including the allocation of financial resources to different services and projects, proposed reserves, the Council Tax Base and the setting of the Council Tax.

- The preparation of the annual Statement of Accounts, in accordance with the timescales set out in the Accounts and Audit Regulations.
- The publishing of the Statement of Accounts, and the External Auditor's Certificate, Opinion or Report each year following the year end to which they relate. The Council has given delegated authority for the Statement to be approved by Audit and Governance Committee or other approved Committee as per the Council's Constitution and signed by the person presiding at the Committee meeting at which the approval is given.
- The Statement of Accounts are made available for public inspection for 30 working days when an interested person, for example, business rate payers, Council Tax payers or those who pay fees and charges, may exercise their rights under the Local Audit and Accountability Act 2014 and the Local Audit (Public Access to Documents) Act 2017.
- The publication of the Annual Audit and Inspection letter received from the External Auditor.
- That public notice is given by advertisement of the conclusion of the audit and that the Statement of Accounts and the External Auditor's report are available for inspection.

A4 Executive

A4.1 The Executive is responsible for discharging executive functions in accordance with the Policy Framework and Budget and for monitoring compliance with the agreed policy and related executive decisions.

A4.2 Executive decisions can be delegated to a Committee of the Executive, an individual Executive Member, an Officer, a Joint Committee.

A4.3 The Constitution contains a requirement to ensure that an individual Executive Member consults with relevant Officers before taking a decision within their delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

A4.4 No Member shall ask an Officer to incur expenditure for which there is no appropriate provision in the Budget, unless in consultation as part of an emergency as detailed in paragraph A2.1.

A4.5 A record shall be kept of the decision-making process.

A5 Overview and Scrutiny Committee(s)

A5.1 The Council has an Overview and Scrutiny Committee, responsible for the scrutiny of Executive decisions before or after they have been implemented and for holding the

Executive to account. This Committee is also responsible for making recommendations on future policy options and reviewing the general policy and service delivery of the Council.

A5.2 The Overview and Scrutiny Committee do not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to Executive and Full Council concerning any matter.

A6 Audit and Governance Committee

A6.1 The Council has an Audit and Governance Committee, responsible for ensuring effective internal control and independent assurance mechanisms across all areas of the Council.

A6.2 The Audit and Governance Committee is responsible for Internal Audit, External Audit provision, risk management, the signed approval of the Annual Statement of Accounts and the Corporate Governance Framework. This Committee does not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to other Committees and Full Council concerning any matter.

A7 Standards Sub-Committee

A7.1 The Council has a Standards Sub-Committee, established from the membership of the Audit and Governance Committee, responsible for promoting and maintaining high standards of conduct amongst Members of the Council and co-opted Members on its Committees and Sub-Committees. In particular, it is responsible for advising the Council on the adoption of the Members' Code of Conduct, and for monitoring the operation of the Code.

A7.2 The Standards Sub-Committee does not have authority over any financial activity, other than to support the work of the Committee itself but can make reports to other Committees and Full Council concerning any matter.

A8 Other Committees

A8.1 Planning and Licensing Committees-

Planning regulation and licensing are quasi-judicial functions and are exercised through Development Control, Planning Sub-Committees Lowlands and Uplands and Licensing Committees within the Council, under powers delegated by Full Council. The terms of reference for these committees are set out in the Constitution.

A8.2 Joint Committees-

The Council can set up Joint Committees with other organisations to oversee the management of activities or facilities. The financial activity of Joint Committees is governed by their terms of reference. The Council's procedural and FPR's apply to Joint

Committees unless there has been specific agreement in line with the Constitution to operate under other rules.

A9 Head of Paid Service (Chief Executive)

A9.1 The Head of Paid Service (Chief Executive) is responsible for the corporate and strategic management of the Council and fulfils the statutory role of Head of Paid Service. They must report to and provide information for Full Council, Executive, Overview and Scrutiny Committee, Audit and Governance Committee and any other Committees as required. They are responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

A9.2 The Head of Paid Service (Chief Executive) is also responsible, together with the Monitoring Officer and/or other delegated Officer, for the system of record keeping in relation to all Full Council's decisions.

A10. Monitoring Officer

A10.1 The Monitoring Officer is a statutory role within the Council. This role cannot be the Head of Paid Service or the Chief Finance Officer. The Monitoring Officer's role is defined in the Constitution, including responsibility for:

- Advising, as appropriate, Full Council on amendments to the Constitution or making such amendments as necessary to take account of decisions of the Council, a Committee, the Executive or Leader and changes of law or fact. They shall notify Members, the Head of Paid Service and other Officers as they consider appropriate.
- Contributing to the promotion and maintenance of high standards of conduct through the provision of support to the Standards Sub-Committee.
- Conducting investigations into matters referred via the Initial Assessment Process or arranging for such investigations to be made and making reports or recommendations in respect of them to the Standards Sub-Committee.
- After consultation with the Head of Paid Service and the Chief Finance Officer, reporting to Council (or Executive in relation to an Executive function), if they consider that any proposal, decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

A11 Chief Finance Officer (Section 151 Officer)

A11.1 Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should make arrangements for the proper administration of their financial affairs and shall secure that one of their Officers has responsibility for the administration of those affairs. This Officer must be a member of a specific accounting body.

A11.2 The Chief Finance Officer is therefore a statutory role of the Council, with statutory duties in relation to the financial administration and stewardship of the Council. They (or their designated deputy) shall have the right and duty to advise Full Council, Executive, Committees and Senior Leadership Team on priorities in relation to resources and capital expenditure. This statutory responsibility cannot be overridden.

A11.3 The Chief Finance Officer is responsible for:

- The proper administration of the Council's financial affairs.
- Determining the Council's accounting records, including the form of accounts and supporting accounting records and its accounting control systems, in compliance with the Accounts and Audit Regulations 2003.
- Providing financial information and advising on the corporate financial position of the Council as required.
- Ensuring that the Annual Statement of Accounts are prepared in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.
- Signing the Annual Statement of Accounts and certifying that it presents a true and fair view of the financial position of the council at the financial year end.
- Preparing the Medium-Term Financial Strategy and the Annual Revenue Budgets and Capital Programmes, within the Policy Framework.
- Reporting to Full Council (under the requirement of Section 25 of the Local Government Act 2003), when it is considering its Budget, council tax and housing rents (if applicable) for the new financial year. This 'Section 25' report to include the Chief Finance Officer's opinion on the robustness of the estimates and adequacy of reserves.
- Advising the Council on the level of reserves needed for meeting estimated future expenditure, in accordance with the statutory requirement for billing authorities to maintain financial reserves (under Sections 32 and 43 of the Local Government Finance Act 1992).
- Treasury Management.
- Advising the Executive or Full Council about whether a decision is likely to be considered contrary to or not wholly in accordance with the approved Budget.
- Providing regular reports to the Executive on the Council's finances and financial performance.
- Monitoring compliance with the FPR's and CPR's and reporting, where

appropriate, breaches of these rules to the Executive and/or Full Council.

- Formally reviewing the FPR's and CPR's every five years and reporting the revised Rules to Full Council for approval.
- Maintaining a continuous review of the FPR's and CPR's and making any non-material changes to the Rules, as considered necessary, or as part of that review.
- Advising the Audit and Governance Committee of any material additions or changes necessary to the FPR's.
- Issuing advice and guidance to underpin these rules for Members and Officers to follow.

A11.4 Section 114 of the Local Government Finance Act 1988 requires:

- The Chief Finance Officer to nominate a properly qualified Officer to deputise should they be unable to perform the Chief Finance Officer duties personally.
- The Council to provide the Chief Finance Officer with sufficient and suitably qualified Officers, accommodation and other resources, including legal advice where necessary, in order to carry out the Chief Finance Officer duties.

A12 Directors and Heads of Service

A12.1 Directors and Heads of Service are responsible for the delivery of their own service(s) and for the day- to- day management of their service(s) budgets. Spending and income generation should be in accordance with service budgets and performance monitored against budget.

A12.2 Each Director or Head of Service is responsible for:

- Complying with the FPR's and CPR's and other internal regulatory documents and ensuring that all Officers within their service(s) are aware of the existence and content of these Rules.
- Advising Executive Members of the financial implications of all proposals and ensuring that the financial implications have been agreed by the Chief Finance Officer.
- Consulting with the Chief Finance Officer or delegated Deputy and seeking approval on any matter liable to affect the Council's finances materially (defined as in excess of £10,000), before any commitments are incurred.
- Ensuring that all systems and controls within their service(s) are operated to prevent, minimise and detect any opportunity for fraud, theft or other irregularity. They should ensure the accountability and control of Officers and the security,

custody and control of all other resources within the service(s).

A13 Officers

A13.1 All Officers acting on behalf of the Council are responsible for:

- Complying with the FPR's and CPR's and any other internal regulatory documents of the Council.
- Keeping accurate and comprehensive records to support transactions they undertake on the Council's behalf. These records must be in accordance with the accounting systems and policies established by the Chief Finance Officer.
- Avoiding conflicts of interest and ensuring compliance with the employees' code of conduct.

A14 Internal Audit

A14.1 The Accounts and Audit Regulations 2015 (England) requires that the Council must undertake an adequate and effective internal audit of its accounting records and its system of internal control, in accordance with the proper practices in relation to internal control.

A14.2 The Chief Finance Officer is responsible for ensuring that arrangements are put in place to ensure financial stewardship, probity and compliance with laws and regulations within the Council.

A14.3 The Head of Internal Audit role and the Internal Audit function is provided by South West Audit Partnership Internal Audit Services. The Head of Internal Audit is responsible for providing a written report to those charged with governance, which includes an opinion on the adequacy and effectiveness of the Council's control environment under the CIPFA Code of Practice for Internal Audit in Local Government and the Accounts and Audit Regulations 2015.

A14.4 The Council's Internal Audit function is responsible for reviewing and reporting on corporate and departmental internal control arrangements, both financial and operational, as appropriate. This function can be provided by a suitably qualified external body (for example a shared Internal Audit Service).

A14.5 Internal Audit shall provide positive assurance when financial controls are effective and recommendations for improvement where they are not. They shall advise all levels of management on the operation of financial and operational controls to help prevent things going wrong.

A14.6 Internal Audit are responsible for the investigation and reporting of all suspected irregularities, at the request of the Chief Finance Officer, Monitoring Officer, the Chief Executive or a Director. The Counter Fraud and Enforcement Unit may also be instructed to carry out investigations of irregularity. Where there is the possibility of

fraud, Internal Audit may support an investigation lead by the Counter Fraud Manager.

A15 External Audit

A15.1 The Council's External Auditor is responsible for considering whether the Council has proper arrangements in place for:

- Giving an opinion on the Council's financial statements.
- Assessing how it secures economy, efficiency and effectiveness in its use of resources (the Value for Money statement); looking at how the Council is prioritising resources and improving efficiency and productivity.

B: FINANCIAL PLANNING, BUDGET PREPARATION AND BUDGET MONITORING

B1 Introduction

B1.1 Full Council is responsible for agreeing the Council's Policy Framework and Budget, which will be proposed by the Executive. In terms of financial planning, the key elements are the corporate plan, the annual revenue budget, the capital programme and the Medium-Term Financial Strategy.

B1.2 The Policy Framework comprises a number of statutory plans and strategies that are listed in the Council's Constitution.

B1.3 The budget is the financial expression of the Council's plans and policies. It reflects Full Council, Executive and Committee priorities and gives authority to Budget Holders to incur expenditure or collect income. It should take due account of the risks and opportunities facing the Council.

B1.4 The revenue budget must be constructed to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets are needed so that the Council can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for the Council to budget for a deficit.

B1.5 Medium term financial planning covering a minimum period of five years, which incorporates both revenue and capital plans, involves a planning cycle in which Members, Chief Executive, Directors and Budget Holders plan for significant events and changes to spending and income. This allows for measured and appropriate action to be taken each year when setting detailed budgets and avoids the need for urgent or undesirable action.

B2 Full Council

B2.1 Full Council is responsible for the approval and adoption of its annual Budget in February of each year prior to the start of the next financial year.

B2.2 This includes:

- The allocation of financial resources to services and projects.
- The control of capital expenditure.
- The approval of the Medium-Term Financial Strategy.
- The control of the council's borrowing requirement.
- Setting the rate of Council Tax.
- Setting the Council Tax base (unless delegated under the constitution)
- The approval of the Council Capital, Investment and Treasury Management Strategies
- The approval of the Council Pay Policy

B2.3 Full Council is responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the Policy Framework, unless otherwise delegated under the constitution.

B2.4 Full Council is responsible for setting the level at which the Executive, Executive Members and Officers may reallocate budget funds from one service to another (see virement rules, Section C).

B3 Executive

B3.1 The general format of the annual Budget will be approved by Executive, on the advice of the Chief Finance Officer.

B3.2 The Executive is responsible for:

- Co-ordinating the development of the Budget and Policy Framework and submitting budget proposals to Full Council in February prior to the start of the next financial year.
- Taking in-year decisions on resources and priorities in order to deliver the Budget and Policy Framework within the financial limits set by Full Council.
- Monitoring financial performance against the Budget.

B4 Chief Finance Officer

B4.1 The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a Medium-Term Financial Strategy is prepared on a minimum five-year basis for consideration by the Executive, before submission to Full Council in February prior to the start of the next financial year.

B4.2 The Chief Finance Officer is responsible for:

- Determining the format and the timetable for the Budget, to be agreed by Executive.
- Supplying the financial information that needs to be included in policies, strategies and performance plans in accordance with statutory requirements and agreed timetables.
- Providing guidance to Officers on budget preparation.
- Advising Full Council on Executive budget proposals in accordance with their responsibilities under Section 151 of the Local Government Act 1972. This advice is to be presented to Full Council at its budget setting meeting in February, as part of their 'Section 25' report setting out their opinion on the robustness of the estimates and adequacy of reserves.
- Ensuring that expenditure is committed only against an approved budget and that all Officers responsible for committing expenditure comply with the FPR's and other

relevant guidance.

- Establishing a framework of budgetary management and control, ensuring that financial performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.
- The preparation of Budget Monitoring reports, to be reported to Executive, reflecting significant variations to income and expenditure budgets (in excess of £10,000) and the overall financial position, on a minimum quarterly basis.
- Ensuring that appropriate and timely information is provided on receipts and payments, in order to allow budgets to be monitored effectively.
- Ensuring that systems are in place to measure activity and collect accurate financial information for use in local financial performance indicators.
- Complying with all legal requirements and CIPFA's Code of Practice on Local Authority Accounting and CIPFA's Service Reporting Code of Practice for Local Authorities.

B5 Directors and Heads of Service

B5.1 Directors and Heads of Service should manage their budgets responsibly and prudently and not create future commitments without sufficient approved budget.

B5.2 Directors and Heads of Service are responsible for:

- Contributing to the development of the Policy Framework, budgets and performance plans within their areas of responsibility. Budget estimates should be prepared in line with guidance issued by the Chief Finance Officer and have regard to known spending patterns, legal requirements and agreed corporate and/or service plans.
- Contributing to the development of corporate and service targets, objectives and performance information in their areas of responsibility.
- Developing their services' performance plans in line with statutory requirements and corporate guidance.
- Achieving the targets, objectives and levels of performance as set out in the corporate plans (including achievement of budgetary targets within their areas of responsibility).
- Complying with the accounting guidance provided by the Chief Finance Officer and ensuring that income and expenditure is properly recorded and accounted for in their service areas. Income and expenditure should not be miscoded as a means of applying unauthorised virement.
- Monitoring income and expenditure within their approved budgets and reporting to

the Chief Finance Officer significant variations to budget (in excess of £10,000). They should also take the necessary action required to improve the financial position.

B5.3 Budget responsibilities may be delegated to Service Managers within their given area of responsibility. Any such scheme of delegation should be documented and the Budget Holder made aware of their levels of authority and the contents of the FPR's. Adequate training and support should be provided to budget holders to enable them to carry out their financial responsibilities and internal controls should be established to ensure that budgets are properly monitored.

B6 Budget Holders and Other Officers

B6.1 Each delegated budget holder and Officer shall be responsible for the sound financial management and budgetary control of their delegated area. This will include the monitoring and control of all financial and finance related systems and the monitoring and control of access to computerised financial records. Significant variations to budgets, in excess of £10,000, should be reported to the Chief Finance Officer and their Director or Head of Service.

B7 Preparation of Capital Programme

B7.1 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant and equipment or vehicles. Capital assets shape the way services are delivered for the long-term and create financial commitments for the future in the form of financing costs and revenue running costs. Capital expenditure may include loans and grants which are used by others for capital purposes.

B7.2 The Chief Finance Officer is responsible for defining whether expenditure is classed as capital or revenue expenditure, having regard to Government regulations and accounting requirements.

B7.3 The Council can set a “de minimis” level for treating capital expenditure as revenue, to avoid unnecessary work in identifying potential capital spend. The current “de minimis” level is set at £10,000. Expenditure falling within the definition of capital expenditure will be charged to revenue if it is for £10,000 or less.

B7.4 The Chief Finance Officer is responsible for ensuring that a Capital Programme is prepared on an annual basis for consideration by Executive, before submission to Full Council for approval as part of the annual Budget setting process.

B7.5 Each Director or Head of Service will prepare a business case for each new item to be included in the Capital Programme, including details of the scheme, link to the Council Priorities, the capital budget requirement, a project plan, associated revenue expenditure and any other details requested by the Chief Finance Officer.

B7.6 No capital scheme shall commence which will increase the revenue expenditure of

the Council until such revenue provision has been approved.

B7.7 The Government places strict controls on the financing capacity of the Council. This means that capital expenditure should form part of an Investment Strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

B7.8 New capital schemes in year should be approved as follows:

- Amounts not exceeding £150,000 – by Executive
- Amounts in excess of £150,000 – by Full Council.

This approval is subject to the availability of the approved budget.

B7.9 As part of the capital programme, an asset management plan shall be maintained by a designated Director or Head of Service and a Capital Strategy shall be maintained by the Chief Finance Officer.

B7.10 Once a capital project has been approved, a Director, or delegated Officer, will be accountable for the delivery of the scheme and must comply with the Council's CPR's, FPR's and any other internal regulatory documents.

B8 Resource Allocation

B8.1 Where there is a mismatch between available resources and required resources, service needs should be prioritised and resources fairly allocated.

B8.2 The Chief Finance Officer is responsible for:

- Developing and maintaining a resource allocation process that ensures due consideration of the Council's Policy Framework.
- Advising on methods available for accessing additional resources and assessing their financial implications.
- Assisting in the allocation of resources to budget holders.

B9 Increases in Estimates

B9.1 Other than by virement or supplementary estimate, expenditure estimates may not be increased as a result of increased income, unless the service is designated as a trading service by the Chief Finance Officer, in consultation with the relevant Director and Executive Member. In these circumstances expenditure estimates approved by Full Council may be increased as a result of increased income, in line with the virement rules set out in the FPR's.

B10 Carry Forward of Budget

B10.1 Carry forward of planned underspend of revenue budgets into the following

financial year will only be allowed with the agreement of the Chief Finance Officer, in order to meet the needs of approved service delivery. All applications shall be submitted to the Chief Finance Officer in accordance with the agreed year end timetable.

B10.2 Chief Finance Officer approval is subject to evidence that the underspend is as a result of timing, has been committed for the same purpose as originally intended, and will be spent in the new financial year. The Chief Finance Officer will report agreed carry forwards to the Executive each year.

B10.3 All other carry forward requests, including budget under spends that have been carried forward in previous financial years, will be subject to Executive approval at the Financial Outturn meeting held after the year end (unless otherwise delegated under the Constitution).

B11 Maintenance of Reserves

B11.1 The Chief Finance Officer has a statutory obligation under the Local Government Act 2003 to report on the adequacy of the Council's reserves to Executive and Full Council; at the time Full Council considers its budget for the coming year.

B11.2 Reserves can be maintained for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing (This forms part of general reserves).
- A contingency to cushion the impact of unexpected events or emergencies (This also forms part of general reserves).
- A means of building up funds to meet known or predicted requirements (Earmarked reserves).

B11.3 The Chief Finance Officer has delegated authority to approve in year transfers to and from earmarked reserves to support the activities of the Council.

B11.4 The transfer to and from general reserves shall be the responsibility of Full Council. As part of the annual budget approval process, Full Council may delegate the amount by which such funds may be utilised and approved by Executive in meeting unforeseen expenditure.

C: SCHEME OF VIREMENT

C1 Introduction

C1.1 The scheme of virement is intended to enable the Executive, Directors and Heads of Service and Budget Holders to manage budgets with a degree of flexibility within the overall Policy Framework determined by Full Council, and therefore to optimise the use of available resources.

C1.2 Virement is the switching of resources between approved budgets at a service or cost centre level. This transfer of budgetary provision may be used if additional expenditure is required on an existing budget, providing that an equal expenditure saving or additional income can be made on another budget, subject to the Virement Rules.

C2 Full Council

C2.1 Full Council is responsible for agreeing procedures for virement of expenditure between budget headings. The virement scheme is administered by the Chief Finance Officer within the guidelines set by Full Council. Any variation from this scheme requires the approval of Full Council.

C2.2 Virement in excess of £150,000 are deemed to change the Budget and Policy Framework and require the approval of Full Council.

C3 Budget Variations within a Service

C3.1 Action to correct actual or projected variations in budgeted income or expenditure within an approved cost centre / service is delegated to the relevant Director, Head of Service or Budget Holder. These variations should not have a financial impact on the approved net budget on the cost centre / service.

C4 Virement Rules / Limits

C4.1 The prior approval of the relevant Executive Member and the Chief Finance Officer is required for any virement, of whatever amount, where it is proposed to vire as a result of a fortuitous increase in income to a cost centre not designated as Trading. The rules below cover the delegated virement limits.

C4.2 The following rules apply to virement between services:

C4.2.1 Revenue budgets:

Amounts up to £10,000 –

Approval by relevant Director(s) or Head of Service(s). The Chief Finance Officer

should be informed of this virement.

Amounts over £10,000 but not exceeding £25,000 –

Approval by relevant Director(s) or Head of Service(s) and the Chief Finance Officer. Relevant Executive Member(s) to be informed of this virement.

Amounts over £25,000 but not exceeding £50,000 –

Approval by Chief Finance Officer in consultation with Relevant Executive Member(s).

Amounts over £50,000 but not in excess of £150,000 – Approval

of Executive.

Amounts in excess of £150,000 –

Approval of Full Council, or as delegated in the Constitution.

C4.2.2 Capital Schemes:

Amounts up to £50,000 –

Approval of relevant Director(s) or Head of Service(s), with the agreement of the Chief Finance Officer. Executive Member(s) to be informed.

Amounts over £50,000 but not exceeding £150,000 – Approval

by Executive

Amounts in excess of £150,000 –

Approval of Full Council, or as delegated in the Constitution.

C4.3 Virement that is likely to have a financial impact on the level of service activity falling under the responsibility of another Director should only be implemented with the approval of each Director or Executive Member concerned.

C4.4 Virement must not be aggregated or disaggregated in order to avoid the Virement Rules.

C4.5 No virement relating to a specific financial year will be made after 31st March in that year.

C4.6 Where an approved budget is a lump sum budget or contingency intended for

allocation during the year, its allocation will not be treated as a virement, provided that:

- the amount is used in accordance with the purposes for which it has been established.
- the Executive or Full Council has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive or Full Council as required.

C4.7 The virement must not contravene any statutory requirement.

C4.8 All virement must be properly documented and approved. A record of all virement should be maintained by the Chief Finance Officer and reported to the appropriate Executive Member.

D: RISK MANAGEMENT AND INSURANCE

D1 Introduction

D1.1 Risk involves uncertainty whereby an event or effect deviates from what is expected. Risks cover situations which may result in loss, damage, injury, failure to achieve objectives or a missed opportunity. It includes corporate and strategic risks. All organisations, whether they are in the private or public sectors, face risks to reputation, people, property and continued operations.

D1.2 Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the organisation's opportunities and assets and to ensure its continued financial and organisational well-being. Risk management is, therefore, an integral part of good business practice.

D1.3 It is essential that robust systems are developed and maintained for identifying and evaluating all significant opportunities and risks to the Council as an integral part of management. This should include the active participation of all those associated with the planning and delivery of services.

D1.4 The Council's Risk Management Policy and Strategy sets out criteria for risk assessment and guidance on how it should be managed.

D2 Executive

D2.1 The Executive is responsible for:

- Implementing the council's Risk Management Policy and Strategy.
- Promoting a culture of risk management awareness throughout the Council

D3 Audit and Governance Committee

D3.1 The Audit and Governance Committee is responsible for:

- Reviewing the effectiveness of risk management processes.
- Approving the Council's annual Risk Management Strategy
- Ensuring that risk management procedures are satisfactorily carried out.
- Ongoing monitoring and review of the Risk Management Strategy.

D4 Chief Finance Officer

D4.1 The Chief Finance Officer is responsible for:

- Preparing the Risk Management Policy and Strategy for Audit and Governance Committee.
- Promoting the culture of Risk Management throughout the Council.
- Advising the Executive on appropriate insurance cover for known insurance risks and assets owned and/or used in connection with the Council's activities.
- The negotiation, and where appropriate, settlement, of insurance claims, in consultation with the Monitoring Officer, Head of Legal and other Officers as appropriate.
- Ensuring that all appropriate Officers are included in a suitable fidelity guarantee insurance.
- Reviewing annually, or at any such other period considered necessary, all insurances, in consultation with Directors and other Officers as appropriate.

D5 Directors and Heads of Service:

D5.1 Directors and Heads of Service are responsible for risk management and the regular review of risk and opportunity within their services, having regard to advice from the Chief Finance Officer and other specialist Officers (e.g. Health & Safety Advisor).

D5.2 Directors and Heads of Service are responsible for:

- Actively managing opportunities and risks in their area of responsibility.
- Providing prompt notification to the Chief Finance Officer for all new risks, properties, services or vehicles which require to be insured and of any alterations affecting existing insurances. This should include any areas of responsibility undertaken in respect of an external organisation, whether or not linked to the Council's activities.
- Providing notification to the Chief Finance Officer in writing of any loss, liability or damage or any event likely to lead to a claim. Further notification should be given to the Chief Finance Officer immediately on receipt of any insurance claim.
- Consulting with the Chief Finance Officer, the Head of Legal and the Monitoring Officer concerning the terms of any indemnity which the Council is requested to give.
- Ensuring that all Officers: -
 - are aware of their responsibilities for risk management and insurance.
 - receive adequate support and training to carry out their responsibilities.

- comply with the Council's standards of financial management.
- are personally protected from risk.

D6 Budget Holders and Other Officers

D6.1 Budget Holders and Officers are responsible for:

- Identifying opportunities and risks in their service areas.
- Assessing the likelihood of their occurrence and evaluating the possible impact. This involves arranging them in order of priority, recording the risks and judging the potential financial cost, lost time, inconvenience or upheaval, disruption to service, bad publicity or loss of service quality.
- Taking steps to minimise potential losses. Effective action will represent a judgement between the likely risk and the cost or effort required to safeguard against it.
- Notifying the Chief Finance Officer promptly of all new risks, properties or vehicles which require insurance and of any alterations affecting existing insurance.
- Notifying the Chief Finance Officer immediately of any loss, liability or damage which may lead to a claim against the Council, together with any information or explanation required by the Chief Finance Officer or the Council's insurers.
- Recording any incident which may result in a loss.
- Consulting the Chief Finance Officer, Head of Legal and the Monitoring Officer on the terms of any indemnities which the Council is required to give.
- Ensuring that Officers, or anyone covered by the Council's insurance, do not admit liability or make any offer to pay compensation which may prejudice the assessment of liability in respect of an insurance claim.

E: INTERNAL CONTROLS AND AUDIT

E1 Introduction

E1.1 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner which promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

E1.2 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors. Internal controls are necessary to help manage these risks and to monitor progress towards its strategic objectives.

E2 Internal Audit

E2.1 The Accounts and Audit Regulations 2011 require that the Council must undertake an adequate and effective internal audit of its accounting records and of its system of internal control, in accordance with proper practices.

E2.2 The internal audit function should operate in accordance with the International Professional Practices Framework of the Institute of Internal Auditors further guided by interpretation provided by the UK Public Sector Internal Audit Standards ('PSIAS'), the Global Internal Audit Standards and the CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, the Chartered Institute of Internal Auditors (UK and Ireland) Standards for the Professional Practice of Internal Auditing, and with any other statutory obligations and regulations.

E2.3 Internal Audit shall provide an independent, objective, assurance and consulting activity for the review of the Council's system of internal control.

E2.4 The Head of Internal Audit is responsible for providing a written report to those charged with governance, which includes an opinion on the adequacy and effectiveness of the Council's control environment under the CIPFA Code of Practice for Internal Audit under the Global Internal Audit Standards in the Local Government Application Note.

E2.5 The Head of Internal Audit has the right to meet the Chair of the Audit and Governance Committee in private.

E2.6 Internal Audit shall have direct access to the Head of Paid Service, the Chief Finance Officer, the Monitoring Officer, all levels of Management and Elected Members.

E2.7 Internal Audit shall have full and complete access to all information, records, facilities and Officers relevant to the performance of an audit review.

E3 External Audit and Inspection

E3.1 Public Sector Audit Appointments ('PSAA') is the body responsible for appointing External Auditors to each local authority in England and Wales. The basic duties of the

External Auditors are defined in the Local Audit and Accountability Act 2014.

E3.2 The External Auditor's main objectives are to review and report on the financial aspects of the Council's corporate governance arrangements, the financial statements and the arrangements to manage its performance.

E3.3 External Audit is responsible for considering whether the Council has proper arrangements in place for:

- Securing financial resilience; reviewing the Council's financial governance, financial planning and financial control processes.
- Challenging how it secures economy, efficiency and effectiveness; looking at how the Council is prioritising resources and improving efficiency and productivity.

E3.4 The Council may, from time to time, be subject to audit, inspection or investigation by other external bodies, such as HMRC, all of whom have statutory rights of access.

E4 Audit and Governance Committee

E4.1 The Audit and Governance Committee provides a broad base audit role across all areas of the Council, while promoting and ensuring effective governance, internal control and assurance mechanisms.

Audit and Governance Committee is responsible for:

- Reviewing internal and external reports and assessments in respect of corporate governance.
- Considering the Head of Internal Audit's annual report and opinion and annual internal audit plan and the level of assurance it gives over the council's corporate governance arrangements.
- Monitoring the operational Internal Audit plan and the audit planning process; ensuring that internal audit work is planned with due regard to risk, materiality and supports the council's corporate aims and priorities.
- Consulting with PSAA on the appointment of the Council's External Auditor.
- Consideration and review of the External Audit Annual Report to those charged with governance (ISA 260) and all associated reports and other documents.
- Reviewing all matters relating to External Audit, including audit and inspection planning, action points and reports.
- Monitoring and review of actions required arising out of External and

Internal Audit recommendations.

- Ensuring effective liaison between External and Internal Audit and any other inspection agency.
- Reviewing and signing approval of the audited annual statement of accounts and annual governance statement, including the statement of the system of internal financial control in accordance with statutory requirements and timescales.

E5 Chief Finance Officer

E5.1 The Chief Finance Officer is responsible for:

- Advising and assisting the Council to put in place a control environment which provides reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- Ensuring that an adequate and effective Internal Audit Service is maintained, with the authority to access all assets, records, documents, correspondence and control systems of the Council, and such records belonging to third parties, such as contractors, when required.
- Ensuring that effective procedures are in place to investigate promptly any suspected fraud or irregularity.
- Ensuring that all External Auditors and Inspectors are given access at all reasonable times to premises, Officers, documents and assets which they consider necessary for the purposes of their work.
- Working with the appointed External Auditors and Inspectors and advising the Audit and Governance Committee, Executive, Directors and Heads of Service on their responsibilities in relation to External Audit and inspection.
- Ensuring there is effective communication between External and Internal Audit.

E6 Directors and Heads of Service

E6.1 Each Director and Head of Service is responsible for:

- Establishing sound arrangements for planning, appraising, authorising and controlling their operations, in accordance with the Code of Corporate Governance and the Annual Governance Statement.
- Achieving continuous improvement, economy, efficiency and effectiveness within services.
- Implementing processes to check that established controls are being complied

with and to evaluate their effectiveness.

- Reviewing existing controls and establishing new controls where necessary, in order to reflect changes within the Council. They shall consult with Internal Audit on any proposed new systems, before implementation.
- Ensuring that Internal Auditors are given access to all records and assets of the authority, in accordance with their authority as set out above.
- Ensuring that all External Auditors and Inspectors are given access at all reasonable times to premises, Officers, documents and assets which they consider necessary for the purposes of their work.
- Considering and responding promptly to recommendations in audit reports. Implementing agreed actions arising from audit recommendations in a timely and efficient manner.
- Notifying the Chief Finance Officer and the Head of Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources.
- Ensuring that, as far as possible, the same Officer is not responsible for receiving or paying money and rendering accounts or issuing receipts for the same.

E7 Preventing Fraud and Corruption

E7.1 The Council has an Anti-Fraud and Corruption Policy / Strategy and maintains a culture which will not tolerate fraud or corruption. The Council's expectation of propriety and accountability is that Members and all Officers at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

E7.2 The Council also expects that individuals and organisations (e.g. service providers, contractors and suppliers) that it comes in contact with, will act towards the Council with integrity and without thoughts or actions involving fraud and corruption.

E7.3 The Chief Finance Officer is responsible for the development and maintenance of an Anti-Fraud, Corruption and Whistle-blowing Policy.

E7.4 The Monitoring Officer is responsible for ensuring that all legislation, including the Public Interest Disclosure Act 1988, the Bribery Act 2010 and the Fraud Act 2006, is adhered to.

E7.5 Each Director and Head of Service is responsible for ensuring that the systems operated within their control seek to prevent or minimise the opportunity for fraud, corruption or irregularity to arise. And that all Officers are aware of and comply with the Council's Anti-Fraud and Whistle Blowing Policies.

E7.6 Whenever any matter arises which involves, or is thought to involve, irregularities

concerning cash, stores or other property of the Council, or any suspected irregularity in the exercise of the functions of the Council, the Director or Head of Service has a duty to immediately notify the Chief Finance Officer and the Monitoring Officer, who shall take such steps as they consider necessary by way of investigation and report.

E7.7 All Members and Officers must be aware of the maintenance of the Register of Interests, which should be updated annually or more frequently if other changes occur. Any offer of hospitality or gifts must be recorded, whether accepted or refused.

E8 Ex-Gratia / Maladministration Payments

E8.1 A payment is sometimes made to compensate someone for loss or damage incurred through no fault of the Council. Most usually, this is to an Officer who has suffered loss or damage in the course of their duties but can be to a member of the public for a minor loss within the influence of the Council (such as thefts from secured lockers at Leisure Centres) This is funded through the Council's insurance arrangements.

E8.2 Compensation payments under the local complaints procedure up to £5,000 shall only be made following an investigation by the Chief Finance Officer and a Director or Head of Service and/or the Monitoring Officer, and with the approval of at least two of those Officers.

E8.3 Compensation payments in excess of £5,000 shall only be made following a report from one of the three Officers named in Financial Rule E8.2, above and with the following approval:-

- Amounts £5,001 to £50,000 – by Executive Member
- Amounts £50,001 to £150,000 – by Executive
- Amounts in excess of £150,000 – by Full Council

F: ASSETS

F1 Introduction

F1.1 The Council holds assets in the form of property, vehicles, equipment, furniture, cash and other items worth many millions of pounds. It is important that assets should be safeguarded and used efficiently in the delivery of services. Assets should be used to achieve the approved policies and objectives of the Council with the minimum of waste, inefficiency or loss.

F1.2 This involves ensuring that appropriate assets are acquired, in line with the Council's Procurement Strategy; that they are recorded and kept securely and are disposed of effectively and economically when no longer required.

F2 Full Council

F2.1 Full Council is responsible for deciding the extent of the Property Portfolio and for agreeing acquisitions and disposals. Approval is delegated to Executive for acquisitions and disposals not exceeding £1,000,000.

F2.2 Assets no longer required should be disposed of in accordance with the law and the rules and policies of the Council, so as to maximise benefits.

F3 Executive

F3.1 The Executive is responsible for approving terms for land / property acquisitions and disposals, as above 2.1

F4 Chief Executive (or other delegated Officer)

F4.1 The Chief Executive (or other delegated Officer) is responsible for:

- Signing contracts for the sale or purchase of land, for which the disposal/acquisition has been agreed by the Executive or Full Council.

F5 Head of Assets (or other delegated Officer)

F5.1 The Head of Assets, or other delegated Officer is responsible for:

- Maintaining a terrier / asset register of all properties and assets owned by the Council, in a form approved by the Chief Finance Officer. This shall record the purpose for which the property is held, its location, its extent and plan reference, purchase details, particulars of nature of interests and rents payable and particulars of tenancies granted.

- Advising Members, the Chief Finance Officer, Executive, Full Council and other Officers on property-related issues.
- Processing all authorised acquisitions and disposals of land and property.
- The maintenance of Council-owned property including open-spaces. Such maintenance work to be carried out within the terms of contracts for responsive maintenance to Council properties.
- in the case of non-housing capital building contracts, consulting with the relevant Executive Member and the Chief Finance Officer, where the contingency sum in the contract is likely to be exceeded. FPR's in respect of budget approval and /or virement are to be followed.

F5.2 The Head of Assets (or other delegated officer) has the authority to approve the following transactions in respect of the Council's land and property:

- Grant of Licences up to 12 months
- Grant of Licences to Alter
- Grant of Landlord's Consents
- Grant of Wayleaves under Statutory Powers
- Enforcement of the terms and conditions of any commercial lease or agreement

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F5.3 The Head of Assets (or other delegated Officer), in consultation with the relevant Executive Member(s), the Director with responsibility for Assets and the Head of Legal Services has authority to approve all transactions with a value up to £50,000 per transaction relating to the Council's properties within their existing classifications; including:

- Acquisitions and Disposal of Land and Property
- Grant of Licences for more than 12 months
- Rent Reviews, Agreement of New Leases and Lease Renewals
- Assignment of Leases, deeds of variation, surrender of leases
- Grant of Tenancy at Wills
- Grant of Easements

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F5.4 The Head of Legal Services (or other delegated Officer) shall have custody of all title deeds under secure arrangements agreed with the Chief Executive.

F6 Chief Finance Officer (Section 151)

F6.1 The Chief Finance Officer in consultation with the Executive Member for Finance, the Head of Legal Services and the Head of Assets has authority to approve transactions with a value between £50,000 and the key threshold limit:

- Acquisitions and Disposal of Land and Property
- Grant of Licences for more than 12 months
- Rent Reviews, Agreement of New Leases and Lease Renewals
- Assignment of Leases, deeds of variation, surrender of leases
- Grant of Tenancy at Wills
- Grant of Easements

F6.2 The Chief Finance Officer in consultation with the Executive Members for Finance and the Economy has authority to approve leases at Marriotts Walk Witney up to the key decision threshold.

The authority is subject to no unusual or contentious terms. A register of decisions will be kept

F6.2 The Chief Finance Officer is responsible for:

- Ensuring that assets are valued in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom.
- Maintaining a property database for all land, properties, plant and machinery, and moveable assets currently owned and used by the Council.
- Managing the risk implications of the Property Portfolio, particularly in terms of insurance cover.
- Co-ordinating the security of the Council's administrative and operational offices.

F7 Directors, Heads of Service and Budget Holders

F7.1 Directors, Heads of Service and Budget Holders are responsible for:

- Drawing up contingency plans for the security of assets and continuity of service in the event of disaster or system failure.
- Ensuring that lessees and other prospective occupiers of Council land or property are not allowed to take possession or enter the land until a lease or agreement has been established. The lease or agreement should be in a form approved by the Head of Property Services, in consultation with the Chief Finance Officer and the Head of Legal, where appropriate.
- Ensuring the proper security and safe custody of all buildings, vehicles, equipment,

furniture, stock, stores, money and other property belonging to the Council.

- Where land or buildings are surplus to requirements, preparing a report containing a recommendation for the disposal of the land, in consultation with the Head of Property Services and the Chief Finance Officer.
- Passing title deeds of Council property to the Head of Legal who is responsible for the custody of all title deeds on behalf of the Council.
- Ensuring that Council assets are not taken, borrowed or used by a Member or Officer for their personal use without proper authority.
- Ensuring, in accordance with arrangements agreed by the Chief Finance Officer that all assets are correctly identified and insured.
- Notifying the Chief Finance Officer and the Director or Head of Property Services of any proposals to acquire or dispose of Council property.
- Arranging for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer.
- Ensuring that all Officers under their management are aware that they have a personal responsibility with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Acts and software copyright legislation. This should include confidentiality of information, whether held in manual or computerised records.

F8 Information and Communication Technology (ICT)

F8.1 All ICT equipment, irrespective of its individual value, shall be procured by, or with the prior approval of the Director or Head of Service responsible for ICT Services (or their delegated Officer), particularly where the equipment has a strategic value or requires network access.

F8.2 This Director or delegated Officer shall maintain a register of all ICT equipment above the value of £500 owned by the Council, including its location and serial number.

F8.3 Certain equipment to be determined by the Director or Head of Service responsible for ICT, such as cameras, mobile phones, etc shall be procured by them and recorded in the ICT inventory.

F8.4 The Council's internal IT policy and guidance should be followed, and in particular, no unofficial or unlicensed software shall be used on the Council's computer equipment, under any circumstances.

F8.5 Computer games supplied as part of licensed software shall not be played in Council time.

F9 Stocks and Stores

F9.1 Disposable items such as stationery, goods for sale or materials may be held in store. They should be properly controlled and accounted for to ensure they are used only for Council purposes.

F9.2 Stocks shall not be in excess of normal requirements except in special circumstances, with the approval of the Director or Head of Service, who shall keep a written record and justification of such circumstances.

F9.3 Each Director or Head of Service shall be responsible for the care and custody of the stocks and stores within their service(s).

F9.4 Directors or Heads of Service shall arrange for periodical test examinations of stocks and ensure that all stocks are checked at least once a year, where appropriate, as determined by the Chief Finance Officer. This is to be under the supervision of Officers without direct responsibility for the custody of the stocks or stores being checked.

F9.5 The Chief Finance Officer shall be entitled to receive from each Director or Head of Service such information as they require in relation to stocks or stores, for the accounting, costing and financial records at the financial year end.

F9.6 Adjustments in respect of stock deficiencies and surpluses shall be subject to the approval of the Chief Finance Officer, or in the case of major items, the Executive.

F9.7 Private individuals or companies shall not be permitted to purchase items previously acquired by the Council unless they:

- Are sold through a retail outlet incidental to the provision of a specific service (e.g. Leisure centre or Museum shop), or
- Are obsolete or surplus to requirements and are sold as a means of disposal, in accordance with the Council's disposal policies.

F9.8 Individual Members and Officers of the Council must not use the auspices of the council to purchase works, goods or services for their personal use.

F10 Petty Cash and Cash Floats

F10.1 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without their express permission.

F10.2 The Chief Finance Officer may provide petty cash advance accounts or cash floats for such Officers as may need them for the purpose of defraying petty cash or other expenses. Petty cash accounts shall be maintained in the imprest system and shall be controlled by the Officer designated by the Director concerned.

F10.3 Payments from any such account shall be limited to minor individual items of expenditure up to a maximum of £100. The Chief Finance Officer has discretion to allow

larger payments in exceptional circumstances.

F10.4 All payments shall normally be supported by a receipted voucher and proper VAT receipts where appropriate. However, the Chief Finance Officer has discretion to allow payments to be obtained without obtaining receipts in exceptional circumstances.

F10.5 Payments in reimbursement of travelling or subsistence expenses shall not be paid out of petty cash accounts.

F10.6 An Officer responsible for a petty cash or cash float shall, if so requested, give the Chief Finance Officer a certificate as to the state of such a float.

F10.7 Change floats are not to be used for any other purpose than for providing change, with the exception of cash advances in special circumstances, subject to the approval of the Chief Finance Officer. Such approval should be recorded.

F10.8 When an Officer responsible for such an account leaves the employment of the Council/Shared Service employer, or ceases to be entitled to hold an advance, their Director or Head of Service shall ensure that they account to them for the amount advanced.

F11 Intellectual Property

F11.1 Intellectual Property is a generic term that includes inventions and writing. If these are created by an Officer during the course of employment, as a general rule they belong to the Employer. There is a variety of legislation covering different types of intellectual property.

F11.2 Certain activities undertaken by the Council may give rise to items which are patentable e.g. the development of software. These are collectively known as Intellectual Property.

F11.3 Directors and Heads of Service are responsible for implementing the Council's intellectual property procedures and for putting controls in place to ensure that Officers do not carry out private work in the Council's time.

F11.4 Officers should be made aware of the Employer's rights with regard to intellectual property.

G: TREASURY MANAGEMENT

G1 Introduction

G1.1 Many millions of pounds pass through the council's books each year and must be carefully managed in a way which balances risk with return, but with the overriding consideration being the security of the Council's funds.

G1.2 The general policy objective is that the Council should invest prudently the surplus funds held on behalf of the community, giving priority to security and liquidity of the funds.

G1.3 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities. All of the Council's borrowings and investments must be carried out in accordance with this code.

G2 Full Council

G2.1 Full Council is responsible for approving the Treasury Management Strategy, as well as the Investment Strategy and the Capital Strategy, as part of the budget setting process. The strategies are prepared in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the Prudential Indicators as part of the Prudential Code.

G3 Audit and Governance Committee

G3.1 The Committee is responsible for:

- Proposing the Treasury Management Strategy, Capital Strategy and Investment Strategy to Full Council in accordance with advice from the Chief Finance Officer.
- Implementing and monitoring performance against the Treasury Management Strategy.
- Delegating responsibility for borrowing, investment and financing to the Chief Finance Officer.

G4 Chief Finance Officer (Section 151)

G4.1 The Chief Finance Officer is responsible for:

- Controlling all money in the hands of the Council.
- Acting in accordance with the CIPFA's Code of Practice for Treasury Management in Local Authorities.

- Reporting to the Audit and Governance Committee a proposed Treasury Management Strategy for the coming financial year at or before the start of the financial year.
- Implementing and monitoring the Council's Treasury Management Strategy.
- Reporting to the Audit and Governance Committee on treasury management activity and prudential indicators and the exercise of their delegated treasury management authority. One such report will comprise an annual report on treasury management outturn, for presentation by 30th September of the succeeding financial year.
- Ensuring that all investment and borrowing is made in the name of the Council.
- Ensuring that all securities that are the property of the council and the title deeds of all property in the Council's ownership are held securely.
- Acting as the Council's registrar of stocks, bonds and mortgages and maintaining records of all borrowing and investment of money by the council.
- Arranging for all trust funds to be held, where possible, in the name of the Council. All Officers acting as Trustees by virtue of their official position, shall deposit securities, etc. relating to the trust with the Chief Finance Officer unless the deed otherwise provides.
- Where funds are held on behalf of third parties, arranging for their secure administration, approved by the Chief Finance Officer, and maintaining written records of transactions.
- Ensuring that all trust funds are operated within any relevant legislation and the specific requirements of each trust.

G5 Banking Arrangements

G5.1 The Chief Finance Officer is responsible for:

- Operating bank accounts as they consider necessary. No bank accounts may be opened in the Council's name, or closed, without the prior approval of the Chief Finance Officer.
- Instructing the Council's bankers to prohibit an overdrawn position on the aggregate bank accounts of the Council beyond the level set out in the facilities agreement between the Council and its bankers.
- Ensuring that an up-to-date list of all authorised bank signatories on the Council's bank accounts is maintained and made available to the Council's bankers.

- Designated Officers are permitted to act as authorised bank signatories.
- Ensuring that an up-to-date list of Officers holding Business Charge Cards, Corporate Credit Cards or Government Procurement cards on behalf of the Council is maintained, showing individual approved credit limits.
- Advising on secure arrangements for banking and cash handling.
- Authorising the provision of change floats at the request of the Directors or Heads of Service (see Petty Cash FPR's).
- Ensuring that designated Officers are given access to the bank account details of each of the Councils being served by the Shared Service, to facilitate transactional processing and other finance related work, as required.

G5.2 Directors and Heads of Service are responsible for:

- Ensuring that banking and cash handling is carried out in accordance with FPR's.
- Ensuring that Officers are properly trained and aware of their responsibilities.
- Ensuring that Officers are personally protected against risk.
- Ensuring that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the Chief Finance Officer.

G5.3 Budget Holders are responsible for:

- Ensuring that all Officers are aware of the controls required over banking and cash handling and follow instructions thereon.
- Cash in excess of these limits should be banked before the end of the day. Cash should not be held at an Officer's home as this may negate the Council's insurance cover.
- Holding change floats issued to the service by the Chief Finance Officer and accounting for them when required to do so.
- Ensuring that keys to safes and other receptacles used for holding cash are always kept secure by the Officer responsible. Loss of keys must be reported to the Chief Finance Officer as soon as possible.
- Ensuring that, where money passes from one Officer to another, there are procedures in place to evidence the transfer, the amount and the certification of the

Officers involved.

- Ensuring that Council money is not kept with or confused with unofficial funds, e.g. tea, lottery or pools funds.
- Ensuring that payments are not made from cash received.
- Implementing documented procedures for recording, receipting and banking money. Banking should be carried out as frequently as is necessary to keep the amount of money within insurance limits. Each deposit to the bank should be accompanied by a properly completed bank paying-in slip showing:
 - the name and title of the Officer making the banking.
 - the total deposited, analysed in denominations of cash and cheques.
 - the name of the cheque payees and a debtor's reference, where this is available, on the reverse of the slip (also on the reverse of the cheque where payment is by cheque).

N.B. Cheques received to a value in excess of £10,000 must be banked at the earliest opportunity but in any event within three days of receipt.

- Reconciling income records to the Council's financial information system, checking that all money received has reached the correct budget head. Discrepancies should be investigated and corrected immediately.

G6 BACS Payments and Cheques

G6.1 The payment of all monies from the Council, with the exception of sums payable from advance accounts or business credit cards, shall be by BACS or other instrument drawn on the Council's bank account by the Chief Finance Officer, including cheques when payment by BACS is not possible or appropriate.

G6.2 All BACS transmissions, irrespective of value, will be supported by an authorisation form signed by the Officer responsible for producing the payment, plus either the Chief Finance Officer or another authorised bank signatory.

G6.3 All individual cheques drawn for an amount in excess of £25,000 shall be countersigned by another authorised Officer, who shall be an authorised bank signatory to the bank account.

G6.4 All cheque stocks shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.

G6.5 All cheques drawn on the Council's main bank accounts shall bear the facsimile signature of the Chief Finance Officer or other Officer authorised to do so.

G6.6 All manually prepared cheques for an amount in excess of £5,000 shall be countersigned by another authorised Officer, who shall be an authorised bank signatory to the bank account.

H: FINANCIAL SYSTEMS AND ACCOUNTING PROCEDURES

H1 Introduction

H1.1 Sound systems and procedures are essential to an effective framework of accountability and control. They are needed to ensure that accounting records can be relied upon to present a true and fair view of the Council's financial activity and that management information is appropriate, accurate and timely.

H1.2 The Council must operate within legal requirements and adopt best practice guidance. The Council will follow the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice for Local Authorities.

H2 Chief Finance Officer (Section 151)

H2.1 The Chief Finance Officer has a statutory and professional responsibility for ensuring that the Council's financial systems are sound and for making arrangements for the proper administration of the Council's financial affairs, including: -

- Selecting suitable accounting policies that comply with legislation and best practice guidance and ensuring that they are applied consistently.
- Determining the accounting systems and procedures, form of accounts and supporting financial records.
- Ensuring that delegated Officers are given access to the financial records of each of the councils being served by Shared Service Arrangements to facilitate transactional processing and other finance related work, as required.
- Issuing advice, guidance and procedures for Officers and others acting on the Council's behalf.
- Establishing arrangements for the audit of the Council's financial affairs.
- Approving any new financial system to be introduced and any changes to be made to existing financial systems.
- Producing timetables for accounting tasks such as the production of budgets and final accounts and the collection or submission of other financial information for processing (e.g. Accounts Payable deadlines).
- Ensuring that all suspense and holding accounts are controlled and reconciled on a monthly basis.
- Ensuring that all bank accounts are controlled and reconciled to the main accounting system regularly (at least monthly) to confirm that all transactions have been processed into the Council's accounts.

H2.2 The Chief Finance Officer has a statutory responsibility for ensuring that the annual Statement of Accounts is prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and the Service Reporting Code of Practice for Local Authorities.

H3 Directors, Heads of Service and Budget Holders

H3.1 Each Director, Head of Service or Budget Holder shall ensure that all financial and computerised systems for which they are responsible are adequately controlled and comply with the requirements laid down by the Chief Finance Officer. Any proposed changes to these systems / procedures or any new systems / procedures must be also approved by the Chief Finance Officer.

H3.2 Directors, Heads of Service and Budget Holders are responsible for:-

- The proper operation of financial processes in their areas of responsibility and ensuring that all Officers under their management are aware of, and properly operate, the financial systems relevant to their area of work.
- Establishing and maintaining sound financial processes within their areas of management.
- Documenting systems and ensuring that Officers are properly trained in their use.
- Ensuring that financial transactions are recorded in a timely and accurate manner and are processed into the main accounting system using correct accounting codes. Transactions should not be processed to incorrect accounting codes as a way of avoiding virement rules.
- Using only their own accounting codes unless they have the express written permission of another Budget Holder to use theirs.
- Properly recording the nature and value of income, expenditure and assets and referring to original documentation where possible.
- Ensuring that income and expenditure are accounted for separately and are not set off against each other.
- Accounting for revenue and capital income and expenditure separately.
- Maintaining a complete audit trail allowing financial transactions to be traced from the accounting records to the original documentation and vice versa.
- Ensuring that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements under Data Protection legislation, approved by the Chief Finance Officer.
- Implementing organisational structures that provide adequate segregation of duties to

minimise the risk of fraud, error or other malpractice. In particular, ensuring that Officers charged with the duty of examining and checking the amounts of cash transactions (or cash equivalents) shall not themselves be engaged in any of these transactions.

- Establishing an effective scheme of delegation, identifying Officers authorised to act on their behalf in respect of financial transactions, determining the limits of their authority and ensuring that the scheme operates effectively.
- Supplying a written record of authorised Officers within their area of responsibility, with specimen signatures and delegated limits, to the Chief Finance Officer, and ensuring they are up to date. Directors shall still remain responsible for the activities of delegated functions.
- Implementing and documenting effective contingency arrangements in a disaster recovery plan, including back-up procedures, to allow systems to resume operation quickly in the event of an interruption in service. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off-site, or in an alternative location within the building.
- Ensuring that computer and other systems are registered in accordance with Data Protection legislation and that Officers are aware of their responsibilities under this and the Freedom of Information legislation.
- Carrying out accounting tasks to meet the standards and timescales set by the Chief Finance Officer or their delegated Deputy.

H4 Officers

H4.1 Each nominated Officer shall ensure that all financial and finance related systems (for example register of disabled facilities grants, housing benefit payments etc) are reconciled to the Council's main financial management system quarterly, unless more frequent reconciliation is required by the Chief Finance Officer.

H4.2 Any amendments to a prime record should be made in ink and initialled by the Officer making it. Correcting fluid, or any other means of obliteration, shall not be used to amend prime financial records.

H5 Orders for Work, Goods and Services

H5.1 Requisitions and official orders shall, in addition to any requirement under the CPR's, be in a form approved by the Chief Finance Officer and are to be authorised only by Officers designated for that purpose.

H5.2 Requisitions and official orders shall be issued for all works, supplies or services to be supplied to the Council, except for supplies of public utility services, periodical payments such as rent or business rates, for petty cash purchases or such other

exceptions as the Chief Finance Officer may approve.

H5.3 Requisitions or official orders shall clearly indicate the nature and quantity of the work or services required and any relevant contract or agreed prices.

H5.4 Each requisition and order shall conform to the guidelines contained in the Council's CPR's.

H5.5 Prior to placing an order, Officers shall ensure that provision has been made in the budget for the cost of the works, goods or services to be supplied. Where applicable, these should comply with relevant legislation and prescribed procedures.

H5.6 All goods and services shall only be ordered by an authorised Officer, in accordance with written delegations and procedures.

H5.7 All orders for goods and services must be approved by budget holders before being issued to the supplier. The approval limits will normally be assigned in accordance with the following levels of authority:

- Authorised Officer – Up to £2,000, subject to individual approved limit
- Authorised Budget Holder –Up to £10,000, subject to individual approved limit
- Head of Service up to £50,000, subject to individual approved limit
- Director up to £100,000, subject to individual approved limit, and countersigned by Chief Finance Officer or Deputy Chief Finance Officer.
- Chief Finance Officer or Deputy Chief Finance Officer up to £250,000
- Chief Finance Officer, Deputy Chief Finance Officer, Chief Executive or Head of Paid Service - above £250,000
- Each Director or Head of Service will agree the appropriate approval limit for individual Officers within their service with the Chief Finance Officer or Deputy Chief Finance Officer, based on their level of responsibility and/or their budget amounts.

H5.8 All ICT equipment, irrespective of its individual value, shall only be procured by, or with the prior approval of the Director responsible for ICT Services (or their delegated Officer), particularly where the equipment has a strategic value or requires network access.

H5.9 All goods and services received shall be checked, to ensure that they are in accordance with the order, are for the correct quantity and quality standards and that any work has been completed satisfactorily. Proper entries shall be made in inventories

or stores records, where appropriate.

H5.10 All orders should be checked to ensure prices, calculations, trade discounts, other allowances and credits are correct.

H5.11 All expenditure, including VAT shall be accurately recorded against the correct allocated budget and any exceptions corrected.

H5.12 All appropriate evidence of the transaction and payment documents shall be retained and stored for the defined period, in accordance with the Council's document retention schedule.

H6 Payment of Accounts

H6.1 The payment of all monies from the Council, except for sums payable from advance accounts or business credit cards (if applicable), shall be by BACS or other instrument drawn on the Council's bank account by the Chief Finance Officer, including cheques when payment by BACS is not possible or appropriate.

H6.2 Payment will only be made if the budget holder is satisfied that the requirements of FPR's H5.9 and H5.10 have been met. All payments should be made to the correct organisation /individual, for the correct amount.

H6.3 VAT invoices must not be altered. If the amount of the invoice is incorrect, either a replacement or a credit note shall be requested

H6.4 Purchase invoices received into a department shall be passed without delay to the Accounts Payable team, Financial Services, to be examined as considered necessary. For this purpose, Financial Services are entitled to make such enquiries and to receive such information and explanation as they may require.

H6.5 Payment will not be made on the basis of a statement or a reminder account.

H6.6 Payments shall be made within 30 days of receipt by the Council or within any mutually agreed terms, in order to avoid the possibility of penalty interest becoming payable.

H6.7 Any penalty interest becoming payable under the Late Payment of Commercial Debts (Interest) Act 1998 shall be charged back to the appropriate budget head unless, in the view of the Chief Finance Officer, unreasonable delays were occasioned by another Officer.

H6.8 A Director must consult with the Chief Finance Officer before entering into any mutual payment terms with a supplier. All such agreements must be made in writing.

H6.9 Prepayment for goods and services should be avoided where possible, in order to minimise risk to the Council. If a prepayment is unavoidable then it should be approved by the Chief Finance Officer or their nominated representative.

H7 Payments to Officers and Members

H7.1 The interpretation and application of pay scales, conditions of service and other related matters shall be the responsibility of the Head of Paid Service (Chief Executive), with whom Directors shall confer, as necessary, in connection with their application to Officers in their areas of responsibility.

H7.2 The Chief Finance Officer is responsible for ensuring that budget provision exists for all existing and new Officers and for making all payments of salaries and wages to all Officers and Members, in accordance with agreed terms and conditions and timescales.

H7.3 The Chief Finance Officer is responsible for the maintenance of proper national insurance, income tax and other statutory pay records and for the accurate and timely payment of pension contributions and other deductions to third parties.

H7.4 Chief Finance Officer, shall approve and the arrangements for payments of salaries and wages to all Officers, including the process for payments for overtime and for payment of allowances to Members.

H7.5 Directors, Heads of Service or Budget Holders must notify the HR Team, as early as possible of all appointments, dismissals, resignations, absences from duty, transfers and proposed changes of Officers, together with such other information as is necessary to maintain adequate personnel records for the Council.

H7.6 No new appointments or changes to arrangements for existing Officers are permitted without adequate budget provision. All appointments shall be made in accordance with the council's rules and approved establishments, grades and scales of pay.

H7.7 Directors, Heads of Service and/or budget holders are responsible for the monitoring of spending against approved employee-related budgets, ensuring that the employee-costs budget is not exceeded without appropriate authority and that it is managed to enable the agreed level of service to be provided.

H7.8 All Officers and Members shall notify the Human Resources Service of any discrepancy between what they expected to be paid and what they have received, including payments made in error. In the event of an overpayment the recipient will normally be asked to refund the Council over the same time period for which the error was made. If the Council makes an underpayment it will be corrected as soon as is reasonably practical, each case being agreed individually. Failure to report an overpayment may result in disciplinary action.

H8 Travel and Subsistence Claims

H8.1 Claims for payment of allowances, travelling and subsistence should follow the process approved by the Council in consultation with the Chief Finance Officer.

H8.2 Claims shall normally be submitted monthly and always by the end of April following

the financial year end. Officers are responsible for ensuring that journeys made and expenses claimed have been properly incurred and supporting VAT receipts are obtained. All claims must be authorised by an Officer's line manager.

H8.3 The Council reserves the right not to pay any travel and/or expense claims that are not submitted in a timely manner, without good reason. Line Managers are responsible for approving or not approving all claims. In the case of any queries, Line Managers should consult with their Director or Head of Service.

H9 Value Added Taxation

H9.1 The Chief Finance Officer is responsible for advising Directors and Heads of Service and Members, in the light of guidance by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council. Written advice shall be made available to all relevant Officers.

H9.2 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

H9.3 The Chief Finance Officer or their authorised representative shall be responsible for liaising with HM Revenue and Customs on all VAT related matters and for submitting and signing the necessary returns/claims in a timely manner.

H9.4 VAT must be correctly claimed on expenditure (Input Tax) and valid tax invoices retained by the Council

H9.5 VAT must be correctly charged on income from works, goods and services supplied by the Council (Output Tax) and a valid VAT invoice or VAT receipt issued to any party outside the Council, in accordance with the form approved by the Chief Finance Officer.

H9.6 Under no circumstances shall an Officer or Member use the auspices of the Council to purchase goods or services for their own private purposes to avoid paying VAT. To do so may result in disciplinary action.

H10 Trading Accounts / Business Units

H10.1 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts and business units. These shall be accounted for in accordance with CIPFA's Service Reporting Code of Practice.

H10.2 The Chief Finance Officer shall be consulted if a business unit wishes to enter into a contract with a third party, where the contract exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they are capable of being terminated within the main contract period without penalty. A service designated as a trading service may increase expenditure estimates approved by the Council, in consultation with the relevant Director and Executive Member and the Chief Finance Officer as a result of increased income, in line with the virement rules set

out in the FPR's.

H10.3 A trading account or business unit for the provision of sports, recreation or cultural activities may increase its fees and charges during the year in order to remain in line with competitors and demand, in consultation with the relevant Executive Member.

H11 Journals

H11.1 All journal entries and other daily input into the Financial Management system (Business World Agresso) may only be processed by authorised Officers, with the approval of the Chief Finance Officer. This will normally be restricted to Officers within, Financial Services.

H11.2 Journals shall only be processed within the general ledger of the council. No journals are permitted between different company / Council general ledgers.

H11.3 The Head of Finance is responsible for ensuring that a monthly report of all journals raised on the finance system is produced and retained for audit purposes. This report shall be checked and signed as agreed by a delegated senior Officer.

I: INCOME

II Introduction

II.1 The Council seeks to maximise its income to enable it to meet its financial objectives. The Local Government Act 2003 enables authorities to charge for discretionary services. Sources of income need to be identified and fees and charges authorised at an appropriate level.

II.2 Executive

II.2.1 The Executive is responsible for: -

- Setting fees and charges for services, approved as part of the annual budget setting process.
- Approving procedures for the write off of bad debts.
- Approving the write off of bad debts in excess of the approved Chief Finance Officer limit, under Financial Rule 19

II.2.2 Statutory fees and charges shall be set in accordance with the relevant legislation and the prescribed notice period for changes to fees and charges shall be given.

II.2.3 Non statutory fees and charges may be increased or reduced during the year by the Director. Head of Service or Budget Holder, in order to remain in line with competitors and demand, in consultation with the relevant Executive Member.

III Chief Finance Officer (Section 151)

III.1 The Chief Finance Officer is responsible for: -

- Agreeing arrangements made for the collection of income due to the Council and approving the procedures, systems and documentation for its collection.
- Ensuring that all claims for funds, including grants are made by the due date.
- Agreeing the arrangements for ordering and supplying all receipt forms, books or similar items and satisfying themselves regarding the arrangements for their control.
- Operating the approved procedures for the write off of bad debts (Financial Rule 19).
- Recommending to Executive the fees and charges to be set for all services.

IV Directors and Heads of Service

IV.1 Each Director or Head of Service is responsible for: -

- Recommending to the Chief Finance Officer the fees and charges to be set for goods or services falling within their control, apart from those charges fixed on a statutory or nationally agreed basis.
- This shall not apply to ad-hoc charges of a minor nature where a flexible pricing policy has been agreed, charges associated with partnership working which are set on a cost recovery basis, or rechargeable works.
- Informing the Chief Finance Officer and relevant Executive Member of the particulars of all new sources of income arising from the work of their service, as soon as it becomes known.
- The identification, prompt collection, control and monitoring of all income due to the council within their area of responsibility.

15 Budget Holders

15.1 Budget Holders are responsible for: -

- Identifying all activities in their areas of management for which charges should be made, to whom, when, how much and whether VAT should be added.
- Maximising income within the Council's policies and legislation.
- Maintaining a record of all income due to the Council, including details of contracts, leases, grants and other arrangements.
- Ensuring that all income generated by their service is accounted for and that proper records are maintained, using systems and documentation approved by the Chief Finance Officer.
- Ensuring that all Officers under their management are aware of, and operate, the internal controls that exist in their area.
- Where money is to be collected by debtor account, ensuring that the details of work done, goods supplied, services rendered or other amounts due, are correctly recorded and the debtor accounts rendered promptly.
- Assisting in the collection of debts that they have originated by providing further information requested by the debtor and by pursuing the debt on the Council's behalf and taking prompt action to recover debts, in conjunction with the Chief Finance Officer, whilst having regard for the cost of collection. Debtor accounts should be reviewed regularly to identify unpaid accounts and recovery action required.
- Where responsibility for the collection of a debt has not been passed to the Chief Finance Officer, establishing and initiating appropriate recovery procedures, including legal action, where necessary, for debts which have not been paid promptly.

- Ensuring that at least two Officers are present when post is opened so that money received by post is properly identified, recorded and accounted for.
- Securing all income to safeguard against loss or theft and ensuring the security of cash handling.
- Ensuring that income is paid fully and promptly into the appropriate Council bank account in the form in which it is received and that appropriate details are recorded on the paying-in slip to provide a complete audit trail.
- Ensuring that no expenditure is paid from income received.
- Reconciling income systems with the Council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy.
- Monitoring levels of income received and outstanding to establish trends and anomalies which should be investigated.
- Notifying the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31st March, in line with the financial year end timetable.

16 Officers

16.1 Personal cheques must not be cashed from Council money nor cash advances taken against credit card transactions out of any money held on behalf of the Council.

17 Accounts Receivable (Debtors invoices)

17.1 A Budget Holder or delegated Officer must authorise all debtors' invoices for amounts less than £5.00, and all credit notes raised, irrespective of value.

17.2 VAT must be properly recorded. Failure to do so may result in the Council being unable to reclaim VAT and, in some circumstance, a penalty payment imposed by HMRC.

17.3 Cash payments must be checked on receipt. In situations where electronic receipting is not available, an official, sequentially numbered receipt must be issued for a cash payment at the time of its receipt. A receipt must be issued for other forms of payment if requested by the payer. The transfer of all money between Officers must be documented and the recipient should sign a receipt.

17.4 Payments received in "Full and Final Settlement" shall only be accepted and accounted for if they are sufficient to clear fully the appropriate debt, unless with the approval of the Chief Finance Officer, Monitoring Officer or Head of Legal.

18 Debt Recovery Procedures

18.1 Once raised, a debtor's invoice may not be cancelled except by full payment, the issue of a credit note or by its formal writing off. A credit note can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt, or to recognise that an overpayment of housing benefit is being recovered from an on-going benefit entitlement.

18.2 There must be proper documented systems for the payment of outstanding debtors' invoices, including milestones and timelines, which shall be followed by delegated Officers.

18.3 Outstanding debts that are to be pursued through legal proceedings are to be dealt with following the Council's debt recovery procedures.

18.4 Interest can be charged on unpaid debts, in accordance with the Debt Recovery Policy.

18.5 Solicitor fees incurred in the recovery of unpaid debt can be charged to the debtor, in accordance with Debt Recovery Policy.

19 Write off of unrecoverable Debts

19.1 The limits on the Council to write off individual debts are:-

- The Chief Finance Officer can write off any debt for which a bankruptcy or liquidation notice has been received.
- The Chief Finance Officer can write off any debt of a deceased person who has a nil estate.
- The Chief Finance Officer can write off any other individual debt to a maximum amount of £5,000, where the amount is unlikely to be recovered or where proceedings are inappropriate or unjustified. This authority cannot be delegated.
- All other individual debts, in excess of £5,000 can only be written off with the approval of Executive or other delegated Committee.

19.2 The value of irrecoverable debts written off will be charged back against the cost centre / service from which the original invoice was raised, thus cancelling the original credit to the service. This can be overwritten in exceptional circumstances, with the approval of the Chief Finance Officer.

19.3 A record will be maintained by the appropriate teams (Accounts Receivable for Corporate Debt and Revenues and Benefits for Council Tax and Business Rates) of all bad debts written off under delegated approval given by FPR's above.

19.4 The Chief Finance Officer can delegate the waiving of standard off-street car park charge notices to the Director or Head of Service responsible for Car Parking, who shall maintain records detailing the reason and amounts waived. This authority cannot be delegated further. The records shall be made available to the Chief Finance Officer or Executive on request.

J: COUNCIL TAX AND NON-DOMESTIC RATES

J1 Introduction

J1.1 The Council collects large amounts of money for its own purposes, for other authorities and, in the case of Non-Domestic Rates, for the Government.

J1.2 The rules that apply to the collection of these sums are set out in legislation, regulation and good practice guidance. There are documented procedures and a timetable for tax calculation, billing, refunds, recovery and enforcement that accord with statutory requirements and the Council's own regulations.

J2 Chief Finance Officer

J2.1 The Chief Finance Officer is responsible for the collection and recovery of Council Tax and Non-Domestic Rates. They should ensure that accounting procedures are in place to support the correct treatment and presentation of transactions in the Council's accounts.

J3 Head of Revenues and Benefits

J3.1 The Head of Revenues and Benefits is responsible for the day-to-day management of the Council Tax and Non-Domestic Rates systems. They should ensure that:

- All transactions, records and accounts are calculated accurately, completely and promptly. They should be supported by evidence and handled only by authorised Officers.
- Adequate separation of duties is in place to enable the work of one Officer to be checked by another.
- Accounting procedures reflect the correct treatment and presentation of transactions in the Council's accounts.

K: COUNCIL TAX SUPPORT and HOUSING BENEFIT

K1 Introduction

K1.1 The Council is responsible for paying Council Tax Support and Housing Benefit to entitled claimants. It is also responsible for guarding against fraud and investigating where it is suspected. The Council receives subsidy from the Government to pay for most of the Benefits. It has to demonstrate sound administration and accurate payment to prove its entitlement to subsidy.

K1.2 All benefit transactions must be legitimate, appropriate and in accordance with relevant verification framework regulations.

K2 Chief Finance Officer (Section 151)

K2.1 The Chief Finance Officer is responsible for the payment of Council Tax Support and Housing Benefit. They should ensure that accounting procedures are in place to support the correct treatment and presentation of transactions in the Council's accounts and subsidy claims.

K3 Head of Revenues and Benefits

K3.1 The Head of Revenues and Benefits is responsible for the day-to-day management of the Council Tax Support and Housing Benefit systems. They should ensure that:

- All transactions, records and accounts are calculated accurately, completely and promptly. They should be supported by evidence and handled only by authorised Officers.
- Adequate separation of duties is in place to enable the work of one Officer to be checked by another.
- Overpayments are dealt with in accordance with the Council's policy and recovery is efficient and effective.
- All fraud prevention and detection is in accordance with statute, professional guidance and the Council's FPR's and other policies.

L: EXTERNAL ARRANGEMENTS

LI PARTNERSHIPS

LI.1 Introduction

LI.1.1 The Council provides a distinctive leadership role for the community and brings together the contributions of a variety of stakeholders. It must also act to achieve the promotion or improvement of the economic, social and environmental well-being of its area.

LI.1.2 Partnerships play a key role in delivering community strategies and delivering the shared vision of services, based on user needs.

LI.1.3 A partner is defined as being either an organisation (public or private) undertaking, part funding or participating in a project or a body whose nature or status gives it a right or obligation to support the project.

LI.1.4 This section of the FPR's sets out the financial implications of working in partnership with external organisations.

LI.2 Executive

LI.2.1 The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

LI.2.2 The Executive can delegate functions, including those relating to partnerships, to Officers. These are set out in the Scheme of Delegation that forms part of the Council's Constitution. Where functions are delegated, the Executive remains accountable for them to Full Council.

LI.2.3 The Chief Executive or delegated Officer shall represent the Council on partnership and external bodies, in accordance with the Scheme of Delegation.

LI.3 Chief Finance Officer (Section 151)

LI.3.1 The Chief Finance Officer is responsible for: -

- Ensuring that the accounting arrangements to be adopted relating to partnerships and joint arrangements are satisfactory.
- Promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council.
- Considering the overall corporate governance arrangements and legal issues when arranging contracts with external bodies.

- Ensuring that the risks have been fully appraised before agreements are entered into with external bodies. They should advise on effective controls to ensure that resources are used efficiently and effectively.
- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

L1.4 Directors and Heads of Service

L1.4.1 Directors and Heads of Service are responsible for: -

- Ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.
- Carrying out risk management appraisals, prior to entering into an arrangement with an external body, in accordance with procedures specified by the Chief Finance Officer.
- Ensuring that partnership agreements do not impact adversely on the services provided by the Council.
- Ensuring that partnership agreements and arrangements are properly documented, and information provided to the Chief Finance Officer to enable a note to be entered into the council's Statement of Accounts concerning material items.
- Maintaining a register of all contracts entered into with external bodies, in accordance with procedures specified by the Chief Finance Officer.

L2 EXTERNAL FUNDING

L2.1 Introduction

L2.1.1 External funding can be an important source of income to the Council, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.

L2.1.2 The Council shall seek to maximise its resources by attracting external funding where appropriate. However, in some instances, available funding may be linked to tight specifications and may not be sufficiently flexible to link to the Council's strategies.

L2.2 Chief Finance Officer (Section 151)

L2.2.1 The Chief Finance Officer is responsible for: -

- Ensuring that any match funding requirements are considered prior to entering into an external agreement and that adequate future revenue budgets are in place to meet these requirements.
- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.
- Ensuring that all audit requirements are met.

L2.3 Directors and Heads of Service

L2.3.1 Directors and Heads of Service are responsible for ensuring that: -

- Funds are acquired only to meet the priorities approved in the Policy Framework by the Council.
- Any match funding requirements are considered prior to entering into an external agreement and consulting with the Chief Finance Officer to ensure that adequate future revenue budgets are in place to meet these requirements.
- Key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Accountable body are clearly understood.
- All claims for funds are made by the due date and income received in accordance with the agreement.
- The project progresses in accordance with the agreed project outline and that all expenditure is properly incurred and recorded in the Council's accounts.

L3 WORK FOR THIRD PARTIES

L3.1 Introduction

L3.1.1 Current legislation enables the council to provide a range of services to other bodies. Such work may enable a Service area to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is within current legislation.

L3.1.2 Contracts for the work should be drawn up using guidance provided by the Head of Legal and the Chief Finance Officer to the Council. The proposals should be costed properly in accordance with guidance provided by the Chief Finance Officer.

L3.1.3 Guidance with regard to the financial aspects of third-party contracts and the maintenance of the contracts register should be followed.

L3.2 Executive

L3.2.1 The Executive is responsible for approving contractual arrangements for any work carried out by the Council for third parties or external bodies in addition to the normal business. This responsibility can be delegated to the Senior Leadership Team (Directors) of the Council.

L3.3 Chief Finance Officer (Section 151)

L3.3.1 The Chief Finance Officer is responsible for issuing guidance with regard to the financial aspects of third-party contracts and the maintenance of the contract register.

L3.4 Directors and Heads of Service

L3.4.1 Directors and Heads of Service are responsible for ensuring that: -

- Approval is obtained before any negotiations for the work are concluded.
- Contracts operate to the benefit of the Council and do not impact adversely upon the services provided for the Council.
- No contract is subsidised by the Council.
- The Service area has the appropriate expertise to deliver the contract.
- Appropriate insurance arrangements are put in place.
- Wherever possible, payment is received in advance of the delivery of the service to the third party.
- The Council is not put at risk from any bad debts.
- All contracts are properly documented and appropriate information given to the Chief Finance Officer to enable a note to be entered into the Statement of Accounts.

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 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.
Subject	2025/26 TREASURY MANAGEMENT INDICATORS – QUARTER THREE
Wards affected	All
Accountable member	Cllr Alaric Smith Cabinet Member for Finance Email: alaric.smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: madhu.richards@westoxon.gov.uk
Report author	Sian Hannam, Business Partner – Treasury Management Email: sian.hannam@publicagroup.uk
Summary/Purpose	To report to the Audit and Governance Committee the quarter three Treasury Management Indicators as required by the CIPFA Treasury Management Code.
Annexes	None.
Recommendation(s)	That the Audit and Governance Committee Resolves to: I. Note the contents of the report.
Corporate priorities	Working Together for West Oxfordshire
Key Decision	NO
Exempt	NO
Consultees/ Consultation	N/A

1. BACKGROUND AND SUMMARY

- 1.1** The overall performance of investments in the 9 months to 31st December 2025 was positive, returning interest of £1.360m or 4.14% against a quarter of the annual revenue budget of £1,156,230 also generating an unrealised capital gain of 3.41% or £580,484 in the year to date.
- 1.2** The value of the pooled funds is still being influenced by current global economic conditions. These funds are designed for long-term investment, so short-term ups and downs are normal. The Council's Treasury Management adviser, Arlingclose, is monitoring the funds closely. They expect the values to recover over the next 2–3 years, as government bond (gilt) and other bond yields begin to fall again
- 1.3** The Council has continued to benefit from higher revenue returns due to the Bank of England reducing the Bank Rate more slowly than previously predicted. In January 2026 the Bank of England's Monetary Policy Committee (MPC) cut the bank rate to 3.75%, from 4%, in December 2025.
- 1.4** The Council complied with all but one of the Prudential Indicators for quarter 3 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 first quarter was heavily influenced by US trade tariffs, which impacted both equity and bond markets. Although equity markets recovered to some extent in the second quarter, this period also saw US and UK government bond yields move in different directions. UK yields remained higher, reflecting investors' demand for greater returns - a response to increased uncertainty around the UK's fiscal outlook and broader economic conditions
- 2.2** The latter part of the period included the government's November autumn Budget. Despite much speculation and drip-feeding of potential policies in the weeks leading up to the event, what was ultimately announced was generally deemed more muted than had been anticipated, helping ease investors' fears of significantly higher government borrowing.
- 2.3** The Bank of England's November Monetary Policy Report forecast a modest 0.2% increase in Gross Domestic Product (GDP) for the final quarter of 2025. However, its inflation projections quickly became outdated when Consumer Price Index (CPI) fell faster than expected in November. The Office for Budget Responsibility echoed expectations of only modest economic growth in its Economic and Fiscal Outlook, published alongside the Autumn Statement, lowering its estimate of annual GDP growth to around 1.5% for the period 2025–2030.
- 2.4** Arlingclose, the authority's treasury adviser, maintained the view that the Bank Rate would continue to be reduced in 2025/26, as most Monetary Policy Committee members remained more concerned about weak GDP growth than inflation risks. In line with this outlook, the Bank Rate was cut to 3.75% in January. Further reductions are anticipated through 2026, with Arlingclose's central forecast suggesting the rate will ease to around 3.25%.

- 2.5 Financial markets:** After a sharp decline at the start of the period, market sentiment turned broadly positive, although volatility in riskier assets persisted. Bond yields fell initially, but rising uncertainty about the UK's economic and fiscal outlook pushed medium- and long-term yields higher. These yields remained elevated until the third quarter, when concerns about the potential impact of the UK Budget proved less severe than anticipated, leading to a modest easing in yields.
- 2.6 Credit review:** Arlingclose continued to recommend a maximum unsecured investment duration of 6 months for most banks on the Council's counterparty list. For the remaining institutions, the advised limit was maintained at 100 days.
- 2.7 Outlook:** Financial market volatility is expected to continue, and credit default swap (CDS) levels will be monitored closely for any signs of ongoing credit stress. Arlingclose's recommended counterparties and investment durations remain under continual review to ensure the Authority's exposure is appropriately managed.

3. LOCAL CONTEXT

- 3.1** On 31st March 2025, the Council had net investments of £24.350m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These items are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.25 Actual £m	31.3.26 Forecast £m
General Fund CFR	29.41	32.88
External borrowing	0.00.	0.00.
Internal borrowing	29.41	32.88
Less: Balance sheet resources	(34.106)	(35.472)
Net investments	(4.696)	(2.59)

3.2 The treasury management position on 31st December 2025 and the change over the 9 months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	31.12.25 Balance £m	31.12.25 Rate %
Total borrowing	0	0	0	0
Long-term investments	11.934	0.530	12.464	4.63
Short-term investments	0.062	2.482	2.544	3.93
Cash and cash equivalents	12.354	8.214	20.568	4.15
Total investments	24.350	11.226	35.576	3.89
Net investments	24.350	11.226	35.576	

4. BORROWING STRATEGY AND ACTIVITY

- 4.1 As outlined in the Treasury Management Strategy, the Council’s chief objective when borrowing has been to strike a low-risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required. Flexibility to renegotiate loans should the Council’s long-term plans change being a secondary objective. The Council’s borrowing strategy thus far has maintained borrowing and investments below their underlying levels, known as internal borrowing.
- 4.2 CIPFA’s 2021 Prudential Code states explicitly that councils must not borrow purely to generate a financial return. It also requires that councils avoid any investment or spending decisions that would increase their CFR - and therefore potentially lead to new borrowing - unless the activity is directly and primarily linked to the delivery of council services.
- 4.3 In addition, the Public Works Loan Board (PWLB) will not provide loans to councils intending to purchase investment assets primarily for yield, except where the borrowing is solely for refinancing existing debt.

As of 31st December, the Council had no loans outstanding.

5. TREASURY INVESTMENT ACTIVITY

- 5.1 A counterparty list reviewed and recommended monthly by the Council's treasury management advisers, Arlingclose, is used by the treasury team to assess suitable investment options. At the end of the period, most approved counterparties were subject to a 6-month investment limit, reflecting the continued caution required in the current market environment.
- 5.2 The treasury team continues to hold the majority of in-house cash balances in highly liquid Money Market Funds (MMF) and call accounts, supplemented by short-term deposits with the UK Debt Management Office (DMO). This strategy ensures that sufficient cash remains readily available to support the Council's day-to-day service delivery, while also providing funding for the capital programme—without requiring additional borrowing.
- 5.3 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. The investment position is shown in table 3 below.
- 5.4

Table 3: Treasury Investment Position

	31.3.25 Balance £m	Net Movement £m	31.12.25 Balance £m	31.12.25 Income Return %
Banks & building societies (unsecured)	0.050	2.458	2.508	3.82
Money Market Funds	12.303	8.265	20.568	4.15
Other Pooled Funds				
- <i>Equity & Multi Asset income funds</i>	7.662	0.472	8.134	4.63
- Bond income funds	3.645	0.081	3.726	4.63
- <i>Real Estate Investment Trusts</i>	0.690	(0.050)	0.640	3.00
Total investments	24.350	11.226	35.576	4.14

- 5.5 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

- 5.6 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.
- 5.7 Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025 and to 3.75% in December 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits ranged between 3.925% and 4.25% and money market rates between 3.88% and 4.5%
- 5.8 The progression of risk and return metrics are shown in the Arlingclose quarterly investment benchmarking report; the results of which are summarised in Table 4 below.

Table 4: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
30.12.2025	4.87	A+	100%	2	5.30
Similar LAs	4.53	A+	57%	52	4.73
All LAs	4.59	A+	60%	13	4.6

- 5.9 **Externally Managed Pooled Funds:** £12m of the Council’s investments are invested in externally managed strategic pooled bond, equity, and multi-asset funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated an income return of £397,361 which is used to support services in year, and £580,484 unrealised capital gain. The current Pooled Fund position can be seen in table 5 below.

Table 5: Current Pooled Funds

Fund Manager	Original Investment	Value 31st March 2025	Value 31st December	9 Month Dividend 2025/26	2025/26 Capital Gain/ (Loss)	Capital Gain/(Loss) vs Original Investment
	£	£	£	£	£	£
M&G Strategic (Bond)	2,000,000	1,760,300	1,809,248	66,800	48,948	- 190,752
Royal London (Liquidity)	2,000,000	1,862,609	1,895,530	70,135	32,921	- 104,470
Schroders (Equity)	1,000,000	951,479	1,083,148	60,153	131,669	83,148
Threadneedle UK (Equity)	1,000,000	1,139,932	1,268,301	33,170	128,369	268,301
CCLA Diversified Fund (Bond/Equity)	3,000,000	2,751,339	2,749,375	53,271	- 1,964	- 250,625
Aegon/Kames (Liquidity)	3,000,000	2,778,320	3,018,861	113,832	240,541	18,861
Total - Current funds	12,000,000	11,243,980	11,824,464	397,361	580,484	- 175,536

5.10 By quarter 3 of 2025/26 most asset classes delivered positive returns, despite continued volatility across financial markets. Investor sentiment strengthened after April, and although uncertainty persisted, this ultimately supported strong equity market performance.

5.11 In fixed income markets, government bond yields - despite experiencing significant volatility - generally ended the quarter lower, resulting in higher bond prices. Corporate bond spreads also narrowed after the tariff-driven widening earlier in the year, contributing to broadly positive, low single-digit returns.

5.12 Capital values in UK commercial property continued to recover as demand returned to the sector. While interest in office space has begun to improve, industrial and retail warehouse properties remained the primary drivers of performance.

5.13 The change in the Council's funds' capital values and income return over the 9-month period to 31st December is shown in Table 5.

6. TREASURY PERFORMANCE

6.1 The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Q3 Actual £m	2025_26 Budget £m	Over/ under	Actual %	LA's Average Benchmark %	Over/ under
Short-term investments	0.165	0	0.165	3.93	3.94	-0.01
MMF & Call Accounts	0.636	0.348	0.288	4.15	3.94	0.21
Strategic Funds	0.397	0.506	-0.109	4.63	4.71	-0.08
Long Term Loans	0.140	0.273	-0.133	2.84	N/A	N/A
REIT	0.022	0.029	-0.007	3.00	N/A	N/A
Total treasury investments	1.360	1.156	0.204	4.15	4.36	0.21

7. COMPLIANCE

- 7.1 The Director of Finance reports that all bar one treasury management activities undertaken during the quarter complied with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Table 7: Investment Limits

	2025/26 Maximum £m	31.12.25 Actual £m	2025/26 Limit £m	Complied? Yes/No
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	9.256	10	YES
Unsecured investments with banks	3	2.508	5	YES
Money Market Funds	20	20.568	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 8 below.

Table 8: Debt and the Authorised Limit and Operational Boundary

	Q3 2025/26 Maximum	31.12.25 Actual	2025/26 Operational Boundary	2025/26 Authorised Limit	Complied? Yes/No
	£m	£m	£m	£m	
Borrowing	0	0	36.54	41.54	YES
Total debt	0	0			

7.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

8. TREASURY MANAGEMENT PRUDENTIAL INDICATORS

8.1 As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

Liability Benchmark - the liability benchmark is a valuable tool to help establish whether the Council is likely to be a long-term borrower or long-term investor and so shapes its strategic focus and aids decision making. It represents an estimate of the cumulative amount of outstanding debt the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £4m required to manage day-to-day cash flow.

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Capital Financing Requirement (CFR)	29.41	32.88	33.46
Less: usable reserves	(34.11)	(37.18)	(33.42)
Less: working capital	(17.54)	(14.01)	(14.71)
Net loans requirement	(22.23)	(18.32)	(14.67)
Plus: Liquidity allowance	14.00	14.00	14.00
Liability benchmark	(8.23)	(4.32)	(0.67)

- 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	£13m
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	31.12.2025	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 £	31.12.25 Actual £	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	160,000	315,886	No
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-160,000	- 315,886	No

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.

9.2 Capital Expenditure: The Council has undertaken and is planning capital expenditure as summarised below.

	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m	2028/29 forecast £m
General Fund services	12.21	9.07	5.52	2.42

9.3 At the end of Q3 capital expenditure is £4,024,078 against an approved Capital Programme for the year of £16.165m. Forecast expenditure for the year end is £12.21m, with the remainder being carried forward to 2026/27, mainly relating to the waste vehicle replacement as part of the WESP programme (£3.4m)

9.4 The main capital expenditure year to date the acquisition and repair of temporary emergency accommodation (£850,364), upgrading the CCTV system (£247,180), paying out SI06 to Parishes and Town Councils (£1,587,571) and Disabled Facilities Grants (£838,265).

9.5 **Capital Financing Requirement:** The Council's cumulative outstanding amount of debt finance is measured by the CFR. This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (MRP) / loans fund repayments and capital receipts used to replace debt.

	2024/25 actual £m	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m
General Fund services	29.41	32.88	33.46	31.41
TOTAL CFR	29.41	32.88	33.46	31.41

9.6 Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The 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 31.12.25
Debt (Incl.PFI & leases)	0.00	0.00	0.00	(2.75)	0
Capital Financing Requirement	29.41	32.88	33.46	31.41	

9.7 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 31.12.25	2025/26 Authorised Limit £m	2025/26 Operational Boundary £m	Comp lied? Yes/N o
Borrowing	0.00	0	41.54	36.54	Yes
Total Debt	0	0	0	0	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

9.8 Net Income from Commercial and Service Investments to Net Revenue Stream:

The 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.

	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m	2028/29 forecast £m
Investment Property Investments	3.16	3.10	3.23	3.23
Service Investments	1.08	1.13	1.13	1.13
	4.24	4.23	4.36	4.36
Net Revenue Stream	16.95	16.43	14.88	13.28
Proportion of Net Revenue Stream	25.01%	25.74%	29.30%	32.83%

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

9.10 The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

	2025/26 forecast £m	2026/27 forecast £m	2027/28 forecast £m	2028/29 forecast £m
Interest Payable	0.00	0.00	0.063	0.113
MRP	0.70	0.86	1.14	1.07
Total borrowing costs	0.70	0.86	1.203	1.183
Net Revenue Stream	16.95	16.43	14.88	13.28
Proportion of Net Revenue Stream	4.12%	5.23%	8.08%	8.9%

10. Conclusion

Quarter 3 is in a positive position, achieving above budget returns on investment income and the pooled fund capital value's recovering by 3.41%. The Bank of England Base Rate has been lowered to 3.75% during this period. It is uncertain when the next rate cut will come due to the inflationary impact on the economy of the Iran, US-Israeli conflict on the supply of oil, but one, possibly two more rate cuts are expected by the end of 2026.

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.

(END)

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.</p>
<p>Subject</p>	<p>COUNTER FRAUD AND ENFORCEMENT UNIT REPORT</p>
<p>Wards affected</p>	<p>All indirectly</p>
<p>Accountable member</p>	<p>Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: democratic.services@westoxon.gov.uk</p>
<p>Report author</p>	<p>Emma Cathcart, Assistant Director Counter Fraud and Enforcement Unit Email: emma.cathcart@cotswold.gov.uk</p>
<p>Summary/Purpose</p>	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>The report also provides the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council’s existing authorisation arrangements.</p>
<p>Annexes</p>	<p>None</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <p>I. Note the report.</p>
<p>Corporate priorities</p>	<ul style="list-style-type: none"> • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>

<p>Consultees/ Consultation</p>	<p>Work plans are agreed and reviewed regularly with the Director of Finance.</p> <p>Any Policies drafted or revised by the Counter Fraud and Enforcement Unit are provided to Legal Services for review and have been issued to the relevant Senior Officers, Governance Group and Corporate Management for comment.</p>
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1. EXECUTIVE SUMMARY

- 1.1 In administering its responsibilities, West Oxfordshire District Council ('the Council') has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.
- 1.2 The report sets out work streams which are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

2. BACKGROUND

- 2.1 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.
- 2.2 Work plans for the Counter Fraud and Enforcement Unit ('CFEU') are agreed with the Director of Finance and the Council's Senior Leadership Team. As the body charged with governance in this area, the Audit and Governance Committee oversee the Council's counter fraud arrangements, and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity
- 2.3 The work plan for 2025/26 included a focus on procurement, following the introduction of the new legislation, as a high-risk area. A procurement fraud risk register has been completed, and consultation is underway before it is more widely distributed and introduced to employees across the Council. In addition, a small supplier payment review is underway to identify any concerns or internal control issues.
- 2.4 The focus of the work plan for 2026/27 is fraud awareness work streams for employees, managers, Members and residents. This needs to ensure delivery is more relatable for each group in terms of fraud risk and mitigation. Additionally, whistle-blowing training will be included to support referrals from colleagues to ensure awareness of the associated protections.
- 2.5 The workstream will also include detail regarding the new Economic Crime and Corporate Transparency Act 'failure to prevent fraud' offence to ensure awareness is raised with all employees across the organisation. Under the offence, the Council may be
"criminally liable where an employee, agent, subsidiary, or other 'associated person', commits a fraud intending to benefit the organisation (Council) and the organisation (Council) did not have reasonable fraud prevention procedures in place."
- 2.6 A full briefing report will be submitted to Councillors regarding this new legislation and how it impacts the Council in due course.

3. MAIN POINTS

- 3.1 **Counter Fraud and Enforcement Unit (CFEU) Update**

- 3.2 The CFEU Assistant Director 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, Crimestoppers and colleagues from Gloucester City and Gloucestershire 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.
- 3.3 The Gloucestershire MAAF webpage has now been launched and is a simple and effective way to raise awareness and stop people falling foul of scams or 'put a lid on fraud'.



Gloucestershire Against Scams Joint Agency Response
 Working together to put a lid on fraud www.cfeu.org.uk/glassjar

- 3.4 The website provides practical advice for individuals, families, and businesses, clear reporting routes and contact details and support information for those that have been targeted by fraudsters. A project to adapt this for West Oxfordshire residents will commence in the summer.
- 3.5 In relation to the Covid Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). The Council can no longer refer newly found irregularities but can refer any business that defaults on a current repayment plan.
- 3.6 The Council paid £50,465,394 to businesses during the pandemic. The CFEU identified £545,183 which was paid due to fraud and error. Invoices were raised accordingly and £273,348 was recovered and returned to central government. Where debt has not been repaid, the CFEU have transferred liability to DBT for recovery. There is nothing further outstanding in relation to this work stream.
- 3.7 The CFEU continue to assist and support the Economic Development and Community Wellbeing Teams with the verification of grant applications. 77 applications for Shopfront Improvement Grants, Rural Enterprise Growth Grants, Community Activity Grants, Sustainable Tourism Grants, West Oxfordshire Business Boost Grants and Witney Community Insight Grants were reviewed.
- 3.8 All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- The CFEU received 2,196 Council Tax related matches in relation to the 2023/24 and the 2024/25 data sets. The data was reviewed as one and 113 enquires were made with residents. 34 recommendations were made resulting in 33 accounts being updated and an increased Council Tax revenue of £19,099 and 15 Civil Penalties, totalling £1,050 being applied.

- A further 217 matches were received as part of the 2024/25 cycle resulting in the following:
 - 109 matches were reviewed in relation to housing waiting list anomalies. 39 recommendations were made to the team resulting in the removal of 21 applications and £89,943 in loss avoidance.
 - 7 matches relating to payroll, there were no matters raised.
 - 101 matches relating to Housing Benefit and Council Tax Reduction Scheme discrepancies. 3 cases were referred to the Department for Work and Pensions.

3.9 A review of the Housing Waiting List has been completed. This includes verification of applications within Emergency Band (31 applications), Gold Band (127 applications) and Silver Band (365 applications). 271 discrepancies were referred to the team resulting in the removal of 24 applications and re-banding of 11 applications. This represents £102,792 in loss avoidance. Additionally, 4 matters were referred to the Revenues and Benefits team resulting in additional Council Tax revenue of £1,902.

3.10 Each cancelled housing application represents a property which can be reallocated to another eligible family. The National Fraud Initiative applies a figure of £4,283 for each application removed, to represent the value of future losses prevented as a result of removing an applicant. This represents a saving on the cost of temporary accommodation. In addition, the result of the band re-prioritisation is that those families who are correctly banded have a greater chance of being housed and housed more speedily.

3.11 There are approximately 2,024 active household applications on the register for West Oxfordshire at this time. The CFEU undertakes reviews of the Emergency, Gold and Silver Band Lists for the Partnership to maximise savings in this area and ensuring priority applicants are dealt with expediently. Between 1 April 2019 and 31 March 2025 this activity has resulted in the review of 4,641 applications and the subsequent removal of 495 applications representing approximately £1,860,378 in loss avoidance.

3.12 The CFEU Officer receives the list of applications within the individual bands, the review of the Emergency and Gold Banded applications is undertaken as a priority. The task of the reviewing officer is to establish the veracity of the reason for the application, for example overcrowding, homelessness, significant medical need or downsizing. Checks relating to occupancy and residential status / history are made and any discrepancies are forwarded to the Housing Team for review.

3.13 Results 2025/26 (to 28 February 2026):

3.14 In addition to the work carried out under the annual work plan, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into employee/member fraud and corruption, or tenancy and housing fraud investigation work. Since 1 April 2025 the team have received 145 referrals; 73 referrals were declined or referred to other bodies.

24 matters were referred to the Department for Work and Pensions ('DWP'). The remaining referrals are being dealt with by the CFEU.

3.15 The CFEU supports Enforcement Teams across the Council. The team have opened 12 cases and closed 16 cases from teams across the Council. This excludes any Council Tax Reduction Scheme matters.

- Work undertaken with the Revenues Team resulted in the removal of 2 incorrect Council Tax discounts/exemptions. Increased Council Tax revenue totalling £1,834 and 1 Civil Penalty totalling £70 being applied. Recommendations were also made in relation to a Business Rates evasion case.
- Work undertaken with the Environmental Regulatory Services Team in relation to environmental crime resulted in a Fixed Penalty Notice being issued totalling £500 and 2 written warnings being issued to members of the public in relation to animal welfare.
- An individual was successfully prosecuted in relation to animal welfare offences – the individual was found guilty of breaching a disqualification order. The individual received a Fine of £60 and was ordered to pay £415 costs.
- The team assisted in civil proceedings to pursue payment of S106 monies totalling £38,898. The judge ruled in favour of the Council and requested payment in full.

3.16 The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for the DWP Housing Benefit investigations. In the same period 1 case was opened, and 2 cases were closed.

- Increased Council Tax revenue of £3,000 has been raised.
- 1 Criminal Penalty totalling £1,000 was accepted.

3.17 Between 1 April 2025 and 28 February 2026, the team received 2 referrals from HR relating to disciplinary matters. Both cases relate to Publica colleagues and have been closed; results are as follows:

- 1 case related to tracing a previous employee in relation to unpaid debt.
- 1 case relating to falsifying of timesheets/not working contracted hours – the individual resigned during the investigation.

3.18 As previously reported, the team undertook an investigation relating to an employee undertaking full time employment for multiple Councils. The individual was found guilty at trial in July 2025 and was sentenced to 3 years imprisonment. The Proceeds of Crime proceedings are ongoing with the next hearing listed for April 2026.

4. REGULATION OF INVESTIGATORY POWERS ACT 2000 ('RIPA') / INVESTIGATORY POWERS ACT 2016 ('IPA')

4.1 The Council's RIPA and IPA Policies ('the Policies') are based on the legislative requirements of these Acts and supporting guidance relating to directed surveillance and the acquisition of communications data.

- 4.2 The Policies were reviewed and presented to the Audit and Governance (General Purposes) Committee in November 2019; these were adopted by Cabinet in December 2019. The Use of the Internet and Social Media in Investigations and Enforcement Policy, presented to Audit and Governance (General Purposes) Committee in September 2021 and adopted by Cabinet in November 2021.
 - 4.3 The Policies were reviewed in July 2023 by the Investigatory Powers Commissioner's Office (IPCO). The Policies were fully endorsed with a request to remove any reference to the OSC Procedures and Guidance document as it has been removed from circulation. This has been done.
 - 4.4 Two minor amendments to the current RIPA (Surveillance and CHIS) Policy have been actioned using the delegation which applies as these are minor. Section 22.5 'APPLICATIONS/AUTHORISATION' has been altered to reflect that any alternative approach should be explored before surveillance where possible and justification should be recorded on the case file rather than within a feasibility study/intrusion assessment.
 - 4.5 Section 22.18 'ATTENDING THE HEARING' has been updated to reflect that the applicant must attend the hearing but that the Authorising Officer does not but should be available if required to.
 - 4.6 The Policies will be the subject of a full review later in the year and will be presented to Members for approval at that time.
 - 4.7 The Council must have a Senior Responsible Officer and Authorising Officers to approve any applications for surveillance or the use of a Covert Human Intelligence Source, before the Court is approached. The Senior Responsible Officer is the Chief Executive, and the Authorising Officers are the Director of Finance, and the Director of Governance and Regulatory Services.
 - 4.8 All applications for communications data are made online via the National Anti-Fraud Network (NAFN) which acts as the single point of contact for Councils. There is a requirement for the Council to nominate a Designated Senior Officer who will confirm to NAFN that the Council is aware of any request and approves its submission. This role is undertaken by the Assistant Director , CFEU.
 - 4.9 The Council was inspected by IPCO, regarding its compliance with the legislation in July 2023. The next inspection is due in 2026.
 - 4.10 There have been no RIPA applications made by the Council during 2025/26, 1 application was made for communications data. There have been 5 Non-RIPA applications made during 2025/26 concerning overt activity.
 - 4.11 The Council takes responsibility for ensuring its procedures relating to surveillance and the acquisition of communications data are continuously improved and all activity is recorded.
- 5. WHISTLEBLOWING POLICY**
- 5.1 The Audit and Governance Committee approved the revised and updated Whistleblowing Policy in June 2025.

- 5.2 Subsequently, the Employment Rights Act 2025 outlined that allegations that sexual harassment has or is likely to occur that are in the public interest will qualify as a 'protected disclosure' and individuals making these allegations will receive whistleblowing protections against dismissal or detriment. The Whistle-Blowing Policy has therefore been updated to reflect this using the delegation which applies as this is a very minor amendment.
- 5.3 Section 1.5 (2) now includes 'sexual harassment that has or is likely to occur'.

6. ALTERNATIVE OPTIONS

- 6.1 The CFEU is working with the Council, all Gloucestershire Local Authorities, Royal Borough of Windsor and Maidenhead and other public sector bodies such as housing associations.
- 6.2 The CFEU is a shared service across the partnership and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

7. FINANCIAL IMPLICATIONS

- 7.1 The report details financial savings generated by the CFEU and the objectives in reducing crime and financial loss to the Council.
- 7.2 The report details the following:
- Revenue - £65,148 (includes Council Tax revenue which is ultimately shared amongst precepting authorities)
 - Penalties - £2,620
 - Loss Avoidance - £192,735

8. LEGAL IMPLICATIONS

- 8.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.
- 8.2 The Authority is also required to ensure that it complies with RIPA , IPA and any other relevant/statutory legislation regarding investigations. Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register.

9. RISK ASSESSMENT

- 9.1 The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. Effective fraud risk management is a preventative tool, when activity is publicised and individuals are aware that matters are investigated and prosecuted, compliance with legislation increases.
- 9.2 Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.
- 9.3 If the Council does not have effective counter fraud and anti-corruption controls, it risks both assets and reputation.

9.4 The RIPA and IPA Policies demonstrate the Council's consideration of necessity, proportionality and public interest when deciding on surveillance activity or the decision to obtain personal communication data. The application of the Policies and Procedures, to govern surveillance and the obtaining of personal communications data, minimises the risk that an individual's human rights will be breached. Furthermore, it protects the Council from allegations of the same.

10. EQUALITIES IMPACT

10.1 The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

10.2 The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.

11. SUSTAINABILITY IMPLICATIONS

11.1 None that are directly applicable.

12. BACKGROUND PAPERS

12.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- None.

(END)

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.</p>
<p>Subject</p>	<p>INTERNAL AUDIT PROGRESS REPORT 2025/26</p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk</p>
<p>Report author</p>	<p>Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk</p>
<p>Summary/Purpose</p>	<p>To present a summary of the audit work concluded since the last meeting of this Committee.</p>
<p>Annexes</p>	<p>Annex A – Report of Internal Audit Activity 2025/26 Annex B – Agreed Actions</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> I. Note the report
<p>Corporate priorities</p>	<p>(Internal Audit supports all Council Corporate Priorities</p> <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>

Exempt	NO
Consultees/ Consultation	Not Applicable

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. ADVISORY REPORTS

Due to the changes in teams and management structures, resulting from Phase 1 and Phase 2 of the Publica Transition, it was agreed that Advisory Reports would be presented to the Senior Leadership Team (SLT) in the first instance to give management time to understand the issues and implement changes. This is to ensure that areas where services have been brought back into the Council from Publica are given time to understand the controls and process required to be in place and given time to implement them. There will be follow up audits six months after the Advisory Report and these reports will be presented to the Audit and Governance Committee. Annex A shows that the Leisure Services Advisory report has been completed, shared with the SLT and actions have been agreed. There will be follow up audits to track the progress of these agreed actions.

4. ALTERNATIVE OPTIONS

Not applicable

5. FINANCIAL IMPLICATIONS

The Internal Audit Service is operating within the contract sum.

6. LEGAL IMPLICATIONS

None directly from this report. Internal Audit reviews consider compliance with legislation relevant to the service area under review.

7. RISK ASSESSMENT

The weaknesses in the control framework, identified by the Internal Audit activity, continues to threaten organisational objectives if recommendations are not implemented.

8. EQUALITIES IMPACT

Not applicable

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not applicable

10. BACKGROUND PAPERS

10.1 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

10.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

(END)

West Oxfordshire District Council

Report of Internal Audit Activity

March 2026

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

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



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.

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.

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	Reported in September
Key Financial Control	Payroll – Publica Controls	Final Report	Mid Substantial	0	-	-	-	Reported in September
Key Financial Control	Payroll – Council Controls	Final Report	Mid Reasonable	1	-	1	-	Reported in September
ICT	Disaster Recovery – Revenues and Benefits	Final Report	Low Substantial	0	-	-	-	Reported in November
Follow-Up	Members Allowances	Final Report	N/A	0	-	-	-	Reported in January
Operational	Digital Exclusion	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up audit planned for April 2026
Governance	Data Retention	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up audit planned for July 2026
Operational	Leisure Facilities	Final Report	Advisory	0	-	-	-	Report shared with SLT – Follow-Up planned for September 2026
Key Financial Control	Council Tax and NNDR	Final Report	High Reasonable	3	-	1	2	Report Included
Key Financial Control	Housing Benefit and Council Tax Support	Final Report	Mid Substantial	1	-	-	1	Report Included
Follow-Up	Data Breaches / Protection	Draft Report						
Key Financial Control	Bank Reconciliations	Draft Report						
Operational	Climate Change – Operational	In Progress						
Operational	Building Control – Compliance	Ready to Start						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Operational	Bio-Diversity	Ready to Start	
Governance	Business Continuity Plans (Services)	Deferred					Audit deferred to 2026/27 due to changes in process / templates	
Operational	Disabled Facilities Grants	Deferred					Audit deferred to 2026/27 due to timing	
Operational	Accounts Payable – Quarterly Review 2025/26	On Going	High Substantial				Q1 Report Included	
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						

Audit Plan Progress

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					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						
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

Council Tax, Business Rates, Council Tax Support & Housing Benefit Final Report – March 2026

Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates, and that opportunities for error, fraud or corruption are minimised.

Assurance Opinion – Council Tax (CT) and Business Rates (BR).



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.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	1
Priority 3	2
Total	3

Risk Assessment - CT and BR

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

Low

Assurance Opinion – Council Tax Support (CTS) and Housing Benefit (HB).



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.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	1
Total	1

Risk Assessment - CTS and HB

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

Low

Key Conclusions



At the time of audit work (October 2025) 18% of the long-term empty CT properties had been investigated to determine if a CT premium needed to be applied. The Revenues Officer advised at the time of report writing (January 2026) she was still working through these accounts. The process of investigating and applying premiums will be reviewed to ensure all long-term empty CT premiums are charged in a timely manner.



The 2 previously agreed actions from our 2024/25 audit of CT and BR relating to resolving historical suspense account entries and regular monitoring of the Revenues suspense account (1 x priority 3 and 1 x priority 2) are still in progress.



Reporting of BR long-term empty buildings is not undertaken. Reporting of BR long-term empty listed buildings will be introduced to help Officers proactively monitor these exemptions.

Sample testing found administrative errors which were discussed with the service area at the time of audit work. A reminder will be issued to all Revenues Officers to ensure administrative changes are supported.

Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- CT/BR – Liability changes, and Discounts and Reliefs.
- HB & CTS – Quality Assurance and Business Continuity.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

	<p>The Benefits Business Continuity plan was found to identify key functions, staffing requirements and was last updated in May 2025, but it has not been tested recently. Testing will be undertaken to ensure adherence to the Business Continuity Management Policy.</p>	<p>Sample testing was undertaken on a random sample of CT and BR accounts, and HB and CTS claims to ensure they had been applied in accordance with procedure.</p>
	<p>CT and BR</p> <ul style="list-style-type: none"> • We received satisfactory responses to all our CT liability testing queries. • Members voted to introduce the 2nd homes premium prior to its introduction in April 2025. • Regular cash reconciliations are undertaken. • There is separation of duties when processing and authorising refunds. 	
	<p>HB and CTS</p> <ul style="list-style-type: none"> • Members approved the 2024/25 CTS scheme. • Quality Assurance checks are undertaken on HB and CTS claims. • Evidence has been supplied to support reconciliations are undertaken. 	

Other Relevant Information.

The assurance we have given is specific to the areas we have reviewed this year.

At the time of audit work process or procedure documents were not supplied, however the Business Manager – Environmental, Welfare and Revenues advised some are available and that new starters shadow more experienced officers until they are experienced enough to undertake processes by themselves. Evidence is only required to support changes to certain discounts and exemptions, rather than changes to all liabilities; however, a note to support why the change has been made should be added to the account to record the reason for the change. There is a risk to future resilience due to a lack of complete and current procedure notes, and risk of potential fraud without evidence to support all changes to liability. However, we acknowledge that there is little value in raising an action to instate official policies/procedures at this time due to LGR. We suggest that consideration is given to whether it would add value to create process notes for all key tasks, or whether any are already in existence which are used by individual officers and could be shared. Benefit quality assurance processes also rely on experienced staff and informal guidance rather than formal documentation; this may impact future resilience too.

Evidence has been supplied to support work is being done to trace ex-account holders and refund them, but there are still many closed accounts in credit. Analysis of closed Council Tax accounts in credit was undertaken in November 2024, and comparing this to the data provided for our 2025 audit we can report a 68% increase of the number of closed accounts in credit. To ensure the benefits outweigh costs to the service area, Officers prioritise larger values and clear the smaller values before the new financial year. To further improve value for money, consideration could be given to how long these credits remain on the system and how long officers spend trying to trace account holders before credits are written on.

This is the 1st year of charging the 2nd home premium at the Council and we were advised processes are still being developed, but there is a risk all 2nd homes may not be identified as this relies on owners declaring this to the Council. The Business Manager – Environmental, Welfare and Revenues advised (November 2025) the CFEU are going to be undertaking a piece of work for them looking at 2nd homes in their 2026/27 plan.

AP Continuous Analysis Final Report – February 2026

Audit Objective

To identify potential duplicate payments, summarise, and present to the AP team for remedial action.

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 in the area audited.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
Total	0

Organisational Risk Assessment

Low

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

Key Conclusions

Accounts Payable (AP) use Business World to process payments on behalf of partner organisations and Councils. We used BW to generate AP reports capturing payments to suppliers between 1st April 2025 and 30th June 2025.



A total of 56,741 lines of transactional data was analysed. We cleansed the data and applied conditional formatting to highlight potential duplicate transactions. These transactions were inspected to establish whether mitigating circumstances could be identified (e.g. credit note). 6 suspected duplicates with a potential overpayment value of £2,429.06 were forwarded to the AP team for further investigation. This represents <0.004% of the total payments analysed.

At the time of writing this report, all potential duplicates for 2025/26 Q1 have been resolved. However, AP are managing 2 unresolved payments totalling £896 from 2024/25. We will continue to monitor these transactions through to resolution.

Audit Scope

Our review covers Q1 of the 2025/26 Financial Year. We check for potential duplicate payments at Councils and organisations hosted on Business World.

Findings have been summarised and reported to the Accounts Payable team, for further review and remedial action where necessary.

Next Steps

AP continue to work with officers and suppliers to rectify the unresolved duplicate transactions. A duplicate supplier number identified during this review has been passed to AP for resolution.



Open Management Actions

All open issues and closed actions in the last 2 years based on a rolling period.

Organisation

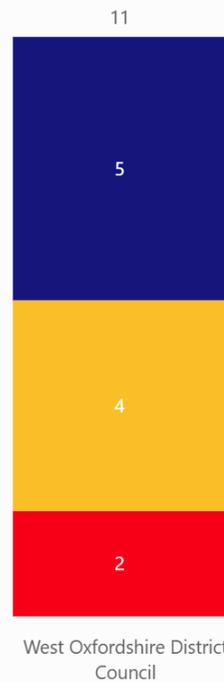
West Oxfordshire District C... ^

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

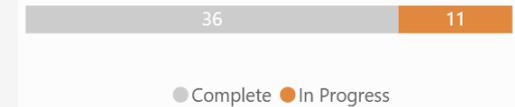
Not	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
6	3	2	(Blank)	(Blank)	(Blank)	11

Open Actions by Organisation

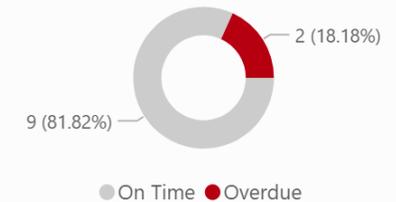
Priority ● 1 ● 2 ● 3



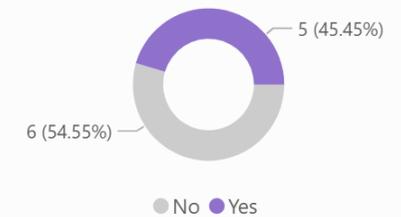
Open/Closed Actions



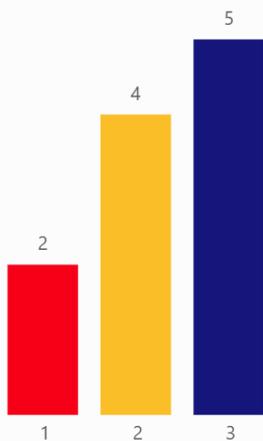
Overdue Open Actions



Open Actions with Extended Dates



Open Actions by Priority



OPEN AGREED ACTIONS - MARCH 2026

ID (Action Plan)	ID (Issue)	Audit Title	Title (Issue)	Issue Status	Period	Priority Score	Original Timescale	Revised Timescale	Follow-Up Assessment
5929	5563	WODC - CT/NNDR 2024/25	WODC Revenues and Benefits Suspense Account Monitoring	Pending Remediation	2024/25	3	31/03/2025	30/06/2026	Feb 2026: Advised they are continuing to liaise with the Exchequer Team re the large amount of entries in the Open Revenues Suspense account.
5930	5564	WODC - CT/NNDR 2024/25	WODC Historical Revenues and Benefits Suspense Account Entries.	Pending Remediation	2024/25	2	31/03/2025	30/06/2026	Feb 2026: Advised this action cannot be carried out until action #5929 has been completed.
6467	6055	WODC - Data Retention 2024/25	WODC Data Retention Schedule	Pending Remediation	2024/25	1	31/03/2026		
6471	6059	WODC - Data Retention 2024/25	WODC - Council Systems	Pending Remediation	2024/25	1	31/03/2026		
6605	6187	WODC - S106s 2023/24	Monitoring processes for non-financial clauses are insufficient	Pending Remediation	2024/25	2	31/12/2025	28/02/2026	Feb 2026: Awaiting evidence to close action
6606	6188	WODC - S106s 2023/24	Improvements to S106 contribution management required	Pending Remediation	2024/25	3	31/12/2025	28/02/2026	Feb 2026: Action is with Legal - IA are waiting for an update for timescales for templates and clauses
5938	5572	WODC - Taxi Licensing Safeguarding Follow Up	WODC Taxi Licensing Income Reconciliation.	Pending Remediation	2024/25	2	30/06/2025	31/03/2026	Feb 2026: Advised the Licensing Team Leader has a spreadsheet set up to undertake this now which is an ongoing work in progress. She will continue to work on the process between now and April in order to get it up and running more efficiently for the next financial year. She is also working with Accounts to hopefully streamline this process if we can.
8062	7554	PUB - Revenues and Benefits 2025/26	NDR Long Term Empty Property Monitoring	Pending Remediation	2025/26	2	30/06/2026		
8164	7651	PUB - Revenues and Benefits 2025/26	Civica Open Revenues Supporting Evidence	Pending Remediation	2025/26	3	30/06/2026		
8165	7652	PUB - Revenues and Benefits 2025/26	Council Tax Long Term Empty Property Monitoring.	Pending Remediation	2025/26	2	30/06/2026		
8182	7669	PUB - Revenues and Benefits 2025/26	Publica Benefits Business Continuity Plan.	Pending Remediation	2025/26	3	30/06/2026		

 WEST OXFORDSHIRE DISTRICT COUNCIL	WEST OXFORDSHIRE DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.
Subject	INTERNAL AUDIT PLAN 2026/27 AND INTERNAL AUDIT CHARTER AND MANDATE 2026/27
Wards affected	None
Accountable member	Councillor Alaric Smith, Executive Member for Finance Email: Alaric.Smith@westoxon.gov.uk
Accountable officer	Madhu Richards, Director of Finance Email: Madhu.Richards@westoxon.gov.uk
Report author	Lucy Cater, Head of Internal Audit. Assistant Director, SWAP Internal Audit Services Email: Lucy.Cater@swapaudit.co.uk
Summary/Purpose	To present to the Audit and Governance Committee the Internal Audit Plan, Charter and Mandate 2026/27 for consideration and approval.
Annexes	Annex A – Proposed Internal Audit Plan 2026/27 Annex B – Internal Audit Charter and Mandate 2026/27
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none"> 1. Approve the proposed Internal Audit Plan 2026/27 2. Approve the Internal Audit Charter and Mandate 2026/27
Corporate priorities	Internal Audit supports all Council Corporate Priorities <ul style="list-style-type: none"> • Putting Residents First • A Good Quality of Life for All • A Better Environment for People and Wildlife • Responding to the Climate and Ecological Emergency • Working Together for West Oxfordshire

Key Decision	NO
Exempt	NO
Consultees/ Consultation	Not Applicable

I. BACKGROUND

Internal Audit

The primary role of Internal Audit is to provide assurance that West Oxfordshire District Council ('the Council's') systems provide for a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with the Council's Senior Leadership Team and the Audit and Governance Committee. The Internal Audit service is provided to the Council by SWAP Internal Audit Services (SWAP). A copy of the proposed Internal Audit Plan 2026/27 is attached to this report at Annex A.

To satisfy the requirements of the Global Internal Audit Standards and the UK Application Note, and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk-based plan.

The core transactional financial systems delivered to the Council by Publica are covered within the Core Financials section of the Audit Plan. The scope of audits will include both Publica and client-side activities providing;

- Assurance to the client (the Council) over the controls, and system controls, operated by Publica Officers, for each financial module
- Periodic assurance over the other services provided by Publica.
- The required support to the External Auditor.

2. MAIN POINTS

Internal Audit Plan

A summary of the Proposed Internal Audit Plan for 2026/27 ('the Audit Plan') is included in the Annex 'A'. This lists the risk-based assurance and consultancy work planned for the year. Counter fraud related audit work has not been included in this Audit Plan.

The Audit Plan outlines a programme of work for 2026/27 as developed throughout January and February 2026. It is becoming increasingly difficult to accurately predict longer-term key organisational risks and with Local Government Re-Organisation our planning recognises this through a strategic 12 month plan, whereby we have prepared an agile, risk assessed Audit Plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and

controls and with regard to sector risks. The regular input of the Senior Leadership Team, and the Chief Financial Officer and review of the Council's risk register will be considered in this process.

The Audit Plan contains an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

Internal Audit Charter and Mandate 2026/27

The Internal Audit Charter and Mandate grants the Internal Audit function the authority to provide the Audit and Governance Committee and Senior Management with objective assurance, advice, insight, and foresight and is attached to this report at Annex B.

3. ALTERNATIVE OPTIONS

Not Applicable

4. FINANCIAL IMPLICATIONS

There are no direct financial implications

5. LEGAL IMPLICATIONS

The Council operates an Internal Audit function in line with requirements of the Accounts and Audit Regulations 2015. There are no direct legal implications arising from this report

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. There are no significant issues or risks in the attached report.

7. EQUALITIES IMPACT

Not Applicable

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 Not Applicable

9. BACKGROUND PAPERS

9.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Internal Audit Reports

9.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

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West Oxfordshire District Council

Proposed Internal Audit Plan 2026/27

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2026/27 financial year.

Introduction and Objective of the Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming year appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit and Governance Committee?
- Is sufficient assurance being received within our annual plan to monitor the organisation's risk profile effectively?

Internal Audit Planning 2026/27

The proposed 2026/27 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

Internal audit is only one source of assurance and should be considered as such.

Update to Approach

It is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2026/27 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key corporate objectives and strategic risks, as well as our core areas of recommended audit activity. In addition, due to services returning to the Authority, the audit plan identifies areas where audit activity will be split and assurance offered for each element, for example, payroll, strategic finance.

When compiling the audit plan Internal Audit has identified the human and technological resources necessary to complete the plan, in accordance with the fee paid by the Council.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

Internal Audit Planning 2026/27

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit and Governance Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

Internal Audit Risk Assessment (updated)

Our 2026/27 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for West Oxfordshire District Council



Core Audit Areas – Areas of Coverage and Brief Scope				
	Directorate	Link to Council Corporate Risk	Link to Council Priority	Proposed Qtr
PUBLICA AUDITS - Controls and Transactional Testing				
Core Financials – Publica Controls and Transactional Testing				
<i>A review of the controls operating within Publica in respect of the Core Financial systems:</i>				
<ul style="list-style-type: none"> • Main Accounting (Budgetary Control) • Treasury Management – High Level Key Control Testing • Bank Reconciliation – High Level Key Control Testing • Payroll • Procurement 				
	Finance	IR1 IR4 ER3/IR9 PR3	Key System - All	Qtr4 Qtr2/3 Qtr2/3 Qtr2/3 Qtr1
Human Resources				
<ul style="list-style-type: none"> • Manual Pay Calculations 				
	Workforce Planning and Transformation	IR1 IR4	Key System - All	Qtr1
Revenues and Benefits				
<i>A review of the controls operating in respect of:</i>				
<ul style="list-style-type: none"> • Council Tax • National Non-Domestic Rates • Housing Benefit and Council Tax Support 				
<i>Scope to be confirmed</i>				
	Operations	IR1 IR4	Key System - All	Qtr 2/3
ICT Audits				
<ul style="list-style-type: none"> • Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager – BW Migration Project • Disaster Recovery – Annual Audit – Application / System to be agreed 				
	ICT	ER1	Key System - All	Qtr1-4 Qtr2
Governance				
<ul style="list-style-type: none"> • Emergency Planning and Business Continuity • Health and Safety – Mandatory Training / Risk Assessments / PPE • Safeguarding (Children and Adults) – Review of all Service Areas include Section 11 Report 				
	Corporate Services	SR1 IR3 ER4/PR2	Putting Residents First Working Together	Qtr1 Qtr1 Qtr1
Regulatory Services				
<ul style="list-style-type: none"> • Food Safety 				
	Operations	PR3	Putting Residents First	Qtr2

Proposed Internal Audit Plan 2026/27

Operational Audits <ul style="list-style-type: none"> Land Charges – Walkthrough of process, including application processing, timeliness, fee recovery. KPIs 	Operations		Putting Residents First	
Continuous and Annual Reviews <ul style="list-style-type: none"> Accounts Payable – Continuous Duplicate and Small Supplier Testing Procurement Review Unit – Review to support the services compliance with External Assessor Building Control – Review to support the services compliance with External Assessor Carbon Data 		IR1/PR3 IR1/PR3/IR3/IR4 PR3 SR2	Key System – All Key System – All Putting Residents First Responding to Climate Emergency	Qtr1-4 Qtr1-4 Qtr1-4 Qtr4
Proposed Audit Areas – Areas of Coverage and Brief Scope				
COUNCIL AUDITS				
Core Financials <ul style="list-style-type: none"> Payroll – Key Control Testing Main Accounting (Budgetary Control) 	Finance	PR3 IR1	Key System – All	Qtr2/3 Qtr4
Business Grant Post Payment Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS		IR1		Qtr1-4
Property Compliance <ul style="list-style-type: none"> Review to ensure the Health and Safety Compliance of Council Property 		IR3/PR2	Putting Residents First	Qtr4
Planning <ul style="list-style-type: none"> Areas to review to be agreed with Manager but could include <ul style="list-style-type: none"> Planning Application Process Planning Validation (Service provided by Publica) Planning Appeals Planning Enforcement Heritage Community Infrastructure Levy (CIL) Forward Planning / Local Plan 	Governance and Regulatory	IR4 SR4	All	

Proposed Internal Audit Plan 2026/27

<p>Follow-Up Audits (Advisory and Limited Assurance) Data Retention <i>Follow-Up of 2025/26 Audit</i> Leisure and Culture <i>Follow-Up of 2025/26 Audit</i> Digital Exclusion <i>Follow-Up of 2025/26 Audit</i></p>		<p>IR2/IR4</p> <p>PR2</p>	<p>All</p> <p>Enabling a Good Quality of Life</p>	<p>Qtr2</p> <p>Qtr2</p> <p>Qtr2</p>
<p>Programmes and Projects <i>Time allocated to support WODC Specific / Directed Programmes and Projects</i> <i>To include support to Local Government Re-Organisation Work Streams (when required)</i></p>		<p>MR1</p>	<p>All</p>	
<p>Proposed audits will be considered, during the year, and discussed with Council Managers and Directors, Publica Business Managers, and Council Statutory Officers to confirm scope, timing and if it remains appropriate to undertake the audit. Liaison meetings will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated and agreed with the CFO as necessary.</p>				
<p>Further requested assurance / advisory / support work</p>				



Other Audit Involvement

Management

Preparation of IA Monitoring Reports and preparation and attendance at Audit and Governance Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFO and Management Team. IA Team Liaison Meetings.

Follow-Up Audits

Follow-Up of Previous Year's Agreed Actions

Specialist Groups

IA attendance at specialist groups e.g. Health and Safety Working Group, Procurement and Commissioning Board

Grant Certification

Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)

Working with the Counter Fraud and Enforcement Unit

Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings

Contingency

Provision for new work based on emerging risks and Investigations.

Internal Audit Charter for SWAP Internal Audit Services (SWAP)

Purpose

SWAP Internal Audit Services creates, protects, and sustains value by providing the audit and governance committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors Global Internal Audit Standards™ which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit and governance committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adherence to the Global Internal Audit Standards

The Accounts and Audit (England) Regulations, state that: *“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance.”*

The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements subject to the Application Note for UK Public Sector Internal Audit. The chief audit executive will report annually to the partner audit and governance committee and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program, managed and monitored by the SWAP senior management team and the SWAP board.

Mandate

Authority

The audit and governance committee grants the internal audit function the mandate to provide the audit and governance committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the audit and governance committee. Such authority allows for unrestricted access to the audit and governance committee.

The audit and governance committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Partner and other specialized services from within or outside the Partner organisation to complete internal audit services.

Independence, Organisational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The chief audit executive will report functionally to the audit and governance committee and administratively (for example, day-to-day operations) to the Section 151 Officer. This positioning provides the authority and status to bring matters directly to senior management and escalate matters to the audit and governance committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The chief audit executive will confirm to the audit and governance committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The chief audit executive will disclose to the audit and governance committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, audit and governance committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the chief audit executive, audit and governance committee, and/or senior management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit and Governance Committee Oversight

To establish, maintain, and ensure that the internal audit function has sufficient authority to fulfill its duties, the audit and governance committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to, communicates, and interacts directly with the audit and governance committee, including in private meetings without senior management present.
- Ensure arrangements are in place to notify the chief audit executive of all suspected or detected fraud, corruption, or impropriety.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the "essential conditions," described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter [annually] with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive / head of internal audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter [annually].
- Approve the risk-based internal audit plan.
- Collaborate with senior management to determine the budgets, qualifications, and competencies the organisation expects in a chief audit executive, as described in the Global Internal Audit Standards in the UK Public Sector.
- Review the chief audit executive's performance, provide feedback to the SWAP CEO, plus senior management, and the organisation's CEO.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established.
- Review of the results of the quality assurance and improvement program annually.
- Make appropriate inquiries of management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The chief audit executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Partner organisation and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Partner organisation or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Partner organisation's employees that are not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, audit and governance committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The chief audit executive has the responsibility to:

- At least annually, submit a risk-based internal audit plan to the audit and governance committee and senior management for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the audit and governance committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Partner organisation's business, risks, operations, programs, systems, and controls.
- Communicate with the audit and governance committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit and governance committee and senior management [annually] and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Partner organisation and communicate to the audit and governance committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Partner organisation's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the audit and governance committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the audit and governance committee.

Communication with the Audit and Governance Committee and Senior Management

The chief audit executive will report [annually] to the audit and governance committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit and governance committee.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Partner organisation's risk appetite.
- Clarification over the responsibility to complete a fraud risk assessment, and presentation of this where responsibility belongs to SWAP.

Quality Assurance and Improvement Program

The SWAP senior leadership team in collaboration with the chief audit executive / will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the audit and governance committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be completed at least once every five years by a qualified, independent assessor or assessment team from outside both SWAP and the Partner Organisation; qualifications must include at least one assessor holding an active Chartered Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all the Partner organisation's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit and governance committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Partner organisation.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the Partner Organisation's strategic objectives are appropriately identified and managed.
- The actions of the Partner organisation's officers, directors, management, employees, and contractors comply with the Partner organisation's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Partner organisation.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.</p>
<p>Subject</p>	<p>ANNUAL GOVERNANCE ACTION PLAN 2025/26 UPDATE</p>
<p>Wards affected</p>	<p>All</p>
<p>Accountable member</p>	<p>Councillor Andy Graham, Leader of the Council Email: andy.graham@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Giles Hughes, Chief Executive. Email: giles.hughes@westoxon.gov.uk</p>
<p>Report author</p>	<p>Cheryl Sloan, Assistant Director, Workforce Strategy & Transformation Email: cheryl.sloan@publicagroup.uk</p>
<p>Summary/Purpose</p>	<p>This report presents the Audit & Governance Committee with an update for the Annual Governance Action plan for 2025/26</p>
<p>Annexes</p>	<p>Annex A – Annual Governance Statement Action Plan 2025/26</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> I. Note the progress update for the Annual Governance Statement Action Plan 2025/26
<p>Corporate priorities</p>	<p>All</p>
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/ Consultation</p>	<p>N/A</p>

1. BACKGROUND

- 1.1** The Audit & Governance Committee is the Committee of West Oxfordshire District Council ('the Council') charged with overseeing governance.
- 1.2** Regulation 4 of The Accounts and Audit Regulations 2011 requires the Council to produce an Annual Governance Statement (AGS), setting out the Council's governance arrangements.
- 1.3** Every year the Council reviews and updates the AGS. From the AGS, an Action Plan is developed which identified areas for improvement to be delivered the following financial year to further improve the Council's governance arrangements.
- 1.4** This paper presents the Annual Governance Action Plan 2025/26 with progress updates.

2. RISK REGISTER

- 2.1** There are 8 key actions within the 2025/26 Action Plan, this includes any carry over actions from the 2024/25 action plan. The actions include the following:
 - New service delivery models
 - Council Constitution
 - Business Continuity
 - Procurement
 - Local Government Reorganisation
 - Service Plans
 - Financial Management
 - WODC specific policies
- 2.2** The Action Plan identifies the specific tasks that will be undertaken in the respective areas of focus and sets timescales for their completion. The Action Plan also includes a RAG (Red-Amber-Green) rating to show whether the actions are on target, off target but action being taken to ensure delivery, or off target and no action has yet been agreed to resolve the situation. A grey rating shows that the action has been completed.
- 2.3** All actions are now complete with the exception of Business Continuity Plans (BCPs) and WODC specific policies which are to be carried over to next year 2026/27 and the Financial Procedure Rules which are on target to be approved by this Committee and are elsewhere on this agenda.
- 2.4** Good progress has now been made with the BCPs. A new business impact assessment tool has been introduced, and managers have been trained in its' completion. Once this is completed, this information will be used to inform a new BCP. It is hoped that new BCPs will be completed by early summer, enabling testing to take place during 2026/27. This action will carry over into next financial year's AGS action plan.

2.5 The majority of WODC specific policies are now up to date, with a few that are under development. An action plan is in place to monitor all policies, renewal dates and completion. This action will also carry over into 2026/27.

2.6 An action plan for 2026/27 is under development and will be brought to the Audit and Governance Committee for approval later in the year.

3. FINANCIAL IMPLICATIONS

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

4. LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising from this report.

5. RISK ASSESSMENT

6. If the Council's governance arrangements are weak then Council is at risk of failing to safeguard the use of public funds. In turn this would lead to poor external assessments, damaging the reputation of the Council. The areas of focus for the 2025/26 financial year identified in the AGS provide a clear set of priorities for the continual improvement of governance and mitigation of risk.

7. EQUALITIES IMPACT

7.1 An equalities impact assessment is not required for this report.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 There are no climate or ecological emergency implications arising directly from this report.

9. BACKGROUND PAPERS

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:

- Annual Governance Statement 2024/25:
- Statement of Accounts for 2024/25

9.2 These documents will be available for inspection online at www.westoxon.gov.uk or by contacting democratic services democratic.services@westoxon.gov.uk for a period of up to 4 years from the date of the meeting.

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ANNUAL GOVERNANCE ACTION PLAN 2025/26

Notes and key

Each action in the plan is marked with a 'traffic light' as follows:

Green	On target
Amber	Off target but action being taken to ensure delivery (where this results in a reviewed target date, this is made clear in the table)
Red	Off target and no action has yet been agreed to resolve the situation
Complete	Action has been completed

Completed actions are marked as such in the 'Date' column and are shaded grey

This action plan contains actions from the Annual Governance Statement 2025/26 which are coordinated and monitored by the WODC Management Team.

Key to officers:

Accountable officer (AO)

CEO - Chief Executive: Giles Hughes

CFO - Chief Finance (S.151) Officer: Madhu Richards

MO - Monitoring Officer: Andrea McCaskie

Responsible officer (RO)

AD HR / Gov – Assistant Director, workforce strategy & transformation: Cheryl Sloan

H Fin – Head of Finance: Georgina Dyer

BP Proc - Senior Procurement Business Partner: Ciaran O'Kane

	Key Area of Focus	Planned Actions	Update	Responsible Officer / Date	Status
1	New service delivery models	<ul style="list-style-type: none"> To complete the phase 2 transition of services To ensure new services are embedded into the WODC culture 	<ul style="list-style-type: none"> Phase 2 transition was completed 1 July 2025. Where gaps in the structure existed on transfer, recruitment has either been completed or underway. A People Strategy is now in place following two working groups held in November 2024 and February 2025. 	CEO 31/03/2026	Complete
2	Council Constitution	<ul style="list-style-type: none"> Undertake a full review of the Council's Constitution and Scheme of Delegation to reflect the new service delivery model following phase 2 transfer of services 	<ul style="list-style-type: none"> Update has been completed following phase 2 transfer 	MO 31/03/2026	Complete
3	Business Continuity	<ul style="list-style-type: none"> Further develop business continuity plans (BCP) to ensure they are robust and fit for purpose under the new service delivery model To test the business-critical Business Continuity Plans 	<ul style="list-style-type: none"> A new Business Impact Assessment (BIA) Tool has been tested and is being rolled out across the Council and Publica. Managers have attended training on the new BIA and BCP The BIA will then inform the BCP. This action will roll forward into next financial year. Good progress is being made on the new process, and whilst this is being implemented, existing BCPs continue to be reviewed. 	AD HR/ Gov 31/03/2026	Off-target. Will carry over into next financial year
4	Procurement	<ul style="list-style-type: none"> To ensure officers are trained and competent in the new Procurement Act 2023 	<ul style="list-style-type: none"> A toolkit has now been completed and is available on the portal. 	BP Proc 31/03/2026	Complete

		<ul style="list-style-type: none"> To develop a toolkit for use by officers who undertake procurement 	<ul style="list-style-type: none"> An update has been published on the internal employee portals including the launch of a new contract register information template e-form for contracts over £5k and updated support pages. Manager training has now taken place across WODC and Publica 		
5	LGR / Devolution	<ul style="list-style-type: none"> To ensure WODC and our partner organisations are prepared / ready in advance of LGR / Devolution To place our staff in the best position possible, through training, development and support. To ensure WODC are in the best financial position possible pre and post LGR / Devolution. 	<ul style="list-style-type: none"> Workstreams have now been established across Oxfordshire, and WODC are represented on all key workstreams WODC have considered the proposals for Oxfordshire and are supporting the two Unitary Option. The three Oxfordshire proposals were submitted to government on 28 November 2025 The Government will be taking a view on the proposals submitted and will make a decision on which best meets their criteria, with a government run consultation running through February and March 2026 with a decision expected in the Summer of 2026. Work is underway with Publica to consider potential options to ensure employees and services are protected. 	CEO 31/03/2026	Complete up to project timelines. LGR will carry over into 26/27

			Training, development and support is being put in place for our employees and partner employees.		
6	Service Plans	<ul style="list-style-type: none"> To have service plans in place for all business areas, delivered directly by the council and its partners 	<ul style="list-style-type: none"> Service plans were put in place for 25/26 Work has been carried out to approve service plans for 26/27. 	Service / Business Managers 30/06/2025	Complete
7	Financial Management	<ul style="list-style-type: none"> The Financial Procedure Rules (FPR's) are currently in the process of being reviewed in advance of being submitted to the Constitution Working Group (CWG) and Audit and Governance Committee for approval later in the year 	<ul style="list-style-type: none"> The draft FPR's were considered by CWG in November 2025 with it being agreed that the approval route was by the Audit & Governance Committee which will consider them on 19 March 2026 	CFO 31/03/2026	On-target
8	WODC specific policies	<ul style="list-style-type: none"> To ensure all WODC specific policies are up to date and comply with relevant legislation To produce new policies and procedures where required. 	<ul style="list-style-type: none"> The majority of policies are now up to date with minor revisions being dealt with under the Chief Executives delegated authority and new policies being taken through the Performance & Appointments Committee Any outstanding are being monitored by the Governance Group 	Service / Business Managers 31/03/2026	Carry over

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.</p>
<p>Subject</p>	<p>MEMBER LEARNING AND DEVELOPMENT UPDATE 2025/26</p>
<p>Wards affected</p>	<p>None</p>
<p>Accountable member</p>	<p>Councillor Andy Graham, Leader of the Council Email: Andy.Graham@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Andrea McCaskie, Director of Governance and Regulatory Services Email: Andrea.McCaskie@westoxon.gov.uk</p>
<p>Report author</p>	<p>Ana Prelici, Senior Democratic Services Officer Email: democratic.services@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To update the Committee on Member Learning and Development Activities in 2025/26 and provide feedback on the proposed Member Induction Programme for 2026/27</p>
<p>Annexes</p>	<p>Annex A- Member Learning Survey Results Annex B- Member Briefing and Training Attendance Annex C- Member Induction and Briefing Programme</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> 1. Note the report; 2. Provide feedback on the Member Induction Programme 2025/26 and how the Council may better engage Members in Member learning and development opportunities.
<p>Corporate priorities</p>	<ul style="list-style-type: none"> • Putting Residents First • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>
<p>Exempt</p>	<p>NO</p>
<p>Consultees/</p>	<p>Head of Democratic and Electoral Services</p>

Consultation	All Members via the Member Learning and Development Survey.
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EXECUTIVE SUMMARY

- 1.1 This report updates the Audit and Governance Committee on Member learning and development activities in 2025/26. It also seeks feedback from the Committee on how the Council may better engage Members in Member learning and development opportunities so that sessions will be well attended going forwards.

2. BACKGROUND

- 2.1 The Audit and Governance Committee has a responsibility to promote, maintain and assist the achievement of high standards of conduct by Councillors and Co-opted Members in accordance with the Council's Code of Conduct for Members. This includes a responsibility to secure adequate and appropriate training on the Members' Code of Conduct.
- 2.2 The Committee last received an update on learning and development activities in March 2025.

3. MEMBER SURVEY FEEDBACK

- 3.1 A Member Development, Learning and Support requirement survey was sent out to all Members, and was completed over a period of roughly two months – from 14 August 2025 to 15 October 2025. 20 Members completed the survey.
- 3.2 The survey results which are relevant to future Member learning and development activities are included at Annex A and have helped to inform the proposed Member Induction Programme for 2026/27 which is included at Annex C.
- 3.3 The survey responses highlighted the following main points;
 - 3.3.1 The majority of Members feel that their learning and development needs are being met.
 - 3.3.2 The majority of Members are satisfied with the frequency and topics of Member Briefings, and many prefer hybrid or virtual formats for learning and development sessions, suggesting flexibility in delivery is valued.
 - 3.3.3 Time constraints and external commitments were common barriers to participation identified by respondents. 60% of survey respondents stated that their preferred time slot was Thursday 5:30pm (the existing option). However, the day and time preferences were split between respondents, with no clear preferred option.

4. MEMBER BRIEFINGS AND LEARNING AND DEVELOPMENT OPPORTUNITIES

- 4.1 Statistics on Briefings are included in Annex B of the report.
 - 4.1.1 25 Members attended Council learning and development sessions in 2025
 - 4.1.2 40 Members attended 1 or more all Member briefings
 - 4.1.3 20 Members attended 5 or more all Member briefings

Table 1: Summary of Member Learning and Development Attendance

Learning and Development Sessions	No. of attendees
8 May 25 Planning: Local Plan, Structure, vision, Objectives	19
21 May 25 Planning Training	28
22 May 25 Planning - Settlement Specific Policies & Development Areas	24
5 June 2025 Chief Constable and Police and Crime Commissioner Presentation	13
12 June 25 Licensing Training	9
8 July 25 Chairing Skills	7
10 July 25 Audit, Fraud and Risk Awareness	6
15 July 25 Scrutiny Essentials	5
24 July 25 Questioning Skills	4
11 Sept 25 Licensing Training 2nd session	3
25 Sept 25 Statement of Accounts	6
16 Oct 25 Statement of Accounts Pt 2	3

- 4.2** As in previous years, a suite of online training courses is available to elected Members through the Council’s iHASCO e-learning platform. This training is entirely optional and Members are able to access the courses via the Councillor Portal at their own convenience. To date take up remains very low, with only one Councillor having completed any courses since May 2025. The survey completed by Members shows that a quarter of respondents did not know what iHASCO was. Information on iHASCO will be included in the Induction Packs for new Members and an email will be sent to existing Members.
- 4.3** Following cyber attacks at other local authorities, the link to the Council’s cyber security course was re-circulated to all Members. To date 23 Members have completed the training. This training is not mandatory for Members but is essential in protecting the Council’s cyber security and Members have been urged to complete the training and an in-person session to be undertaken by the Data Protection Officer is in the process of being finalised.
- 4.4** Officers have organised a series of Member briefings which have taken place on Thursday evenings. Most of these are held online via Microsoft Teams and are mostly recorded.
- 4.5** The attendance for individual Member Briefings over the year has been between 7 and 22 Members. The topics and attendance figures are included at Annex B of the report.
- 4.6** There was higher attendance the start of the programme with strong engagement, especially with Local Plan and planning-related briefings. However, it appears that there has been a gradual decline in attendance since October. It is noted that this gradual decline coincides with an increase in frequency from monthly to weekly and might be due to Briefing ‘fatigue’ or Members being more selective with which Briefings they attend.

- 4.7 Recording the sessions does not seem to negatively impact attendance and virtual sessions seem to have slightly higher attendance than in-person only Briefings.
- 4.8 Members of the Audit and Governance Committee are asked to provide feedback on the schedule and relevance of Member Briefings and provide suggestions on any way attendance at these could be increased.

5. INDICATIVE LEARNING AND DEVELOPMENT PROGRAMME FOR 2026/27

- 5.1 The Member Induction Programme is at Annex C of the report. This Programme has been informed by the experience from previous years and feedback provided by Members who responded to the survey. Most of this training is aimed primarily at new Councillors following elections in May but all Members are highly encouraged to attend.
- 5.2 Training related to regulatory committees must be completed by Members prior to sitting on the Committee. All Members are highly encouraged to attend Planning and Licensing Training as it is a pre-requisite to substituting on the relevant Committee.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council has allocated a budget of £8,000 per annum for Member Learning and Development. This is sufficient to fund a small number of externally provided sessions per year (e.g. Charing Skills and Overview and Scrutiny training), with funding available for Members to attend external training courses, where it relates to their responsibilities as a Councillor and with the agreement of their Group Leader.

7. LEGAL IMPLICATIONS

- 7.1 There is no legal requirement for the Council to provide Member learning and development opportunities but doing so is considered to be good corporate governance and member support practice. Member training on regulatory functions (e.g. planning, licensing and standards) is important for ensuring that decisions taken will be sound and reduce the risk of decisions being successfully challenged.

8. RISK ASSESSMENT

- 8.1 If Members are not trained in areas such as the Code of Conduct and social media there is a risk of an increase in the number of complaints against Members.
- 8.2 If Members taking planning, licensing and standards decisions are not trained on those functions there is an increased risk of decisions being successfully challenged, which can be costly for the Council and result in negative publicity.

9. EQUALITIES IMPACT

- 9.1 Learning, development and Briefings sessions are intended to cater for Members' varying needs and preferences. As part of the training survey, Members were asked if they require any reasonable adjustments related to a physical or mental health condition or disability.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 Where appropriate, learning, development and Briefing sessions are held online to minimise travel emissions. There are no other climate and ecological emergencies implications arising from this report.

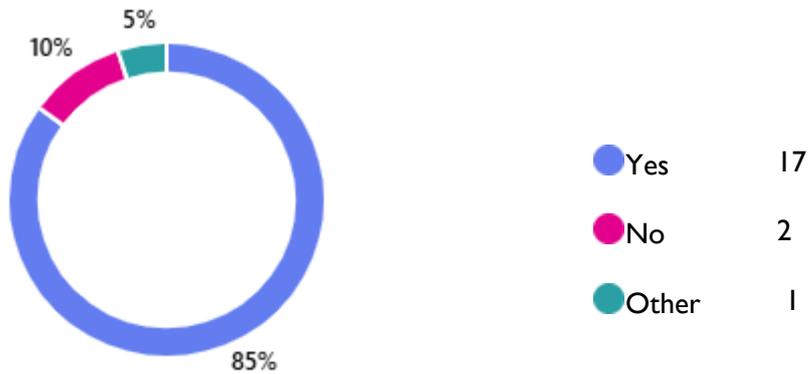
11. BACKGROUND PAPERS

11.1 None.

(END)

Annex A- Member Development and Support Learning Survey 2025 – Results

1. Do you feel that your development and learning needs as a Councillor are being met?

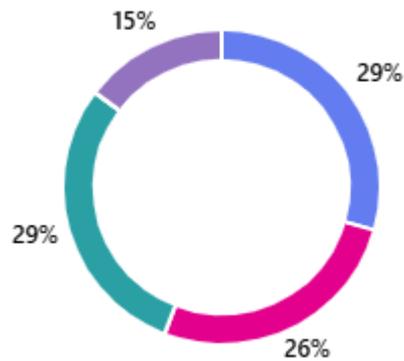


2. Please provide details of any areas you feel you would like further development on

1	I.T.
2	The process governing running events. I get a lot of questions on this and feel fairly clueless.
3	housing
4	The most challenging area I feel is Overview and Scrutiny and how to make this proportionate and effective. That aside, I think the briefings we are offered cover well the other areas of my responsibility.
5	It's not so much for me now, but I think that new members should be given a tour of the building and introduced to each team of officers. Also, I think a session on member/officer working relationship early in the year would be good.
6	refreshers course periodically on planning with new legislation coming forward
7	I have not been able to attend briefings as often as I would like, but their recording is very useful
8	In the beginning of becoming a Councillor I needed a lot of help setting up and who I needed to talk to about certain issues so I was going through the switch board

3. How do you prefer learning sessions to be delivered? (please select all that apply).

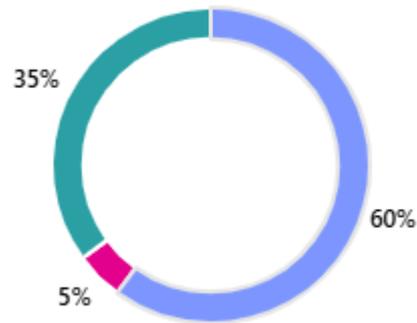
- Virtual (via teams or similar) 10
- In person 9
- Hybrid 10
- E-learning (e.g. iHasco) 5



4.

Currently the average attendance rate at member briefings is 17.4 members (35%). It was identified that Thursday, 5:30pm would work best for not conflicting with other commitments (e.g. Parish council meetings). Are you able to attend briefings or learning and development sessions at this time?

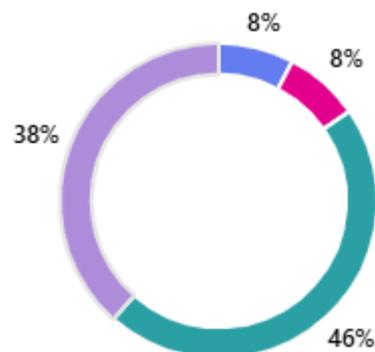
- Yes 12
- No 1
- Other 7



5. If not, what times are you typically available to training and briefings?

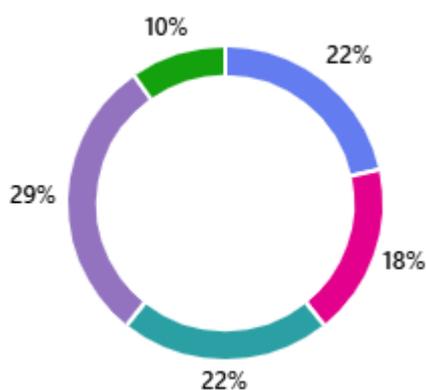
attend

- Morning (9am-12pm) 1
- Lunchtime (12pm-2pm) 1
- Afternoon (2pm-5pm) 6
- Early Evening (5pm-8pm) 5



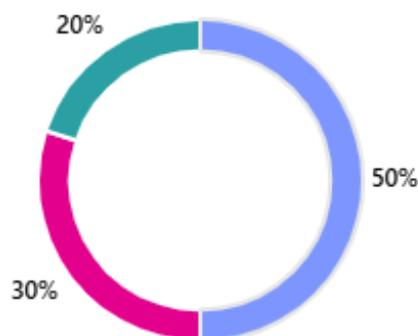
6. Which days typically work for you to attend learning or briefing sessions?

- Monday 11
- Tuesday 9
- Wednesday 11
- Thursday 15
- Friday 5



7. Over the past year, have you completed any externally organised training courses? (including virtual, in-person and e-learning)

- Yes 10
- No 6
- Other 4



8. Please provide the name of the course you attended, including the organiser (e.g. the LGA)

1	L.G.A.
2	Licencing Chairing
3	Data Confidence
4	Climate Action scorecards by Climate Emergency UK Also some LGA training and briefings
5	LGA - Chairing Audit Committees
6	Scrutiny training (part 1) private trainer
7	Various LGA briefings
8	Can't remember
9	LGA chairing, Pension fund training
10	LGA Labour Conference- various workshops, Notably by the co-operative party + co-operative party innovation group - on local energy and community building
11	as above
12	Residential 2 day course for planning portfolio holders by PAS

13	NALC/OALC/ Councillor training
14	Mental Health First Aid

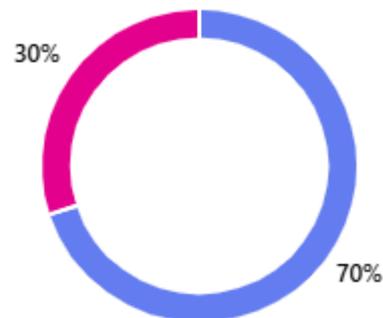
9. Would you recommend this to other Councillors? Why/ why not?

1	Yes
2	Yes. Chance to asked questions and meet up
3	It was. mandatory
4	yes..
5	Yes
6	Yes it was very informative, good speaker
7	Yes, recommend LGA briefings
8	cant answer but in principal yes
9	yes
10	yes - it shaped understanding of what councillors can and can't do and shared good practice
11	Yes
12	No they are not in this role
13	n/a
14	Yes

10. Do you feel confident accessing the iHasco e-learning platform?

Yes 14 ●

No 6 ●

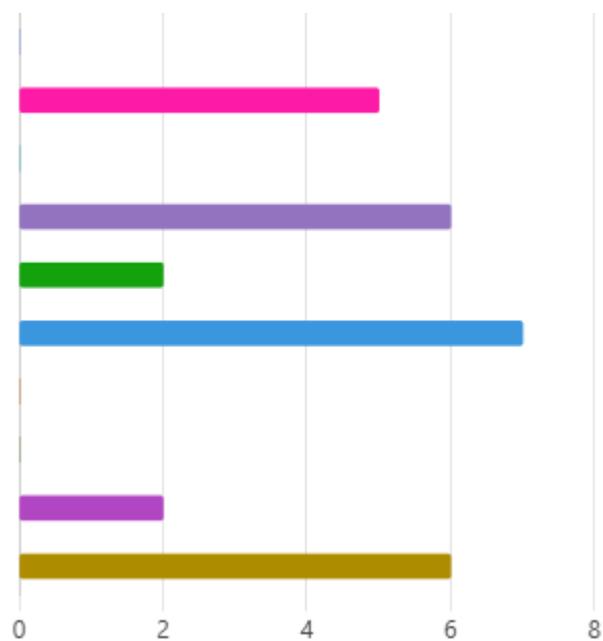


11. Are you satisfied with the selection of courses available on the iHasco e-learning platform?

Yes 6 ●
 No 1 ●
 I have not accessed iHasco 13 ●

12. Currently 2 Councillors have used the courses on iHasco in the past two years. If you haven't used iHasco, why not?

I am not interested in accessing learning on this sort of platform	0	●
I don't know what it is	5	●
I have found the courses irrelevant to my role as a Councillor	0	●
I feel my learning needs are being met	6	●
I have struggled to log in to iHasco	2	●
I am too busy	7	●
There are too many courses on there and it is overwhelming	0	●
I do not like how the courses are delivered	0	●
I can access this sort of training elsewhere (i.e. an employer or another Council)	2	●
Other	6	●

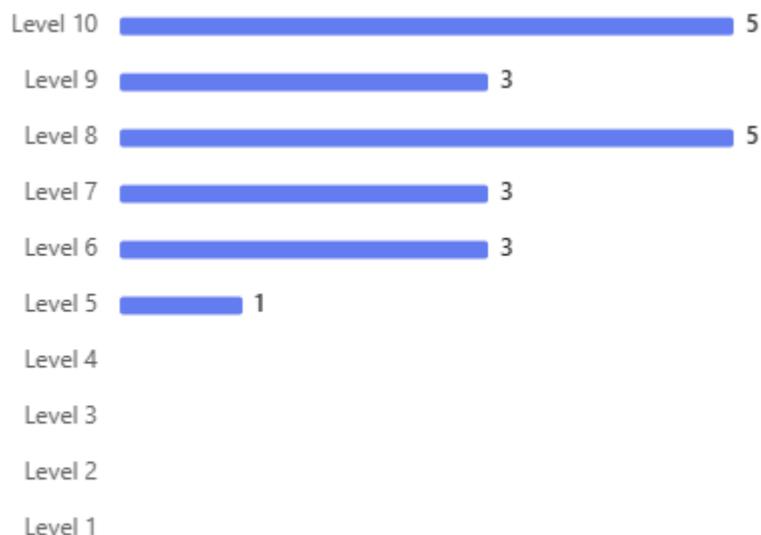


13. If you have accessed the iHasco e-learning platform, please provide feedback of your experience

1	N/A.
2	I have not accessed iHasco
3	N/A
4	N/A
5	not applicable
6	None
7	I think I have - the one on equality and the online security one - not sure if they were iHasco. They were good
8	I have used it but not recently. I have similar material at my workplace. Feel free to send reminders about the platform
9	I have not accessed the platform
10	n/a
11	N/A
12	None
13	NA
14	n/a
15	-
16	-
17	It's one more thing
18	-
19	n/a
20	None

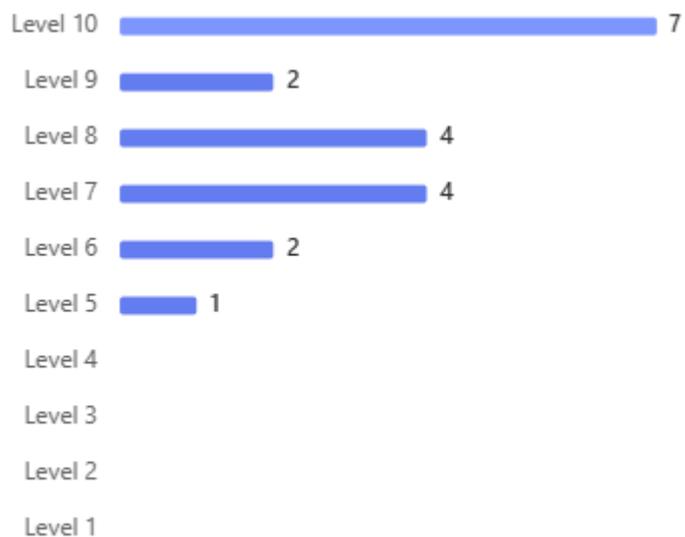
14. Member briefings are generally held monthly. How satisfied are you with the frequency of Member Briefings?

Average= 8.05



15. How satisfied are you with the topics offered at member briefings?

Average = 8.25



16. Are there any additional topics you would like a briefing on?

1	Local Government Reorganisation
2	No
3	As mentioned before - the events planning and approval process.
4	No
5	no
6	No

7	On Local Government Reorganisation, I'd like a briefing on what are the options for how services could be delivered at local level, looking at different models that are used in unitaries. Flooding - who is responsible for what and what to do about it. Other topics: the basics of being a councillor - what is the relationship between members and officers. What are the main things councillors can contribute. Climate awareness. Procurement. Contracts.
8	Housing
9	No
10	n/a
11	Seems to be a good range of topics already. Perhaps on key County Council contacts and structure.
12	refresher courses to keep me updated and better informed
13	.
14	n/a
15	Thank you for arranging these briefings
16	-
17	n/a
18	-
19	n/a
20	Mental Health being arranged

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Annex B- Member Training and Briefing Attendance 2025

Member Training attendance

Training	Total	Notes
21 May 25 Planning Training	28	Aimed toward 24 planning committee members but open to all
12 June 25 Licensing Training	9	Aimed at 11 Licensing Committee members but open to all
8 July 25 Chairing Skills	7	Aimed Only at Chairs and Vice-Chairs but open to all
10 July 25 Audit, Fraud and Risk Awareness	6	Aimed at 11 Audit and Governance Members but open to all
15 July 25 Scrutiny Essentials	5	Aimed at 15 O&S members but open to all
24 July 25 Questioning Skills	4	Aimed at 15 O&S members but open to all
11 Sept 25 Licensing Training 2nd session	3	Aimed at 11 Licensing Committee members but open to all. "Mop-up session" for those who missed 12 June training.
25 Sept 25 Statement of Accounts	6	Aimed at 11 Audit and Governance Members but open to all
16 Oct 25 Statement of Accounts Pt 2	3	Aimed at 11 Audit and Governance Members but open to all

Member Briefing Attendance

Date	Location	Subject Matter(s)	Status	No Attended	Views on Portal
08/05/25	Microsoft Teams	Local Plan 2041 - Structure, Vision, Objectives and Thematic policies	RECORDED on portal	18	0
22-May-25	Microsoft Teams	Planning – Settlement Specific Policies & Development Areas	RECORDED on portal	22	1
05-Jun-25	Council Chambers, Witney	Chief Constable and Police and Crime Commissioner Annual Presentation	Slides available not recorded	12	0

10-Jul-25	Committee Room 1	Mental Health Summit	Not recorded	7	0
17-Jul-25	Microsoft Teams	Design, Enforcement, Biodiversity/Net gain	RECORDED on portal	13	0
21-Aug-25	Hybrid - Microsoft Teams and Council Chambers	Local Government Reorganisation	Not recorded	9	0
04-Sep-25	Microsoft Teams	Emergency Planning/Flooding and Customer Complaints Process	RECORDED on portal	12	0
18-Sep-25	Microsoft Teams	Planning - Section 106, Ecology and CIL Update	RECORDED on portal	12	1
09-Oct-25	In person - Council Chambers	Local Plan Spatial Options	Slides available not recorded	16	0
16-Oct-25	Microsoft Teams	Net Zero	RECORDED on portal	10	1
06-Nov-25	Microsoft Teams	Community Wellbeing including Youth Development	RECORDED on portal	9	0
20-Nov-25	In person - Council Chambers	Devolution and Mayoral Strategic Authorities	RECORDED on Portal	8	0
04-Dec-25	Microsoft Teams	Oxfordshire Local Nature Recovery Strategy	Slides available not recorded	13	0

08-Jan-26	Microsoft Teams	Budget 2026/2027	RECORDED on Portal	13	0
15-Jan-26	Microsoft Teams	Proposed 2026/27 Ubico Business Plan Briefing	RECORDED on Portal	7	0
29-Jan-26	Microsoft Teams	Police and Crime Commissioner Annual Presentation	Not recorded slides available	13	0
05-Feb-26	Microsoft Teams	CIL - Community Infrastructure Levy	RECORDED on Portal	9	1
12-Feb-26	Microsoft Teams	Cyber Security Briefing	Not recorded	7	0
05-Mar-26	Microsoft Teams	Planning: Spatial Options Consultation	Invite sent		
12-Mar-26	Microsoft Teams	Property and Assets	Invite sent		
02-Apr-26	Microsoft Teams	Bio Diversity Net Gain	Invite sent		

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Member Induction, Briefing and Training Scheme 2026-27

<i>Content</i>	<i>Target audience</i>	<i>When</i>
Introduction to the Council <ul style="list-style-type: none"> ● Corporate welcome ● Introduction to partnerships inc. Publica, Ubico, CFEU, SWAP <ul style="list-style-type: none"> ● Overview of welcome pack and induction ● Overview of Council governance ● Member and Officer roles ● Code of Conduct training ● Modern.gov app set-up ● Declaration of acceptance of office (if not done at count) ● Tour of the building ● Official photograph 	New member	13 May 2026 1.00 – 4.00 pm inc. lunch In person – Council Chamber? 4 hours

<i>Type of training</i>	<i>Target audience</i>	<i>When</i>
Social Media Training	All	14 May 2026, 4.30 pm – 5.30 pm Virtual
Planning Skills To ensure that all Members are equipped with the essential planning knowledge and skills they need as Committee Members/Substitutes and Ward Councillors. To include: <ul style="list-style-type: none"> ● Introduction to the planning process ● Planning at West Oxfordshire District Council ● Being on a Planning Committee 	All	20 May 2026, 3.00pm – 5.00pm – In person (After Full Council) 2 hours
Planning – Mock Committee Meeting	Planning Committee Members	1 June 2026, 2.00pm – 3.00pm – In person Council Chamber

<p>Licensing An introductory course to ensure that the Licensing Committee members are equipped to determine applications.</p>	<p>All/ Licensing Committee members</p>	<p>11 June 2026, 2.00pm – 4.00 pm – In-person Committee Room 2</p> <p>Recording and slides of the 2024 training can be viewed on the Councillor Portal 1.5 hours</p>
<p>Chairing Skills training The session covers the following elements and is intended for Committee Chairs, Vice Chairs and aspiring Chairs. It is bespoke to the Council's Constitution, protocols and rules of procedure.</p> <ul style="list-style-type: none"> • Role and Purpose of the Chair • 'Prepare to Chair' • The 'flying start' - managing standard items • Managing the meeting (business, order and outcomes - including votes) • Key constitutional knowledge • Avoiding common errors and 'deadly sins' <p>A small number of Chairs will have the opportunity to practice some of the strategies outlined should they wish to do so.</p>	<p>All</p>	<p>24 June 2026, 6.00pm – 7.30pm – In person, Committee Room 1</p> <p>1.5 hours</p>
<p>Audit, Fraud and Risk Awareness and Governance Committee training An overview of the roles and responsibilities of the Audit and Governance Committee, including:</p> <ul style="list-style-type: none"> • The role of Chief Finance Officer (Section 151 Officer) • External Audit • Internal Audit • Risk 	<p>All/ Audit and Governance Committee Members</p>	<p>9 July 2026, 2.00 pm – 6.00pm time tbc In person Committee Room tbc</p> <p>3 hours</p>

<ul style="list-style-type: none"> • Treasury Management • The Counter Fraud and Enforcement Unit • Annual Statement of Accounts 		
Overview and Scrutiny Skills	All/Overview and Scrutiny Members	Details to be added

Member Briefings

Date	Location	Start Time	Briefing Topic
21-May-26	Hybrid - Teams and Chambers	5.30 pm	Data Protection and Cyber Awareness Training or add to induction day 13 May
27-May-26	Council Chambers	4.00 pm	Planning: Reg 19 Consultation
04-Jun-26	Microsoft Teams	5.30 pm	Gibbets Hill Reserve

02-Jul-26	Microsoft Teams	5.30 pm	CNL (Cotswold National Landscape)
06-Aug-26	Microsoft Teams	5.30 pm	LGR if needed NO MEETINGS IN AUG
03-Sep-26	Microsoft Teams	5.30 pm	Emergency Planning/Flooding and Customer Complaints Process
17-Sep-26	Microsoft Teams	5.30pm	Cyber Security Briefing
01-Oct-26	Microsoft Teams	5.30pm	Net Zero
05-Nov-26	Microsoft Teams	5.30 pm	Community Wellbeing including Youth Development
03-Dec-26	Microsoft Teams	5.30 pm	Housing

07-Jan-27	Microsoft Teams	5.30pm	Budget 2026/2027
21-Jan-27	Microsoft Teams	5.30pm	Chief Constable and Police and Crime Commissioner Annual Presentation
04-Feb-27	Microsoft Teams	5.30 pm	Proposed 2027/28 Ubico Business Plan Briefing
18-Feb-27	Microsoft Teams	5.30 pm	Cyber Security Briefing
04-Mar-27	Microsoft Teams	5.30 pm	Oxfordshire Local Nature Recovery Strategy
	Microsoft Teams	5.30 pm	Equality, diversity and inclusion
	Microsoft Teams	5.30 pm	Safeguarding

	Microsoft Teams	5.30pm	Upgrade to Oxfordshires Electricity Network
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 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>AUDIT AND GOVERNANCE COMMITTEE – 19 MARCH 2026.</p>
<p>Subject</p>	<p>AUDIT AND GOVERNANCE ANNUAL REPORT</p>
<p>Wards affected</p>	<p>NONE</p>
<p>Accountable member</p>	<p>Councillor Carl Rylett – Chair of the Audit and Governance Committee Email: carl.rylett@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Andrea McCaskie – Director of Governance and Regulatory Services Email: andrea.mccaskie@westoxon.gov.uk</p>
<p>Report author</p>	<p>Mathew Taylor – Democratic Services Officer Email: mathew.taylor@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To provide a draft report of the activities of the Audit and Governance Committee to Council for the municipal year 2025/26.</p>
<p>Annexes</p>	<p>None.</p>
<p>Recommendation(s)</p>	<p>That the Audit and Governance Committee resolves to:</p> <ol style="list-style-type: none"> 1. Approve the draft version of the report for presentation by the Chair of the Audit and Governance Committee to Full Council on 20 May 2026. 2. Delegate authority to the Director of Governance, in consultation with the Chair of the Audit and Governance Committee, to make final changes and additions to the report following the meeting of the Audit and Governance Committee on 19 March 2026. Changes may include incorporation of suggestions from Committee Members on items for inclusion in the report from past meetings of the Committee, the addition of detail of the meeting of 19 March 2026 and other minor amendments.
<p>Corporate priorities</p>	<ul style="list-style-type: none"> • Working Together for West Oxfordshire
<p>Key Decision</p>	<p>NO</p>

Exempt	NO
Consultees/ Consultation	Audit and Governance Committee

1. EXECUTIVE SUMMARY

- 1.1** It is considered good practice for an annual report on the work of the Audit and Governance Committee to be produced and presented to Full Council. The Committee has a responsibility under Part 3C of the Constitution to provide an annual report to Council. This reporting process enables the Committee to demonstrate the work undertaken in the year in discharging its responsibilities as laid out in the Council's Constitution.
- 1.2** The report contains a summary of the work of the Committee in the key areas of responsibility to date. The summary includes, Committee responsibilities, actions and decisions, themes of discussions from Members and Officers.
- 1.3** Within the recommendations to the report a delegation is sought for Officers to add detail of the work undertaken at the final meeting of the Committee (held on 19 March 2026).
- 1.4** The items brought to the Committee on 19 March 2026 will bring the work of the Committee for the full municipal year to a conclusion however it is not possible for this detail to be included in the report at this stage therefore amendments and additions will be required. The additions from the March meeting may include, but are not limited to, suggestions from Members of the Committee in relation to the items included from earlier meetings and reports already included in this report, and those arising from items presented at the meeting on 19 March 2026.
- 1.5** The final updated report containing full details of all meetings for presentation to Full Council is to be approved by the Director of Governance and Regulatory Services, in consultation with the Chair of the Committee, prior to publication of the Council agenda for the meeting on 20 May 2026.

2. BACKGROUND

- 2.1** Part 1A.8 of the Council's Constitution states: "The Council has an Audit and Governance Committee responsible for 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".
- 2.2** Part 3C of the Council's Constitution, "Committee Functions", sets out the Committees that Council will establish to discharge certain functions (though Council retains the right to concurrent and overriding exercise of all functions). The Audit and Governance Committee is one such Committee.
- 2.3** Details of the areas for which the Audit and Governance Committee has responsibility can be seen in full in Part 3C of the Constitution.
- 2.4** In order to discharge its responsibilities, the Audit and Governance Committee comprises eleven Members. Members are appointed at Full Council in accordance with the regulations regarding political proportionality. For the 2025/26 municipal year, the Chair of the Committee was elected as Councillor Carl Rylett, the Vice-Chair was elected as Councillor Ruth Smith. The other Members of the Committee were Councillors Joy Aitman, Andrew Beaney, David Jackson, Edward James, David Melvin, Elizabeth Poskitt, Nigel Ridpath, Sandra

Simpson, Alex Wilson. No Executive Members can sit on the Audit and Governance Committee.

- 2.5 Membership of the Audit and Governance Committee may also include up to two Independent non-elected persons, without voting rights. The Committee has opted to include such members, and these are currently Richard Deuttenburg and (from 3 December 2025) Victoria Field.
- 2.6 The current size of 11 Members, the addition of two Independent Persons and the rule that Executive Members cannot be members of the Audit and Governance Committee resulted from a self-assessment exercise which reported to Council on 19 March 2024.
- 2.7 Key Officers who regularly bring reports to the Committee are: Madhu Richards (Director of Finance (SI51), Lucy Cater (Assistant Director SWAP), Emma Cathcart (Assistant Director – Counter Fraud and Enforcement Unit ('CFEU')), Cheryl Sloan (Assistant Director – Workforce Strategy and Transformation), Georgina Dyer (Head of Finance), Andrew Brown (Head of Democratic and Electoral Services), Kate Seeley (Investigation and Enforcement Manager CFEU), John Chorlton (Chief Technology Officer) and Andrea McCaskie (Director of Governance and Regulatory Services). The Council's External Auditor, Bishop Fleming, also periodically report to the Committee.
- 2.8 In discharging its responsibilities as set out in the Councils' Constitution the Audit and Governance Committee has met on five occasions in the municipal year on: 26 June 2025, 25 September 2025, 27 November 2025, 22 January 2026 and 19 March 2026. This report summarises the work of the Committee at those meetings.

3. WORK OF THE COMMITTEE BY TOPIC AREA FOR THE MUNICIPAL YEAR 2025/26

- 3.1 The work of the Committee can be broadly categorised under the following headings: Finance; Internal Audit; External Audit; Risk Management; Corporate Governance and Counter Fraud. Detail of the work of the Committee is given in sections 4 to 9 of the report grouped under these headings.

4. FINANCE

- 4.1 Members were required to review and approve the **Statement of Accounting Policies** ('the Policies') to be included in the 2024/25 Statement of Accounts. Members approved the policies in advance of the preparation of the Statement of Accounts 2024/25 which represented best practice. The Policies outlined the relevant accounting principles, bases, conventions, rules and practices applied by the Council in preparing and presenting financial statements and were prepared largely from the Chartered Institute of Public Finance & Accountancy ('CIPFA') guidance, adjusted as appropriate to be suitable for the Council and had been reviewed to ensure they align with the latest CIPFA Code of Practice on Local Authority Accounting (The Code) supported by International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs). It had been recommended by the Council's External Auditor, Bishop Fleming, that Members formerly approve the draft policies as this demonstrated that those charged with governance had the opportunity to consider and review Policies in advance of the process.

The Committee noted that changes in Policies were minimal, but those areas highlighted by Officers and considered by the Committee included:

- An accumulated absence reserve for TUPE employees. This was a notional amount based on unused annual leave prior to year end and was reviewed annually.
- The UBS Fund realised capital loss which was now recognised in the accounts. The Committee clarified that this was funded through earmarked reserves with no net impact on revenue budget or 2024/25 outrun position. This position was outside of the Council's control.
- The new requirement in IFRS16 for the treatment of leases that had been reflected in the policies.

The Committee resolved to approve the draft accounting Policies for 2024/25 and note the necessary amendments.

4.2 Treasury Management Outrun updates were received and noted by the Committee for Quarter 4 of 2024/25, Quarter 1 of 2025/26 and mid-term for the period 1 April 2025 to 30 September 2025. The updates advised the Members of the Committee of the treasury management activity and the performance of internal and external fund managers and included prudential indicators.

In noting the reports Members discussed the following:

- The performance of long-term investments, market conditions and cash reserves.
- The Council's compliance with Prudential Indicators, noting that these were largely complied with. The exception was observed as being on Interest Rate Exposure, however the Committee did not view this as a concern.
- Guidance on future balance of portfolios held by newly established Unitary Authorities was expected from central Government.
- The Benchmarking information sources in presented reports were confirmed to be from Arlingclose, the Council's Treasury Advisors.
- The potential timescales for a requirement of the Council to seek external borrowing for projects.
- The treatment of realised capital gains and losses at the point of Local Government Reorganisation.
- Ethical investments that were included in Treasury Management Strategy.

4.3 Budget Strategy Papers for Capital, Investment and Treasury Management were presented to the Committee for noting in relation to the 2026/27 budget setting process.

On the recommendation of the predecessor external auditor, the Council's Constitution had been amended to update the Terms of Reference of the Audit and Governance

Committee to include the review of the three strategies presented as part of the annual budget setting process.

The Committee noted that:

- The Treasury Management Strategy now included an ethical investment approach. The management of this was with Arlingclose, the Council's Treasury Advisors, and the Committee requested that Arlingclose attend future Committee training sessions so this approach could be further explored. The Committee noted the balance between ethical investment and a requirement for returns to fund services.
- Sources and need for external borrowing were discussed, with the Committee noting that active lending markets were not the Council's preference should borrowing be required.
- The Council's position on procurement of plant, in particular waste vehicles in light of LGR, was explored. The Committee noted that an Overview and Scrutiny Task and Finish Group had been involved in recent work in this area with projects designed to be LGR resilient.

5. INTERNAL AUDIT

- 5.1 Throughout the year the Committee received three Internal Audit Progress Reports at its meetings in September, November and January. In addition, the Annual Opinion was received by the Committee, and, at the request of Members, an External Quality Assessment (EQA) report was brought to the Committee on the work of SWAP on internal audits.
- 5.2 The **Internal Audit Annual Opinion 2024/25** presented to the Committee was a summary of work undertaken by Internal Audit during 2024/25 and gave an overall opinion on levels of assurance resulting from the work. The Committee was advised that effective internal audit must be undertaken by relevant authorities, taking into account public sector internal auditing standards and guidance.

The Head of Internal Audit (SWAP Assistant Director's) Annual Opinion on the adequacy and effectiveness of internal controls within the Council was that a "reasonable" assurance level was given for the internal controls in place in the areas where audit activity had taken place. The Committee received assurance that, where operational control issues were raised in the audit reports, the risks associated with these were being actively managed by Management. This opinion contributed to the assurances available to the Head of Paid Service and the Council and underpinned the Council's own assessment of the effectiveness of its internal controls. The Internal Audit Annual Opinion must be taken into account when completing the Annual Governance Statement and Annual Statements of Accounts.

Members discussed: the potential operational risks associated with volatile Employee levels due to LGR; priority one open actions around Human Resources; The Climate Change

Operational Audit due to form part of the 2025/26 opinion; The availability of data protection training for Members and Employees; and how the Council monitored s.106 monies received and spent.

- 5.3 Internal Audit Progress Reports** were brought to all Committee meetings to enable the Committee to monitor the work of Internal Audit and ensure that it remained effective.

The Committee noted that significant audits had taken place on the Counter Fraud Enforcement Unit (CFEU), with a reassuring and impressive result. The Committee received audits on the payroll controls of both the Council and Publica, giving Mid-reasonable and Mid-substantial opinions respectively. The Committee welcomed that procurement card policies and procedures had been implemented. The Committee considered the report on ICT disaster recovery in the Revenue and Benefits systems which resulted in a Low substantial opinion. In general terms the Committee had no concerns on Internal Audit work in their meetings.

- 5.4** At the request of Members, and organised by The Monitoring Officer, the Committee received the **SWAP Internal Audit External Quality Assessment (EQA)** report. This report was considered the “audit of the auditor” and had been undertaken on SWAP by the Devon Assurance Partnership. It was noted that such an exercise should be undertaken at least once every five years. The Committee noted that SWAP had received an assessment of, “generally conforms”, which was the highest possible rating for such a report.

6. EXTERNAL AUDIT

- 6.1** The Council’s External Auditor, Bishop Fleming, reported two items to the Committee in the year.

- 6.2 The Annual Report – Value for Money Arrangements and Recommendations 2024/25**, gave the Committee the External Auditor’s report and findings on the arrangements in place at the Council to achieve value for money as required under the National Audit Office (NAO) Code of Audit Practice.

The report focused on Criteria such as: financial sustainability; governance; and improving economy, efficiency and effectiveness. The Committee noted that no significant weaknesses in arrangements were identified by the External Auditor. The Committee was informed that some improvement recommendations had been made to the Council’s Senior Leadership Team (‘SLT’) to which the External Auditor was comfortable that all responses had been received.

Members of the Committee queried the position of the External Auditor on the Council’s decision not to undertake a peer review, despite LGR and the Publica reorganisation. The External Auditor advised that they were comfortable with this decision with good practice for peer reviews to be taken once every five years.

- 6.3** The Committee received the **Final 2024/05 Audit Findings Report (ISA260) and Statements of Account** from Bishop Fleming. This summarised the work of the External Auditor of the

Council's accounts as required under International Standards of Audit (UK) (ISAs) and the NAO Code of Audit Practice.

In summary, the External Auditors testing and review had not identified any significant issues, all considerations had been discussed with the Council's SLT and an opinion on the accounts of "unqualified" was given.

In addition to noting the report of the External Auditor the Committee approved the Statements of Accounts for 2024/25 including the Annual Governance Statement. Councillor Carl Rylett, Chair of the Audit and Governance Committee, signed the Letter of Representation on behalf of the Committee and the Council to Bishop Fleming to enable the opinion to be issued.

7. RISK MANAGEMENT

7.1 The Committee was presented with the Strategic Risk Register for the Council at two meetings and considered the Risk Policy and Opportunity Management Strategy:

7.2 Strategic Risk Register, Risk Policy and draft Risk and Opportunity Management Strategy

The Committee was charged with approving the latest version of the Council's Risk and Opportunity Management Strategy ('the Strategy'). The Committee is also responsible for reviewing the Council's Strategic Risk Register at regular intervals.

The Risk and Opportunity Management Strategy set out the Council's approach to risk and opportunity management including defining these concepts, setting the Council's risk appetite and defining roles and responsibilities in this area. The Committee noted that there had been no significant changes to the Strategy, with the exception of changes in some roles and responsibilities due to services being transferred back to the Council. The Council's current risk appetite was noted as being "creative and aware". The Committee considered this appetite as appropriate for the Council.

Over the municipal year the Committee discussed and explored the following in the Council's Strategic Risk Register:

- The "red risks" on the Register, such as: Financial stability of the Council; English Devolution White Paper; NPPF and the 5-year housing land supply.
- The appropriateness of the risk level attributed to General Data Protection Regulations and Cyber-attacks.
- The process of reviewing the Strategic Risk Register internally was discussed. The Committee established that the SLT and risk owners regularly reviewed and updated the register.
- Members raised several potential new or increased areas of risk that they felt merited reassessment on the Risk Register.
- The Committee requested that Officers map the identified risks with the current risk appetite of the Council in future reports.
- The increased risk to Members who use their own devices was discussed.

As a result of this discussion an agenda item on Cyber Security was brought to the Committee in September 2025.

8. CORPORATE GOVERNANCE

8.1 The work of the Committee in Corporate Governance can be seen below:

8.2 The latest version of the **Local Code of Corporate Governance** ('the Code') for adoption by the Committee and the Council was presented to the Committee. The development of the Code is considered best practice for all Local Authorities.

The document set out the framework and overarching principles of Governance for the Council. The Code had been reviewed following the publication of the addendum in May 2025 of "Delivering Good Governance in Local Government Framework", though the Committee noted that the Council was already majority compliant.

In relation to this Code, Members queried: recruitment; communication procedures with Employees to ensure good governance; and the availability and source of key performance indicators in Officer reports.

Documents associated with the Code are discussed at section 8.3.

8.3 The Committee approved the **Annual Governance Statement (AGS) 24/25 & Annual Governance Action Plan (AGAP) 2025/26**. Regulation 4 of the Accounts and Audit Regulations 2011 required the Council to produce the AGS which sets out the Council's governance arrangements. The Audit and Governance Committee is charged with overseeing governance and as such is required to approve this document. The AGS is backward looking, detailing the governance arrangements which were in place for the previous financial year (2024/25). The AGS also shows the progress which was made against the AGAP for 2024/25.

The AGAP is a forward-looking document that set out the areas of improvement and focus for the current financial year (2025/26). The AGAP contained eight key actions: New service delivery; Council Constitution; business continuity; procurement; LGR/devolution; service plans; financial management; Council specific policies.

The Committee approved the two documents for sign-off by Chief Executive and the Leader of the Council and agreed to receive updates on progress against the key actions in the AGAP at future meetings. The Committee noted eight Key Actions were contained in the Action Plan, including three carried over from the previous year. However, progress had been made on all carried-over actions.

8.4 The Committee received an update on the number and status of Code of Conduct complaints received and considered by the Council's Monitoring Officer in the period 1 September 2024 to 31 March 2025 through the **Annual Summary of Member Code of Conduct Complaints**. The Committee is responsible for promoting high standards of ethical behaviour, including by developing, maintaining and monitoring the Members' Code of Conduct and as part of this it is required to receive a report, at least annually from the Council's Monitoring Officer with such a summary.

The Committee noted that the number of complaints received in the period was relatively low (5) and all had been concluded and resolved at the assessment stage. The Standards Sub-Committee therefore did not need to meet within the reporting period.

The Committee queried training on complaint procedures for Parish and Town Councils and requested more guidance on the registration and declaration of interests, which Democratic Services were requested to action.

- 8.5** The Committee approved and adopted the Council's **Whistleblowing Policy** and, in so doing, authorised the Director of Governance and Regulatory Services, in consultation with the Head of the Counter Fraud and Enforcement Unit, Head of Legal Services and Leader of the Council, to make future minor amendments. The new policy updated and replaced the existing Whistleblowing Policy with minor amendments in order to highlight key legislation, clarify the roles and responsibilities of Members, Officers and other parties and to improve clarity and understanding.

The Committee expressed a wish to ensure adequate training was available for those receiving whistleblowing reports. Members also queried procedures for occasions when they received reports and were advised to contact the Monitoring Officer in such cases.

- 8.6** The Committee noted the **Annual Local Government and Social Care Ombudsman ('the Ombudsman') Letter and Complaints Statistics** for the period 1 April 2024 to 31 March 2025. The information is provided to give insight into the Council's approach to complaints, and for consideration as part of the Council corporate governance processes. The Ombudsman is available for complaints where the Council's own internal complaints procedure has been exhausted. The letter detailed complaints which had been escalated to the Ombudsman in the period.

The Committee noted that there had been thirty-four complaints in total. Eleven complaints escalated to the Ombudsman, six of these had been immediately dismissed, four went to preliminary hearings, and one complaint had been investigated and subsequently upheld.

9. COUNTER FRAUD

- 9.1** The Committee received an update on counter fraud activities, including the updated **Fraud Risk Strategy 2025, Fraud Compliance Report and Fraud Response Plan**.

The Committee noted that the Council has a duty to prevent and counter fraud, the most common crime in the UK, and, as the body charged with governance, it was appropriate for the Committee to receive regular updates on the Council's counter fraud activity.

The Fraud Risk Strategy had been updated and reviewed to ensure that it reflected current risks, legislation, government standards and the CFEU approach. The strategy identified areas of high-risk to Local Government and appropriate responses to those risks.

The Fraud Compliance Report summarised the activities in fraud risk mitigation that the CFEU has committed to.

The Fraud Response Plan provided a quick reference guide for employees, contractors, Councillors, members of the public and third-party organisations regarding the reporting of fraud, theft or corruption.

As part of the discussion Members considered areas of non-compliance including data-analytics. Members asked for more detail on third party and contractors' access to and awareness of the Whistleblowing Policy, which had been previously approved and adopted. Additional background was requested on recruitment vetting

A detailed discussion took place on the considerations that Officers would take into account in a decision to pursue a case of fraud. As part of the exploration Officers gave the example of the successful prosecution of a former employee with polygamous employment which was noted to be a good result for the CFEU and had demonstrated good internal and external approaches to fraud.

9.2 Cyber Security

An update was brought to the Committee on the Council's actions on Cyber Security. The detail of the report and minutes for this item are exempt from publication, due to the likely disclosure of exempt information as described in paragraph 7 of Schedule 12A of the Local Government Act 1972 and are therefore not included in this report.

10. ALTERNATIVE OPTIONS

10.1 The Chair of the Audit and Governance Committee could not report back to Council on the work of the Committee in the year. This would not be considered good governance practice and contrary to the Constitution.

11. CONCLUSIONS

11.1 The above draft report forms the basis for the final full report on the work of the Audit and Governance Committee for the municipal year 2025/26 to be taken by the Chair of the Committee to Full Council. With the agreement of the Committee, the final report will be updated and agreed with the Chair of the Committee prior to publication with the Council agenda five clear working days prior to the meeting on 20 May 2026.

12. FINANCIAL IMPLICATIONS

12.1 There are no financial implications arising from this report.

13. LEGAL IMPLICATIONS

13.1 There are no legal implications arising from this report.

14. RISK ASSESSMENT

14.1 The Audit and Governance Committee has a role in overseeing the Council's risk management arrangements but there are no risk implications arising directly from this report.

15. EQUALITIES IMPACT

15.1 There are no equalities implications arising from this report.

16. SUSTAINABILITY IMPLICATIONS

16.1 None.

17. BACKGROUND PAPERS

17.1 None

(END).